

# Physical Therapy Board of California

## Although It Can Make Improvements, It Generally Processes Complaints and Monitors Conflict-of-Interest Requirements Appropriately

### REPORT NUMBER 2011-119, ISSUED JUNE 2012

This report concludes that one of the Physical Therapy Board of California's (physical therapy board) expert consultants has served as the in-house consultant since approximately 2003, performing cursory reviews of certain complaints before they may be referred to other expert consultants in the field. Although this individual has served in this capacity for approximately nine years, the physical therapy board has not tried to hire a state employee to fulfill this function at a reduced cost. We believe that the physical therapy board may be able to save approximately \$28,000 to \$35,000 annually if it can hire a state physical therapy consultant at existing state rates to perform the same work as its in-house consultant. The physical therapy board also lacks a process to formally evaluate its in-house or other expert consultants' performance, which limits its ability to demonstrate that it maximized the efficacy of the nearly \$95,000 it spent on expert consultants in fiscal year 2010–11.

In addition, we found that the Department of Consumer Affairs (Consumer Affairs) does not ensure that members of its boards participate in required board member orientation, nor does it ensure all necessary employees attend required ethics training. We also found that two former board members submitted their statements of economic interests significantly after state deadlines. When board members do not submit these statements in a timely manner, the public and the board members themselves may be unaware of potential conflicts of interest that may disqualify the board members from dealing with particular issues that come before the board.

However, our testing indicates that the physical therapy board appropriately investigates complaints and imposes discipline. In addition, we found that the physical therapy board's relationships with professional organizations are appropriate. Finally, we found that the physical therapy board complies with the agenda, public-comment, and closed-session requirements of the Bagley-Keene Open Meeting Act.

In the report, the California State Auditor (state auditor) made the following recommendations to Consumer Affairs and the physical therapy board. The state auditor's determination regarding the current status of recommendations is based on Consumer Affairs' and the physical therapy board's responses to the state auditor as of December 2012.

#### **Recommendation 1.1—See pages 17—20 of the audit report for information on the related finding.**

The physical therapy board should explore the feasibility of establishing a state position to perform the duties of its current in-house consultant at a reduced cost.

#### ***Physical Therapy Board's Action: Pending.***

The physical therapy board reported that it is attempting to establish a civil service position to perform the duties of its current in-house consultant. However, the physical therapy board stated that this is an involved and lengthy process that it does not expect to complete until July 2015. As an interim solution, the physical therapy board stated that it is considering negotiating a new contract at a reduced rate when the current contract with the in-house consultant expires in March 2013.

#### **Recommendation 1.2—See pages 20 and 21 of the audit report for information on the related finding.**

To make certain that it provides effective services to consumers, the physical therapy board should develop a means of formally evaluating its expert consultants against performance measures and benchmarks. Furthermore, the physical therapy board should conduct these evaluations regularly and document them fully.

***Physical Therapy Board's Action: Fully implemented.***

The physical therapy board developed formal policies and procedures to evaluate the performance of its in-house and other expert consultants in December 2012 and July 2012, respectively. These procedures were designed to evaluate expert consultants' productivity and quality of work product, among other attributes. The policies require the in-house consultant to be evaluated at least annually and other expert consultants to be evaluated every time they provide a service.

**Recommendation 1.3—See pages 22—24 of the audit report for information on the related finding.**

Consumer Affairs should establish procedures for ensuring that board members attend board member orientation and that those individuals and other designated employees receive all required ethics training. In addition, Consumer Affairs should adhere to the record retention period of five years specified by law for the certificates documenting that designated employees received ethics training.

***Consumer Affairs' Action: Partially implemented.***

Consumer Affairs agrees with this recommendation and reported that it is currently implementing an ongoing process of reviewing its files to confirm that its board members attend board member orientation and that those individuals and other designated employees receive all required ethics training. If Consumer Affairs does not have documentation that board members and other designated employees completed all applicable training, it will notify those individuals that they need to comply with the mandatory training requirements or provide evidence that they have already attended all applicable training. Consumer Affairs also reported that it will retain documentation that designated employees received all mandatory training, including ethics training, for five years.

**Recommendation 1.4—See pages 24 and 25 of the audit report for information on the related finding.**

To ensure that board members disclose in a timely manner potential conflicts of interest on their Form 700s, the physical therapy board should notify Consumer Affairs' filing officer promptly when board members are appointed or when they indicate that they intend to leave office.

***Physical Therapy Board's Action: Fully implemented.***

The physical therapy board has developed procedures that direct its personnel liaison to notify Consumer Affairs' filing officer within 10 business days of board members assuming or leaving office.