

December 28, 2021

Lourdes M. Castro Ramirez, Secretary
California Business, Consumer Services and Housing Agency
915 Capitol Mall, Suite 350-A
Sacramento, CA 95814

Dear Secretary Lourdes M. Castro Ramirez,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Board of Registered Nursing submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2021.

Should you have any questions please contact Evon Lenerd, Assistant Executive Officer, at (916) 574-7600, Evon.lenerd@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The California Board of Registered Nursing (Board or BRN) is a state governmental agency established by law to protect the public by regulating the practice of registered nurses. The BRN is responsible for implementation and enforcement of the California Nursing Practice Act: the laws related to nursing education, licensure, practice, and discipline. The California Nursing Practice Act created a nine-member Board that serves as the BRN decision-making body.

The nine-member Board establishes policies for the BRN's legislatively mandated and regulatory programs and activities. The Board operates with a structure of standing Board committees and advisory committees that may conduct public meetings and make recommendations to the full Board.

The Board adopted a new strategic plan that allows the advancement of the Board's goals of increasing and enhancing consumer protection through the Board's oversight; thereby creating a more efficient organization to serve its stakeholders. The new strategic plan is for the period of January 2022 through December 2025. The Board's new mission is "The Board of Registered Nursing protects the health, safety, and well-being of the public through the fair and consistent application of the statutes and regulations governing nursing practice and education in California." The Board fulfills its mission by focusing its efforts on effective leadership, workforce, communication, accountability, and flexibility in order to ensure the ability to evolve with the dynamic profession of nursing.

Control Environment

Management leads by example and strives to foster a culture of accountability, responsibility, and ownership within all levels of staff. As a consumer protection agency, the BRN is comprised of programs that adhere to their responsibilities, functions, and duties in order to meet the mandate of consumer protection for California. The BRN is structured with six main program areas: Consumer Services and Board Operations; Office of Legislative Affairs; Licensing; Nursing Education; Continuing

Education and Research; Enforcement and Investigations. The program areas work together to carry out the BRN's mission.

The BRN leadership team consisting of the Executive Officer (EO), Assistant Executive Officer (AEO), Chief of the Licensing Division, and the Chief of Legislative Affairs Office; together they create the vision and collaborate with BRN executive management. The executive management team consists of the Deputy Chief of Licensing, Supervising Nursing Education Consultants, Chief and Deputy Chiefs of Enforcement, and the Deputy Chiefs of Investigations and Consumer Services and Board Operations. This teamwork fosters an environment that allows for sustainability, flexibility and adaptability. It is this environment that will allow change management principles to be utilized and all staff the opportunity to thrive and develop.

The BRN leadership and executive management teams possess the necessary capabilities and characteristics, including integrity, high ethical standards, strong leadership, critical thinking, and the ability to solve problems and possess an internal control mindset. In addition, they have programmatic and operational expertise to identify and manage the risks within the Board. These key members of management provide oversight of the design and implementation of the Board's control environment, the risk assessment process, control activities, the information and communication systems, and monitoring.

Management establishes competency expectations for employees through ongoing communication, duty statements and expectation memos. The BRN recruits, hires, on-boards, and provides ongoing training to all employees to help meet competency expectations. The BRN provides routine training for staff in all critical operations to help staff develop the necessary competence level, knowledge, skills, and abilities. Cross-training is emphasized and encouraged for staff development. As part of this organizational structure, management considers how units and program areas communicate and interact and where the areas of improvement exist. The Board takes action(s) or inaction(s) that may compromise the integrity and creditability of the Board very seriously. This behavior is addressed through performance measures, including but not limited to, the progressive discipline process. The Board strives to address issues that may arise timely and at the appropriate lowest level.

Information and Communication

The BRN will continue to communicate the expectation and requirement of monitoring activities focused on internal controls to protect against fraud, abuse, waste of state resources and misuse of funds.

Additionally, the BRN's leadership team will develop, implement and reevaluate the monitoring communication plans establishing protocols and expectations as necessary. The BRN leadership and executive management teams meet on a regular basis to discuss current issues and trends. These meetings create an opportunity for open communication and are the basis for the foundation that encourages and allows staff to have open and accessible communication protocols. Additionally, management has an "open door policy," so employees can discuss issues with any management team member and not just the managers in their chain of command. The lines of communication are open across all staff levels.

The communication protocols follow the chain of command to ensure employees throughout the organization receive relative and important information. In addition to the chain of command communication, the BRN uses a variety of methods to communicate with staff. Examples of such

methods include regular management and team meetings, all staff meetings/trainings, email blasts, and intranet postings. Further, the Board, along with the Department of Consumer Affairs (Department or DCA), communicates via email and through bulletin board postings regarding the state's Whistleblower hotline for reporting potential ethical violations. Additionally, staff are instructed that they may communicate with other managers and appropriate personnel that are outside of their chain of command if appropriate, including but not limited to, if the communication line is compromised. External communication tools include the Board's website, interested parties' meetings, Board/Committee/Advisory Committee meetings, 'The BRN Report' and social media platforms. 'The BRN Report' is available to all internal and external stakeholders and interested parties and has the vision to inspire, engage, educate, and inform.

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 Board of Registered Nursing monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Loretta Melby, Executive Officer.

The following personnel were involved in the BRN's risk assessment process: leadership and executive management.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, other/prior risk assessments, consideration of potential fraud, and performance metrics. Confirming the effectiveness of the internal control systems is critical and the BRN will use, including but not limited to, the following tools to perform that task; routine activities to identify potential problems (e.g. tracking key performance indicators, meetings, and reconciliations), periodic detailed reviews performed by knowledgeable staff not directly involved with day-to-day operation of the control system under review (internal or external reviewers), comparison of results to expectations and determination if changes are appropriate, process to assign ownership for addressing vulnerabilities, and monitoring of progress to reduce the identified vulnerabilities.

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

RISK ASSESSMENT PROCESS

The following personnel were involved in the Board of Registered Nursing risk assessment process: executive management, and middle management.

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

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

RISKS AND CONTROLS

Risk: Information Communication

Communication of critical information may not always reach the intended parties timely. The BRN plays a pivotal role in consumer protection and accurate and timely communication is essential to that duty. The BRN's focus on improving communication is ongoing and has been included in previous SLAA reports, strategic plans, and sunset related documents. Due to the constant flow of information, frequent changes, and the inability to reach all internal and external stakeholders instantly this has been identified as a risk. Easy access to clear and effective communication are key in serving both our internal and external stakeholders. Poor communication could result in ineffective, incomplete, and inaccurate information being released, relied upon in the decision-making process. The Board will continue to develop new lines of communication and update existing lines of communication as needed to allow for continued process improvement. Additionally, unclear communication may lead to frustration and failure to meet the needs of our consumers. This creates an internal and external risk. Managing this risk requires control(s) that address adequacy, accuracy, interpretation, and timeliness.

Control: A - Communication Plan

Develop both an internal and external communications plan to ensure all parties are informed and aware of critical information timely. This plan will include, but is not limited to, performing a Failure Mode and Effects Analysis (FMEA) to identify potential areas of concern and their corresponding outcomes. This evaluation allows for a bottom-up approach to build a more general plan of action. Additionally, a Root Cause Analysis (RCA) will be performed, which will identify any gaps and assist in developing a plan to address any gaps in the communication protocols.

Control: B - BRN Staff Meeting

Conduct two all BRN staff meetings per year to promote internal communication.

Risk: Workforce - Recruitment, Retention and Development

The recruitment, retention and development of staff is a critical element for a successful organization. Adhering to best hiring practices that will ensure a fair and equitable hire of the most qualified candidate is paramount to effective recruitment. Key elements for retention of qualified staff are professional growth and development. Staff development can be adversely affected by unreasonable workload and expectations and the complexity of the work product.

Loss of key individuals in all program areas could lead to a lack of knowledge transfer resulting in loss of information. This loss of information can result in increased training expenditures, decrease in productivity, and slower processing and response times impacting the services provided to the public. As new employees are on-boarding, the tasks or projects they are assigned to may impact the productivity of an experienced employee providing the training. Losing an experienced employee may result in assignments taking longer, due dates not being met, critical information accidentally omitted or missed, and a negative impact on morale.

Control: A - Recruitment

The BRN is creating an environment that does not lead to burn out and offers a work-life balance, training, cross training and opportunities to gain the experience and knowledge needed for future quality assignments and promotional opportunities.

Requiring the adherence to the good faith hiring practices are the foundation for every recruitment. Additionally, providing continuous quality training on the hiring process and identifying the expectations of the hiring process for all supervisors/managers is essential. The BRN is building a strong and sustainable workforce beginning with the recruitment process.

Control: B - Expectations and Employee Engagement

To maximize the probability that employees will achieve the expectations, management must empower and engage the employees. Some of the action items that the BRN management must employ are: ensuring the employees have the tools needed to be successful in reaching the expectations; setting realistic expectations and goals with target due dates that are identified in partnership with employees when possible and understanding the employees' current workloads and challenges and consider these factors when setting expectations. The process of developing and/or revising desk manuals for all positions is underway.

Control: C - Succession Plan

The BRN must develop and continuously update, as appropriate, a succession plan for its future workforce needs. Components of the succession plan efforts will include, but are not limited to, more options for training and job shadowing as well as coaching and mentoring opportunities during non-busy times in fair and equitable manner. These options will assist in creating a talent pipeline needed for an effective succession plan.

Risk: Monitoring - Frequency, Reporting and Documenting

A lack of policies and procedures, that delineates a monitoring plan(s) and the process(es) for reporting and documenting finding(s) may result in inefficiencies, missed opportunities for enhancements and inability to provide complete documentation during an internal or external audit or inquiry. Not having effective monitoring plans and tools could lead to poor quality work product, which could compromise BRN's integrity and creditability as an organization.

Control: A - Monitoring Plans

Develop and implement monitoring plans for all program areas throughout the organization.

Control: B - Monitoring Performed by Management

The BRN will provide management responsible for monitoring initial and ongoing training and goals and expectations for monitoring activities.

Control: C - Evaluation of Monitoring Activities

Ensure regular and consistent internal evaluations of the monitoring activities and outcomes.

Additionally, contingency plans must be developed and implemented in the event an issue is identified. These plans will identify resolution of the issue and future mitigation efforts to prevent the issue or similar issues from arising.

CONCLUSION

The Board of Registered Nursing 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.

Loretta Melby, Executive Officer

CC: California Legislature [Senate (2), Assembly (1)]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency