

December 27, 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 Court Reporters Board of California 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 Yvonne K. Fenner, Executive Officer, at (916) 263-4081, Yvonne.Fenner@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The mission of the CRB is to protect the public by ensuring the integrity of the judicial record and maintaining the standard of competency through oversight of the court reporting profession. The strategic goals and objectives fall into five broad categories:

1. Professional Qualifications – The Court Reporters Board (CRB) promotes the professional qualifications of those practicing court reporting by establishing examination standards and requirements.
 1. Maintain fair testing to provide consumers with competent entry-level reporters.
 2. Expand Best Practice Pointers to keep licensees up-to-date with industry standards.
 3. Facilitate expansion of verbatim reporting methods to provide a sufficient workforce.
 4. Investigate real-time captioning standards and assess industry practices for consumer protection.
2. Enforcement – The CRB protects consumers by preventing violations and effectively enforcing laws, codes, and standards when violations occur.
 1. Monitor compliance by non-licensee-owned firms to ensure integrity of the record.
 2. Inform licensees regarding the role of the board's enforcement to dispel common misconceptions.
 3. Educate consumers about the board's complaint process to have a place for recourse in cases of violation.
3. Educational Oversight – The CRB advances higher education standards through educational oversight to increase the quality of education and safeguard consumer protection.
 1. Support schools' recruitment efforts to preserve the integrity and continuity of the

- workforce.
2. Increase CRB school visits to more effectively monitor compliance with applicable laws and regulations.
 4. Consumer Information – The CRB increases public and professional awareness of its mission, activities, and services, with a focus on practice standards.
 1. Launch a strategic awareness campaign in collaboration with external stakeholders to educate consumers about the court reporting roles and CRB responsibilities and services.
 5. Organizational Effectiveness – The CRB enhances organizational effectiveness and strives to improve the quality of customer services.
 1. Improve the CRB website to improve service and efficiency for consumers.
 2. Implement business modernization to allow online renewals and applications.
 3. Continue to cross-train staff to be effective and efficient, as well as to prepare for succession planning.

Each of the goals is broken down and compiled into an action plan that is reviewed at each board meeting in order for the board members to be apprised of the status of progress as well as recommend a shifting of priorities as needed.

Control Environment

The board members and board management staff complete ethics courses provided through the Department of Justice. Training requirements are tracked by board staff in order to maximize compliance. Department of Consumer Affairs (DCA) staff counsel is helpful in reminding board members and staff of ethical obligations regarding open meeting laws as well as conflict of interest concerns. Ultimately the executive officer and board chair are tasked with the responsibility of ensuring the integrity of the CRB.

The CRB has a very small staff consisting of the executive officer and four positions. There is one full-time licensing and examination position, one full-time enforcement position, one full-time Transcript Reimbursement Fund (TRF)/board liaison position, a half-time TRF position, and a half-time receptionist/clerical support position. The executive officer is the only management-level employee and is, thus, solely accountable for the CRB workforce.

The executive officer holds monthly staff meetings, more often if required. Information regarding strategic plan initiatives as well as processes relating to internal control systems is discussed. If duties are to be assigned to a particular staff person, a one-on-one meeting is held with the executive officer.

Vacancies are very rare. Recruitment is done as needed to fill vacancies. The hiring process is about to begin to fill a half-time position left vacant from a recently-retired management services technician.

Because each staff person is solely responsible for a particular aspect of the board's activities, we do not use a traditional model of a supervisor training others in their department. To protect from unexpected absenteeism, staff are cross-trained on each other's desks so that consumers are able to be helped by multiple people, even though it is not their area of primary responsibility.

One-on-one meetings are held with staff to discuss their career goals. This is done in conjunction with the performance evaluations. The goal for 2020 is to complete performance evaluations in each employee's birth month. During performance evaluations, expectations are set out and documented for ease of follow up.

Information and Communication

Because of the small size of staff, internal communication is often informal. Regular staff meetings are held, and information is shared via email. Board staff is very competent, but at the same time open to ways to improve efficiency. Typically, staff make suggestions directly to each other, but also feel comfortable reporting to the executive officer.

The CRB receives its budget information via DCA's Budget Office. The FI\$CAL implementation has been a rocky road but timeliness and accuracy of budget information has improved significantly over the last year.

Information regarding the CRB's activities is shared with licensees and other stakeholders via a biannual newsletter. Additionally, email is used to deliver relevant information to the subscription list of interested parties. The CRB also utilizes its website as a method of communication for essential information to the public.

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 Court Reporters Board of California monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Yvonne K. Fenner, Executive Officer.

As the head of the CRB, Yvonne Fenner, Executive Officer, is responsible for the overall establishment and maintenance of the risk management and internal control systems.

Executive Monitoring Sponsor(s)

The executive monitoring sponsor responsibilities include facilitating and verifying that the CRB control monitoring practices are implemented and functioning as intended. The responsibilities as the executive monitoring sponsor(s) have been given to Yvonne Fenner, Executive Officer.

Monitoring Activities

The executive officer is involved in day-to-day activities of licensing and enforcement at a supervisory level, and, therefore, the monitoring is daily. The executive officer uses preparation for board meetings as an opportunity to review and prepare detailed reports in all areas of board operation where the results of board activity is documented and measured. In reviewing the reports, any issues that require action are noted and corrective action taken with the pertinent staff person at that time.

Budget expenditure projections are reviewed monthly in detail with board staff to ensure accuracy. All reports are submitted to the board at board meetings for review and input.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Court Reporters Board of California risk assessment process: executive management.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, other/prior risk assessments, external stakeholders, questionnaires, and other.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, and timing of potential event.

RISK ASSESSMENT PROCESS

Executive management, which is the only management at CRB, was involved in the CRB risk assessment process. The analysis was based on the experience and knowledge of the executive officer. The executive officer used the following criteria to rank the risks: Likelihood of Occurrence, Potential to Impact Mission/Goals/Objectives, and Timing of Potential Event.

RISKS AND CONTROLS

Risk: Transcript Reimbursement Fund

The CRB has a decreasing licensee base and increasing costs of doing regular business. The Transcript Reimbursement Fund (TRF), a fund available to indigent litigants to receive reimbursement for civil transcripts, is funded from license fees. The TRF has been in existence since 1981 and provided millions of dollars of help to qualified litigants. The CRB fund must have a minimum of six months' operating expenses for the TRF to be funded, and the TRF has had to be temporarily closed pending a rebuilding of the board's reserves.

Control: Address Licensing Fee Schedule

The CRB has raised the license fee to help compensate for the budget imbalance. Every effort is being made to reduce expenditures and increase efficiencies. Budget expenditure reports are reviewed monthly (or as available from the DCA Budget's Office). It is expected that the TRF will reopen for the 2020-21 fiscal year.

Risk: Inadequate/Outdated Technology

CRB staff has been involved in meetings exploring options for those boards and bureaus not already on the BreEZe platform. While proceeding with a new platform will be an expensive undertaking, many cost efficiencies will result to the board. Additionally, better service will be provided to consumers interacting with the board, from licensees wishing to renew online, to litigants submitting TRF applications online, and consumers submitting complaints online.

Control: Business Modification

Board staff is pursuing a contract that will allow for the ability of accepting credit cards for payment while it fully considers the business modernization options.

Also, board staff is exploring a phased-in approach in which a portion of the board's activities would be transferred to a new platform piecemeal, in a modular approach. Expenditures could be spread out over more time if the board updated a module at a time.

Risk: Staffing (Hiring and Retention)

The small size of staff remains a risk to the operation of the board. Anything from a planned vacation to an extended illness could disrupt the day-to-day activities.

Control: Cross Training

Extensive cross-training has been conducted in order to prevent interruption in board services. At this point all positions have one backup and most have two to three.

CONCLUSION

The Court Reporters Board of California 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.

CONCLUSION

The Court Reporters Board strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising the controls to prevent those risks from happening. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

Yvonne K. Fenner, 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