

December 18, 2023

Melinda Grant, Undersecretary
California Business, Consumer Services and Housing Agency
500 Capitol Mall, Suite 1850
Sacramento, CA 95814

Dear Undersecretary Melinda Grant,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Veterinary Medicine submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2023.

Should you have any questions please contact Jessica Sieferman, Executive Officer, at (916) 416-8982, Jessica.Sieferman@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The mission of the Board is to protect all consumers and animals by regulating licensees, promoting professional standards, and enforcing the California Veterinary Medicine Practice Act (Act).

The Board's strategic goals are as follows:

Enforcement: To protect the public and their animals through education and enforcement of the laws pertaining to veterinary practice.

Licensing and Examinations: To ensure consumer protection through appropriate licensing and examination standards.

Legislation and Regulations: To review, improve, implement, and participate in legislative and regulatory processes.

Customer Service: To ensure consumers, applicants, licensees, schools, and all other stakeholders receive service in a prompt, courteous, accurate, and cost-effective manner.

Outreach: To inclusively engage and educate consumers, applicants, licensees, and stakeholders on laws and issues affecting veterinary medicine.

Control Environment

The Board's vision is to establish an environment in which Californians have access to quality veterinary care for all animals. The Board pursues its mission and vision through management's established effective control environment through its demonstrated core values – integrity, professionalism, responsiveness, transparency, efficiency, diversity, equity, and inclusion, and respectfulness. The Board's management team encourages open communication with staff,

holds weekly one-on-one meetings, and fosters an open dialogue whenever anyone has a concern – ethical or otherwise. The eight-member Board provides oversight of the Executive Officer (EO), and the EO oversees the day-to-day operations of the Board. There are three managers over Enforcement and one manager over Licensing and Administration. The management team is responsible for the recruitment and maintenance of a competent workforce; and evaluates employee performance to enforce accountability through adhering to the personnel laws, policies, and procedures. Within the licensing and enforcement teams, there are team leads (Associate Governmental Program Analyst level) who provide additional oversight. The Board, management team, and leads are all available for coaching, mentoring, and training. Documentation of these is found in The Board's strategic plan, sunset reports, and organization charts.

Information and Communication

The Board collects and communicates relevant and reliable information needed for operational, programmatic and financial decision-making through one-on-one staff/manager meetings, individual unit meetings, and all staff meetings. The Board also distributes customer satisfaction surveys, has regularly meetings with staff and stakeholders to gauge effectiveness and determine if there are any opportunities for improvement. This information is used on a regular basis to improve all communication and decision-making. Board staff maintains good working relationships with Department of Consumer Affairs' (DCA) Executive Team, Budget Offices, Legislative Affairs, Legal Affairs, Office of Human Resources, etc. They also work closely with other state and federal governmental agencies, the Attorney General's Office, and district attorneys. Employees are encouraged to report inefficiencies and inappropriate actions to management and other decision makers such as DCA. In addition, the management team works closely with the EO and meets regularly to discuss areas of concern associated with internal/external risk to the Board, staff performance, staff accountability, and fiscal matters. The EO also provides regular updates to the Board President regarding the budget, staff updates, industry and administrative concerns, and upcoming events relevant to the profession. Further, the Board meets, at minimum, four (4) times a year in a public setting to handle matters related to licensure, disciplinary actions, legislation, regulation, budget and a variety of other topics related to the status of daily operations.

MONITORING

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Veterinary Medicine monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Matthew McKinney, Deputy Executive Officer; Jessica Sieferman, Executive Officer.

The EO meets with the management team Tuesday thru Friday to discuss daily operations, challenges, and efficiencies that can be implemented. The management team meets with their individual teams and holds one-on-one meetings with staff to discuss performance and expectations. The management team works together to compare results and expectations and determine if changes are needed. The EO assigns ownership for addressing vulnerabilities to the respective managers and they are responsible for monitoring the processes in place and eliminating inefficiencies.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Veterinary Medicine risk assessment process: executive management, middle management, and front line management.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, other/prior risk assessments, external stakeholders, questionnaires, consideration of potential fraud, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, timing of potential event, potential impact of remediation efforts, and tolerance level for the type of risk.

RISKS AND CONTROLS

Risk: Inspection Mandate

Pursuant Business and Professions Code (BPC) section 4809.7, the Board is mandated to inspect 20% of registered veterinary premises throughout California. Historically, the Board has never been able to inspect 20% of premises annually. Initially, BPC section 4809.7 simply established inspection authority and required random, unannounced inspections. In 2012, the Board was concerned it was only inspecting 13% of registered premises, but the fund could not support additional inspections. To address the concern, the Board sponsored Senate Bill 304 (Lieu, Chapter 515, Statutes of 2013) which amended the statute for the Board to "make every effort to inspect at least 20%" of premises annually. In 2018, also at the Board's request, the 20% was turned into a mandate (Senate Bill 1480, Chapter 571, Statutes of 2018). It should be noted that fees were never increased to sustain increased inspections, which was the original (and ongoing) issue.

Prior Board meeting minutes over the years suggest a fundamental misunderstanding of the difference between budget expenditure authority and the Board's fund. After a thorough review of other board inspection programs, the Board appears to be the only DCA program with a percentage mandate. In addition, no other state veterinary board has such a mandate. As such, the Board has determined the 20% mandate is unrealistic and will never be met without dramatically increasing licensing fees.

Control: Remove Percentage Mandate

Upon review of all options, the Board has decided to pursue legislation, through the Sunset process, to amend BPC Section 4809.7 to remove the inspection percentage mandate.

Risk: Enforcement Backlog

The Board currently has roughly 3,600 pending cases, with approximately 700 of these over three years old. The Board received nearly 1,800 complaints/convictions in fiscal year 2022/23, and each fiscal year the number of complaints received continues to grow. Over the past few years, the Board has implemented numerous process improvements, increased staffing through a BCP and reallocation of an existing staff member to enforcement. In addition, the Board merged the inspection and

enforcement units, increasing the number of enforcement staff by 50% without additional costs. The Board is also currently absorbing four limited term positions. Board management has continuously sought to increase enforcement staff through BCPs to address the ever-increasing backlog of complaints. The Board continues to evaluate its enforcement processes and current resources to implement best-practices and efficiencies for more expeditious complaint resolution and will also seek additional staff resources when feasible.

Control: Increase Enforcement Staff

The Board is currently pursuing a BCP to make all limited-term positions permanent. With current staff levels and comparing FY 21/22 to 22/23, the Board was able to close 50% more investigations. The Board will continue to monitor and participate in the BCP process to make the limited-term positions permanent. Staff will also continue to monitor the Board's progress in closing all investigations over three years old.

Risk: Customer Service / Stakeholder Dissatisfaction

Recent customer satisfaction surveys from licensees and stakeholders indicate a dissatisfaction with the Board's overall customer service, including poor phone call/ email response times and inaccurate information being provided.

Control: Increased Evaluation of Staff Customer Service

Board management is implementing metrics to evaluate the percentage of unanswered phone calls and the amount of time spent on each call. Board management is also monitoring email responses to ensure accuracy of information being provided. This will assist management in establishing a baseline of the Board's response times and identify where additional training may be necessary.

Control: Customer Service Training

All Board staff will participate in regular customer service training through SOLID.

Risk: National Examination Vendor

The American Association of Veterinary State Boards (AAVSB) administers the Veterinary Technician National Examination (VTNE) for 63 international jurisdictions. In 2008, AAVSB adopted a policy that only graduates of accredited programs (or are part of Board approved alternate pathways) are eligible to sit for the VTNE. The VTNE is provided in three different testing windows. If a candidate fails, they have to wait until the next testing window to take the exam again. Nearly 34% of VTNE candidates (roughly 3,000 students) fail exam on their first attempt, and have to wait months before they can take the CTNE again. This often leads to the loss of job opportunities and a delay of these individuals entering the health care profession. It was recently brought to the Board's attention that AAVSB also makes exceptions for multiple states, to allow students in an accredited program to take the VTNE 3-10 months prior to graduation. When the Board requested the same exception, AAVSB denied the request and referred back to their 2008 policy. Multiple discussions with other state boards and AAVSB indicates the policy has been applied differently depending on the jurisdiction. The

AAVSB's VTNE eligibility policy now serves as an unnecessary and unfair barrier to licensure.

In June and September 2023, the Board and seven other jurisdictions signed two joint letters requesting AAVSB reconsider its policy. The AAVSB Board of Directors agreed to reconsider the policy and directed their VTNE committee to research the issue, obtain feedback from other jurisdictions, and make final recommendations to the Board of Directors. In October 2023, the VTNE Committee recommended to not only keep the existing policy but to also eliminate the ability for candidates participating in Board approved alternate pathways to sit for the VTNE. In short, alternate pathway candidates who have had the ability to take the VTNE for decades, could lose their ability to sit for the exam.

California is already facing a significant shortage in the veterinary profession (including veterinary technicians). Delaying candidates to sit for the VTNE and simultaneously removing an existing pathway to licensure will lead to less individuals entering the veterinary profession and increasing the already dire access to care issue in California.

Control: Proactive Engagement

Over the next several months, the Board will proactively engage in discussions with the AAVSB Board of Directors to not approve the VTNE Committee recommendations. In addition, the Board will proactively engage all other jurisdictions regarding this policy and its negative impacts.

Control: Explore Alternative National Examination

Over the next several months, the Board will research alternatives to the VTNE. This includes initiating discussions with the International Council for Veterinary Assessment (ICVA), the national examination vendor for veterinarians. In addition, the Board will initiate discussions with DCA's Office of Professional Examination Services (OPES) to determine the feasibility of restarting the California specific examination (an examination that was eliminated in 2019 after it was determined to be redundant to the VTNE). If either option is feasible, the Board may pursue a legislative proposal to add an alternative to the VTNE.

CONCLUSION

The Veterinary Medicine strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

Jessica Siefertman, Executive Officer

CC: California Legislature [Senate, Assembly]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency