

December 31, 2025

Tomiquia Moss, Secretary
California Business, Consumer Services and Housing Agency
500 Capitol Mall, Suite 1850
Sacramento, CA 95814

Dear Secretary Tomiquia Moss,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Board for Professional Engineers, Land Surveyors, and Geologists submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2025.

Should you have any questions please contact Tiffany Criswell, Assistant Executive Officer, at (916) 999-3581, Tiffany.Criswell@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Board's mission is to protect the public's safety and property by promoting standards for competence and integrity through licensing and regulating the Board's professions.

Through its strategic plan, the Board fulfills its mission by focusing on a commitment to being a leader in protecting the public and environment with competent and ethical professional services by the Board's licensees. The Board works collaboratively with Department of Consumer Affairs (Department or DCA) and Business, Consumer Services and Housing Agency (BCSH), Legislature, and external stakeholders. Board management and staff have well defined roles and responsibilities, and the management team leads by example, conducting day-to-day operations with professionalism.

The Board's strategic goals and objectives are as follows:

Goal 1: Licensing: The Board protects the public by licensing qualified individuals who provide professional services in California.

- Improve communication to licensees to ensure they are engaged and up to date on regulations and policies.
- Continue rollout and enhancement of the Connect system to improve interactions with licensees.
- Develop a strategy to implement a continuing education requirement to help licensees

maintain and improve their professional knowledge and awareness of new, pertinent laws.

- Implement a renewal assessment to promote better informed licensees regarding relevant laws and regulations.

Goals 2: Applications and Examinations: The Board processes applications and administers examinations in a timely and accessible manner to determine individuals' qualifications for licensure.

- Improve communication to applicants to educate them on application and examination requirements, the Connect system, and the licensing process.
- Offer applicants current status updates in the Connect system as a way of checking the status of their application online and reducing the need for applicants to call the Board.
- Continue rollout and enhancement of the Connect system to streamline applications and the exam scheduling process.
- Update and maintain the list of frequently asked questions and appropriate answers to enable applicants to submit a complete application package and improve staff efficiency.
- Educate prospective references that their opinion of an applicant's readiness for licensure is as important as passing an exam to provide additional verification of the applicant's qualifications.
- Advocate for national exam and state exam standards to maintain their high quality and which reflect the knowledge and skills needed in the profession(s) to accurately measure applicants' qualifications to practice in California.
- Keep licensure requirements and exams relevant and fair to competent applicants with varied education and experience to increase diversity in the professions, leading to an increase in the number of licensees.
- Increase the visibility of application processing timeframes on the website to inform Board members, licensees, and consumers of the Board's performance.

Goal 3: Laws and Regulations: The Board strives to ensure that statutes, regulations, policies, and procedures strengthen and support its mandate and mission.

- Collaborate with the Department of Consumer Affairs and the California Business, Consumer Services and Housing Agency on the timeline for approval of regulations to facilitate timely implementation of changes.
- Develop a mentorship or succession plan to provide staff with continuity of knowledge and skills related to the legislative and rulemaking processes.
- Anticipate the need for new legislation, recruit potential sponsors for bills, and respond to

bills that have an effect on the Board's ability to protect the public in an effort to ensure statutes are relevant and to support the Board's mission.

- Develop and promote new regulations as necessary to implement statutory authority and to keep Board policies and procedures consistent and relevant across all the professions.
- Improve communication to licensees to ensure that they are kept aware of changing laws and regulations.
- Promote legislation to increase and collect penalties for unlicensed practice to provide effective deterrents.

Goal 4: Enforcement: The Board strives to protect the public by enforcing the laws and regulations governing the Board's professions.

- Continue development and refinement of the Connect system's enforcement module to increase the efficiency of complaint submittal, respondent contact, case-tracking, and reporting of case status.
- Improve education to applicants and licensees of common violations that could lead to disciplinary action to reduce violations and increase understanding of requirements.
- Work with law enforcement and other appropriate government agencies to enforce penalties to provide effective deterrents to unlicensed practice.
- Continue to reduce investigation timelines to streamline enforcement against violators and be responsive to complainants.
- Educate other governmental entities about unlicensed practice to minimize risk to the public and increase effectiveness of enforcement actions against unlicensed individuals.
- Develop a plan for recruitment, training, and retention of expert consultants to improve the quality and consistency of case reviews.

Goal 5: Outreach : The Board promotes the importance of licensure to educate applicants, licensees, the public, and other stakeholders about the practice and regulation of the professions.

- Solicit feedback from applicants, licensees, complainants, respondents, consumers, and staff to gauge the Board's success in meeting its goals and to receive suggestions for improvement.
- Increase outreach to students through innovative tools and social media platforms to increase interest in the professions, recognition of the importance of licensure, understanding of requirements, and awareness of the Board's activities.
- Explore and implement additional means of outreach on social media, including advertising, to increase interest in the professions, recognition of the importance of

licensure, understanding of requirements, and awareness of the Board's activities.

