

December 29, 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 Structural Pest Control Board 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 Sophia Azar, Executive Officer, at (916) 561-8712, Sophia.Azar@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

Under the jurisdiction of the Department of Consumer Affairs (Department of DCA), the Board licenses and regulates structural pest control practitioners and their respective business entities. The Board's objective is to ensure that practitioners possess the necessary qualifications to professionally perform structural pest control work and to assist consumers in resolving disputes arising from the structural pest control occupation.

The Board's reporting relationship is comprised of staff reporting to the Executive Officer (EO) or their designee. The EO or their designee reports directly to a seven-member Board. The Board, a semi-autonomous organization, is comprised of policymakers who are appointed by the Governor's Office (five members), Speaker of the Assembly and Senate Rules Committee (each with one member).

Mission

The Structural Pest Control Board's mission is to protect the general welfare of Californians and the environment by promoting outreach, equitable education, and fair regulation of the structural pest management profession.

Vision

The Structural Pest Control Board sets the standard as the national regulatory and environmental leader of pest management for consumer protection.

Values

- Accountability
- Consumer Protection
- Diversity, Equity, and Inclusion
- Professionalism
- Service
- Transparency

Strategic Goals

Goal 1: Licensing, Examinations, and Continuing Education

The Board sets standards to ensure excellence in practice and public safety while championing fairness, accessibility, and inclusiveness.

Goal 2: Enforcement

The Board protects the health and safety of all consumers through the enforcement of the laws and regulations governing the practice of structural pest control.

Goal 3: Legislation, Regulations, and Policy

The Board pursues statutes, regulations, policies, and procedures that strengthen and support its mandate and mission while promoting diversity, equity, and inclusion (DEI) in decision-making processes.

Goal 4: Outreach and Communication

The Board proactively and inclusively communicates its mission, vision, and goals to all stakeholders striving for equitable access to information.

Goal 5: Organizational Effectiveness

The Board standard is to build an excellent organization through effective leadership, responsible management, and transparency while promoting diversity, equity, and inclusion.

Control Environment

The EO is responsible for the administration and overall management of all Board programs and activities, delegates operational responsibilities to subordinate supervisors, and reports directly to the seven-member Board. The management team promotes an effective control environment by demonstrating integrity and ethical values, setting clear expectations for performance and conduct, and ensuring accountability at all levels. Staff performance is regularly evaluated, and recruitment and hiring practices emphasize competence and

professionalism. All employees are required to review and sign the Board's office guidelines, which outline standards of behavior, workplace expectations, and rules of conduct that reinforce the Board's ethical and operational framework.

Information and Communication

The Board has multiple methods to ensure effective communication of operational, programmatic, and financial information across all levels of the organization. Under the direction of the EO, the Board's management team facilitates the flow of information to support decision-making, accountability, and transparency.

The EO oversees all legislative and regulatory activities with assistance from the management team, coordinating with internal staff and external stakeholders to identify, develop, and implement statutory and regulatory changes. The EO is also responsible for communicating with the DCA, the Department of Finance, the Legislature, and other agencies to ensure alignment of statewide priorities and compliance with applicable laws.

An Associate Governmental Program Analyst manages the Board's operational budget, monitors expenditures, and communicates funding needs or potential adjustments to the EO and management team.

The EO and management team meet regularly to discuss issues related to the pest control industry, field operations, staffing, and fiscal or administrative matters. The EO provides monthly reports to the Board members summarizing updates on budget status, licensing and enforcement data, personnel updates, outreach activities, and upcoming Board or committee actions.

The Board meets publicly three to four times per year to address policy matters, consider regulatory and disciplinary cases, and provide opportunities for stakeholder input.

The Board relies on several information systems to manage programmatic and financial operations including Fi\$Cal, Applicant Tracking Systems (ATS,) Consumer Affairs System (CAS), and inLumon CONNECT, the Board's new cloud-based licensing and Wood Destroying Organisms (WDO) reporting platform.

The Board communicates internally and externally through verbal and written methods, including staff meetings, email updates, outreach presentations, interested parties mailing lists, social media (Facebook, Instagram, LinkedIn, and X), and its quarterly newsletter.

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 Structural Pest Control Board monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Sophia Azar, Executive Officer and Melissa Zanetta, Assistant Executive Officer.

The EO reports identified risks, mitigation strategies, and updates on internal controls to the Board members monthly and at the Board's public meetings held three to four times per year.

The following activities are performed to ensure internal controls remain effective and risks are continuously monitored:

- The EO meets regularly with the AEO and management team to discuss day-to-day operations, program performance, and emerging risks.
- Managers conduct routine unit and one-on-one meetings with staff to review performance, clarify expectations, and identify opportunities for process improvement and efficiency.
- Management runs various reports to monitor workload and processing times, identify irregularities, and assess the effectiveness of existing internal controls and procedures.
- Continuous evaluation of business processes is conducted to determine where improvements, automation, or additional oversight may be needed.
- The implementation of inLumon CONNECT, the Board's new licensing and enforcement system, will further enhance monitoring capabilities by providing real-time reporting and dashboards for performance and compliance tracking.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Structural Pest Control Board 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, external stakeholders, questionnaires, and performance metrics.

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

RISKS AND CONTROLS

Risk: Field Operations Continuity

A large percentage of the Board's field staff is nearing retirement. This presents risk of disruption in enforcement activities and delays in processing investigations and inspections.

Control: Recruitment and Workforce Planning

The Executive Officer, Assistant Executive Officer, and HR will collaborate on recruitment strategies to attract qualified candidates and adjust classifications as needed to align with workload and retention goals.

Control: Institutional Knowledge Capture

Management will document procedures, case-handling protocols, and inspection practices in shared files to preserve institutional knowledge and minimize disruption during staff turnover.

Risk: Revenue Volatility and Fund Sustainability

While the Board has had a relatively healthy fund condition, increased costs, including for business modernization and operational activities, are placing pressure on the Fund. The Board also relies heavily on non-guaranteed Wood Destroying Organism filing fees, which fluctuate with market activity.

Control: Legislative Proposals to Increase Fee Caps

The Board's fees are set at the statutory fee caps. Board staff will pursue legislation to increase the fee caps and ensure long-term fiscal sustainability and alignment with actual program costs.

Control: Research and Analysis of Alternative Funding Sources

Board staff will evaluate new revenue models to diversify funding and reduce reliance on a single revenue stream.

Control: Regular Fund Condition Monitoring

Board staff will monitor quarterly revenue and expenditure reports to identify trends, project fund balances, and inform timely corrective actions if necessary.

Control: Expenditure Controls and Budget Oversight

Board staff will closely track operating expenditures and coordinate with DCA's Budget Office to identify cost-saving opportunities and prioritize critical modernization projects within available resources.

CONCLUSION

The Structural Pest Control Board 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.

Sophia Azar, 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