

December 30, 2019

Alexis Podesta, Secretary
California Business, Consumer Services and Housing Agency
915 Capitol Mall, Suite 350-A
Sacramento, CA 95814

Dear Ms. Alexis Podesta,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the California Board of Architectural Examiners submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2019.

Should you have any questions please contact Laura Zuniga, Executive Officer, at (916) 575-7232, Laura.zuniga@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Board protects the public health, safety, and welfare by establishing standards for professional qualifications, ensuring competence through examinations, setting practice standards, and enforcing the Architects Practice Act.

Vision

The Board will be the model for excellence for regulation and consumer protection.

Values

Collaborative

Professional

Innovative

Proactive

Diversity

Strategic Goals

1. Amend existing law regarding continuing education requirements for license renewal to reflect the evolving practice.
2. Provide licensees the opportunity to submit continuing education documentation online to increase efficiency in license renewal.
3. Conduct an occupational analysis of the profession to reflect current practice.
4. Review and amend California Code of Regulations (CCR) section 117 and related regulations to reflect current licensing requirements.

5. Educate architects regarding their responsibilities under Business and Professions Code section 5535 "responsible control" and CCR section 151 "aiding and abetting," to protect consumers from unlicensed practice.
6. Research and evaluate categories of criminal convictions as they relate to the practice of architecture and amend disciplinary guidelines and rehabilitation criteria to comply with the requirements of AB 2138 (Chiu, Chapter 995, Statutes of 2018).
7. Collaborate with websites to restrict advertisements from unlicensed entities.
8. Educate licensees and the public on the penalties for violations of the Architects Practice Act.
9. Increase the use of social media outlets to better communicate with new licensees and consumers.
10. Collaborate with the Department of Consumer Affairs (DCA) Communications Office to improve communications with all stakeholders.
11. Develop an information exchange with related professionals of DCA to better educate the professionals of the duties, needs, and pitfalls of each discipline.
12. Expand outreach to community colleges and schools of architecture, including Board meetings on campuses to increase public and professional awareness.
13. Issue an annual practice brief update on licensee misconduct to increase public and professional awareness.
14. Collaborate with NCARB, the American Institute of Architects (AIA) and the National Architectural Accrediting Board to help students fulfill Integrated Path to Architectural Licensure (IPAL) program experience requirements.
15. Collaborate with high schools to promote the architect profession and promote entry into the profession.
16. Attend collateral organization meetings (such as Monterey Design Conference and AIACC) with an information booth to increase public and professional awareness.
17. Partner with related professional organizations to promote the Board's website and increase the presence and awareness to consumers and the public.
18. Meet with California Council for Interior Design Certification (CCIDC) and California Building Officials (CALBO) (regarding design limitations for professionals) to clarify the areas of practice.
19. Promote Board staff development and team building to increase efficiency.
20. Collaborate with DCA to conduct an employee engagement survey to improve employee morale, address employee concerns, and promote a positive work environment.
21. Undertake business modernization activities to achieve a smooth transition to an integrated online IT platform
22. Prepare for Sunset Review hearing and responses to background paper.

Control Environment

We have recently updated office guidelines for all staff so that expectations are clear. We ensure staff are updated on all DCA policies and submit acknowledgements as required.

Board staff are under the control of the Executive Officer (EO), who report to the appointed Board members. There is an Assistant Executive Officer (AEO) who oversees the individual managers (three) over each program area (Landscape Architects, Enforcement/Administration and Licensing/ Examination). The managers have oversight over the day to day work of their individual unit, and meet regularly with the AEO and EO to keep them apprised of operations. We had DCA's SOLID Unit

conduct an Employee Engagement Survey to identify any concerns among staff with program management or program operations.

Managements establishes and demonstrates integrity and ethical values by establishing office guidelines to define clear expectations and ensure staff are aware of their rights and responsibilities, encourage open communication of any problems or concerns.

We hold regular all staff meetings to keep staff updated on Board operations. We cross train staff and encourage them to take available training classes to enhance their skills and/or learn new ones. We have begun conducting annual performance reviews and development of IDPs to evaluate performance and help assist staff in achieving their professional goals.

Information and Communication

Our appointed Board meets quarterly and staff prepares a comprehensive report on board operations and budget information for their review and discussion. These meetings are open to the public and provide an opportunity for stakeholders to ask questions and present information or concerns to the Board.

We have all staff meetings to update staff on current operations, and provide a forum for questions. Staff are also encouraged to discuss any concerns with their direct supervisor at any time.

Every four years the Board undergoes a sunset review process before the Legislature. As part of that process, the Board prepares a comprehensive report on Board operations over the prior four year period, including information on all aspects of the program. The Board reviewed the draft version of this report at a public meeting, and provided input on the content.

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 California Board of Architectural Examiners monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to:
Laura Zuniga, Executive Officer.

We report to the Board quarterly key performance indicators for our licensing and enforcement functions. At each board meeting, members review and discuss the results. Issues requiring further review and discussion are referred to the Board's appointed committee for further deliberation, with a recommendation from the Committee coming back to the Board, so that the Board is satisfied that appropriate action has been taken. If the Board is not satisfied, the item will go back to staff for additional work.

RISK ASSESSMENT PROCESS

The following personnel were involved in the California Board of Architectural Examiners risk assessment process: executive management, middle management, and front line management.

The following methods were used to identify risks: other/prior risk assessments, and questionnaires.

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.

Reviewed prior documented risks; reviewed and discussed them with management to determine current risks.

RISKS AND CONTROLS

Risk: Fi\$Cal Impacts to Operations and Decision Making

Accurate and timely revenue and expenditure reports are not currently available from the Fi\$Cal system and this ultimately results in DCA being unable to produce timely reconciled monthly and year end financial statements to Boards. Specifically, the Board is unable to access timely reports and readily validate the accuracy of data postings. This results in information lags as well as in poor, and inaccurate, real-time reporting to the Board. Further, reports generated from the system often track awkward reconciliation points or contain incomplete or not user-friendly data. Accurate and usable reports are needed to make prudent budget and operational decisions. Special funds often have structural funding concerns, so understanding cash balances and expenditure status is essential. Board staff, as a result, often manually track unresolved Fi\$Cal issues in hopes of providing better real time data to executive level managers. This adds significant staff time, and the manual preparation of reports outside of the system opens the Board up to a larger opportunity for making unintended errors.

Control: Elevating Issues to DCA

The Board is in communication with DCA on a regular basis to resolve open items which include posting corrections, programming concerns, and report suggestions within the system.

Control: Independently Tracking Data

The Board relies on data tracking outside of the Fi\$cal system and regularly works with budget, accounting, and business services staff at DCA to track issues and make forecasting projections. This information is often utilized for meeting materials. Additionally, the Board requests information as needed from DCA to try to identify and fix errors.

Risk: Leave Management

Our AEO has a leave balance far above the recommended cap. The risk occurred because prior management of the Board did not enforce a leave management plan. The current policy is to have a leave management plan for all staff in excess of the cap, and the Executive Officer regularly monitors the leave balance for all staff to ensure no staff, beyond the AEO, exceed the cap and works with the AEO to reduce her leave balance

Control: Leave Management Plan

AEO has been placed on a leave management plan, and EO regularly reviews leave summaries to ensure other staff's leave balances are appropriately managed.

Risk: Business Modernization

Our board is currently participating in Business Modernization under the oversight of DCA. All licensing boards and bureaus under DCA have either transition to a new system or are in the processing of trying to transition. The risk is that in the transition to a new system the Board will experience delays in the processing of new applications for licensure, as well as a delay in processing renewal applications. The Board will also incur significant cost to procure a new system.

The Board has worked with DCA to map all of its existing business processes and develop a list of requirements for a new system, to make the transition to a new system as smooth as possible.

Control: IT System

Our Board is currently involved in Business Modernization efforts with the Department of Consumer Affairs, as part of the Project Approval Lifecycle process overseen by the CA Department of Technology.

Risk: Regulations

The Department of Consumer Affairs issues licenses, certificates, registrations, and permits in over 250 business and professional categories through 37 regulatory entities comprised of boards, bureaus, committees, a program, and a commission. These 37 entities set and enforce minimum qualifications for the professions and vocations they regulate, which requires them to promulgate regulations.

Prompted by an increase in the number of regulations disapproved by the Office of Administrative Law, in late 2016, the Department and the Business, Consumer Services and Housing Agency (Agency) changed the process for reviewing regulations. The resulting enhanced scrutiny from the Department and Agency successfully reduced the number of disapproved regulations because it led to a more thorough examination of regulation packages. But while disapproval rates plummeted, a consequence was lengthened timelines to adopt regulations.

Control: DCA

The Department was authorized in the 2019 Budget Act to hire six attorneys, a senior legal analyst, and a research program specialist II to increase its capacity for developing, reviewing and issuing regulations. The Department's attorneys are being trained by the Office of Administrative Law to review regulations. The Department is also conducting training of all participants in the regulations process to improve regulation packages and timelines. In addition, the Department is developing a department-wide computerized regulation management and tracking system to better track and streamline the review of regulations.

CONCLUSION

The California Board of Architectural Examiners 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.

Laura Zuniga, 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