- Increase public awareness of the Board's functions and services so the public knows how to submit complaints and can use the Board as a resource.
- Ensure accessibility of information on licensure to the public to improve inclusion of underserved populations.
- Collaborate with the Department of Consumer Affairs to identify a strategy to require a notice of complainants' rights with the Board to improve the public's awareness.

Goal 6: Customer Service and Administration: The Board continuously works to improve efficiency and quality of its services.

- Provide customer service training to staff on a periodic basis to reinforce the importance of serving the public.
- Develop a mentorship or succession plan for all management positions to provide continuity of knowledge.
- Assess and administer, where appropriate, technological developments that improve process efficiencies to better serve applicants, licensees, and the public.
- Create an onboarding program for the Board members to educate them on the Board's regulated professions, policies, and procedures to increase the Board members' effectiveness and confidence.
- Evaluate customer service complaints to find patterns related to the sources and types of complaints to implement changes where needed.

Control Environment

The Board has established an effective control environment to include:

- Organizational oversight is set forth in law and includes an independent board comprised of 15 members that Board staff provide reports to at six annual meetings. Additional oversight is provided by the Department and Control Agencies (BCSH, Department of Finance [DOF], Legislature, etc.). In addition, accountability is facilitated with annual reports and sunset reviews.
- Organizational structure is assembled by regulatory function (i.e., licensing and enforcement) with reporting to ensure responsibilities are shared and allow those in authority to pursue business objectives.
- Documentation of the organizational structure, processes, policies, and standards that are utilized to maintain control across the organization are reported to the Department, and Control Agencies.
- The Board utilizes the Department's training and planning unit (SOLID) to develop and

maintain an efficient and effective team of professional and public leaders and staff and improve the Board's programs and services.

- Accountability for the execution of internal control responsibilities is formed by law, developed through regulation, with oversight from the Legislature, Control Agencies, the Department, the Board and direction of the executive program managers.
- Establishment and demonstration of integrity and ethical values is done through the ethics training and timely completion of Form 700s (financial disclosure requirement document). Additionally, staff are made aware of the Whistleblower Act and process to make Board staff participate in training and must acknowledge policy memorandums and obtain training certifications as required by the Department.

Information and Communication

Board executive management oversees the use of information critical to operations. Executive management regularly evaluates the accuracy and adequacy of information. The Board is required to collect and communicate information about operations, programs and financial and/or the Board's fund condition through various reporting mechanisms to include:

- Distribution of information needed to perform control activities and to understand internal control responsibilities is delivered regularly by the Department and Control Agencies (BCSH, DOF, Legislature, etc.).
- Channels of communication for the Board begin with the executive officer and extend to a staff of approximately fifty (50) full-time individuals working to achieve the Board's goals and objectives. Information is shared in a timely manner via meetings or emails as needed. All public information is shared at board meetings, which are held six times annually and with the public in attendance. Information is also shared with the public on the Board's website and via social media.
- Personnel understand their responsibilities for internal control through the management structure and the training and distribution of assigned ongoing unit meetings facilitated by management that provide the environment and structure to report inefficiencies. Inappropriate actions can be shared through confidential communication with management or executive program managers. In addition, Board staff are provided training and policies, including DCA's ISO 21-01 Acceptable Use of Information Technology Systems, LGL 21-01 Incompatible Work Activities, Equal Employment Opportunity (EEO) 18-02 Non-Discrimination Policy, and Complaint Procedures and EEO 12-01 Sexual Harassment Prevention Policies, which provide direction for reporting inefficiencies and inappropriate actions.
- Board Staff can also report alleged threats or acts of workplace violence to the Division of Investigation, Special Operations Unit, in accordance with DCA's Workplace Violence

Prevention Policy DOI 19-01.

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 for Professional Engineers, Land Surveyors, and Geologists monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Tiffany Criswell, Assistant Executive Officer; Richard Moore, Executive Officer.

The risk assessment process involves the executive officer, assistant executive officer, managers, and support staff. With a total staff of approximately fifty (50) full-time employees headquartered in a single office, an organization-wide risk assessment is an on-going process that includes 100% of the staff. Potential risks and improvements to internal controls can be raised at regular all-staff meetings, manager meetings, and unit meetings or at any time via email or individual meetings.

A risk must be documented when it meets both of the following criteria:

- The ability of the Board to carry out its mission.
- There is no known internal control (existing business process) in place to mitigate the risk.

Addressing and monitoring vulnerabilities - Processes vary depending upon the type of risk control identified. Programmatic risks are assigned to the executive officer and assistant executive officer. Unit risks are addressed by the designated manager directing each unit, in consultation with the executive officer and assistant executive officer and appropriate Control Agencies.

The Board is in the process of implementing and documenting the ongoing monitoring processes as outlined in the monitoring requirements of California Government Code sections 13400-13407. These processes include reviews, evaluations, and improvements to the Board's systems of controls and monitoring.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Board for Professional Engineers, Land Surveyors, and Geologists risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, 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, timing of potential event, potential impact of remediation efforts, and tolerance level for the type of risk.

RISKS AND CONTROLS

Risk: Backlog or Increase in Enforcement Complaint Processing

In September 2020, the Board launched BPELSG Connect, a new online licensing and enforcement platform. The new system converted the traditional submittal and processing of licensing applications, renewal payments, and complaints by mail to online submittal and back-office processing. BPELSG Connect permits complaint information to be submitted online and supporting documentation to be uploaded electronically. Traditional mail submittals required the consumer to bear the cost of postage and often duplication of large sets of plans, maps, and other supporting documentation. Phasing to online submittals created a simpler way to file complaints, free of that burden. This process accomplished its goal of providing easier access for consumers; however, this has generated a marked increase in the volume of complaints received. The year prior to implementation, Fiscal Year (FY) 2019/2020, the Board received 377 complaints. In FY 2021/2022, 435 complaints were received. Steadily increasing since, 509 complaints were received FY 2024/2025.

Effective July 1, 2025, the Board was required to eliminate two positions in accordance with Budget Letter 24-20, including one from the Enforcement Unit responsible for processing complaint investigations. Without sufficient staffing to manage the increase, there are concerns there will be an increase in processing timeframes, which is detrimental to consumer protection.

Control: Monitor and Adjust Workload Responsibilities as Necessary

The Board is shifting workload responsibilities and duties to accommodate increased caseloads and public correspondence. Management will continue to analyze and monitor trends, and will adjust accordingly, until such time as it becomes necessary to take appropriate action in increasing staffing.

Risk: Structural Imbalance in Fund Condition

As a Special Fund agency, the Board receives no General Fund support and relies solely on fees set by statute, which are collected as licensing and renewal fees. The Board's budget authority is the Professional Engineer's, Land Surveyor's, and Geologist's Fund. The Fund is appropriated from the Governor under the Business, Consumer Services and Housing Agency to DCA. The Board's Fund is not considered to be a "continuously appropriated fund." The Board's current fee structure was last adjusted in 2021; however, the Board's fee structure no longer supports the actual costs of services provided today. In recent years, the cost incurred to fulfill a service is not equal to the current fees associated with that service, and the Board's fund will become structurally imbalanced because the projected revenues are less than expenditures. The Board's major sources of revenue come from licensing and renewal fees, with the maximums set by statute.

The Board's last fee increase was effective on January 1, 2021, resulting in the Board recognizing an almost \$4 million increase in revenue for fiscal year (FY) 2021-22 compared to FY 2020-2021. The Board also reported an 18% increase in initial applications for that period. However, the Board's revenue projections are flat for the next five years as renewal transaction volumes have been flat and initial application volumes have stabilized after recent spikes. Expenses are projected at a 3% increase over the Budget Act of 2024, and, based on the Board's current fee structure, this will create a significant structural fund imbalance as early as FY 2025-26.

Control: Continue Monitoring Fund Condition

The Board closely monitors reserve, revenue, and expenditures presented in financial statements which are standing agenda items for all Board meetings.

Effective no later than July 1, 2026, the Board is seeking to increase the fees charged and collected by the Board for an initial license, examinations, renewal of a license, and retired license. The fee increases are necessary to help alleviate the structural imbalance that the Board will face, due in part to the rising cost of operational expenses, while ensuring that the Board has sufficient funding to meet its consumer protection mandate and mission.

Risk: Board reporting capabilities are limited by access to data in department-wide reporting tools

Board reporting capabilities are limited by access to data in department-wide reporting tools. As these tools have been upgraded, Board staff have gained greater access to raw data related to applications tracking and licenses. DCA Office of Information Services (OIS) added Applicant Tracking System (ATS) and Consumer Affairs Systems (CAS) data to the IBM Cognos Analytics platform, referred to by the department as Quality Business Interactive Reporting Tool (QBIRT). This enhanced the Board's ability to extract data from ATS and CAS for use in developing and monitoring key licensing performance indicators.

DCA OIS continues development on a data package to include data for the BPELSG Connect platform and Board staff have worked with OIS to gain access to data extracts for use in developing and monitoring key performance indicators for BPELSG Connect related applications and enforcement actions. Although DCA OIS continues work on developing the data package, until this standardized data package and reporting is available the Board does not have access to data that will provide more efficient workload management, effective assessments of performance measures and metrics and information that is timely and will drive process efficiencies.

Control: Continue Working with DCA OIS

The Board continues to work with OIS to gain access to additional reporting data sets and features.

CONCLUSION

The Board for Professional Engineers, Land Surveyors, and Geologists 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.

Richard Moore, 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