

December 18, 2023

Melinda Grant, Undersecretary  
California Business, Consumer Services and Housing Agency  
500 Capitol Mall, Suite 1850  
Sacramento, CA 95814

Dear Undersecretary Melinda Grant,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Dental Board of California submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2023.

Should you have any questions please contact Tracy Montez, Executive Officer, at (916) 574-7956, Tracy.Montez@dca.ca.gov.

## **GOVERNANCE**

### **Mission and Strategic Plan**

#### **Mission**

The Board's mission is to protect and promote the oral health and safety of California consumers by ensuring the quality of dental health care within the State.

#### **Vision**

The Board will be a recognized leader in public protection, promotion of oral health, and access to quality care.

### **Strategic Plan Goals 2022–2025**

#### **GOAL 1: LICENSING AND EXAMINATIONS**

Provide a licensing process that permits applicants timely access to the workforce without compromising consumer protection. Administer fair, valid, timely, comprehensive, and relevant licensing examinations.

#### **GOAL 2: CONSUMER PROTECTION AND ENFORCEMENT**

Ensure the Board's enforcement and diversion programs provide timely and equitable consumer protection.

#### **GOAL 3: COMMUNICATION AND CUSTOMER SERVICE**

Provide the most current information and quality customer service to the Board's stakeholders.

#### **GOAL 4: ADMINISTRATIVE SERVICES**

Build an excellent organization, with engaged employees, through effective leadership and responsible management.

## **Control Environment**

Management establishes an effective control environment by demonstrating integrity and ethical values through compliance with applicable laws and regulations, confirmation of expectations for Board staff, and meeting or exceeding performance metrics identified for licensing tasks and enforcement activities.

In addition, Board staff are supervised by an appointed Executive Officer (EO) who is overseen by appointed fifteen Board members. Lastly, the (semi-autonomous) Board has oversight from the Department of Consumer Affairs (DCA) and the Business, Consumer Services and Housing Agency.

While the EO ensures appropriate levels of responsibility and authority, Board management recruits, develops, and maintains a competent workforce by evaluating performance and requiring accountability.

## **Information and Communication**

The Board collects data (e.g., via BreZE and FI\$Cal) and communicates the information needed for operational, programmatic, and financial decision-making through meetings. These include meetings between individual Board staff and management, unit/division meetings, and management meetings. Board members also receive a monthly update on relevant Board activities. Board staff are encouraged to report inefficiencies and inappropriate actions to management at any time.

The Board meets quarterly, and Board staff prepares a comprehensive report on Board operations and budget information for review and discussion at each Board meeting. Board meetings are open to the public and allow stakeholders to ask questions and present information to the Board. The information provided to the Board is also posted on the Board's website.

In addition to being posted on the Board's website, communications are sent via the Board's Listserv and Twitter account. The Board also publishes a biannual 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 Dental Board of California monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Tracy Montez, Executive Officer.

The Board has an entity-wide, continuous process in place to ensure that internal control systems are working as intended. The Board's executive monitoring sponsors facilitate and

---

verify that the Board's monitoring practices are implemented and functioning. The executive monitoring sponsors are Tracy Montez, Executive Officer, and Christy Bell, Assistant Executive Officer.

The Board reviews and evaluates the effectiveness of internal controls through management meetings, email notifications, risk assessment documentation, program review checklists, enforcement and licensing statistical reports, compliance summaries, BreZE system testing, budget reports, authorization and sign-off forms, and strategic planning documents. These activities are discussed at management meetings and elevated for discussion to executive leadership. The statistical and budget reports provide the necessary checks on internal controls by identifying the monitoring practices in use, improvements needed, and the overall success or weakness within the program. As vulnerabilities are identified, the EO immediately addresses them by working directly with key Board staff to develop and implement solutions.

## **RISK ASSESSMENT PROCESS**

The following personnel were involved in the Dental Board of California 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, consideration of potential fraud, and performance metrics.

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

The Board's risk assessment process involves executive leadership, management, and Board staff. Risks are identified through participation in the DCA Enlighten Licensing and Enforcement Projects, participation in the meetings of the DCA Executive Officer/Bureau Chief Cabinet, internal manager/staff meetings, evaluation of performance metrics, and implementation of the strategic planning process. Risks are ranked using two criteria: likelihood of occurrence and impact on the Board's mission.

## **RISKS AND CONTROLS**

### **Risk: Risk 1: Reliance on Paper**

Many of the Board's work processes are paper based. Applications and complaints are primarily submitted via paper documents. Associated documents are printed, filed, and stored offsite. These practices expose the Board to unnecessary supply costs, security threats associated with paper copies, and concerns related to disclosure of protected health information. Opportunities for teleworking are reduced, potentially making it harder to recruit qualified personnel.

### **Control: Control 1: Participation in DCA's Enlighten Licensing and Enforcement Projects:**

The Board is using lessons learned from the DCA Enlighten Licensing Project to improve

licensing processes by going paperless. Further, the Board is participating in the DCA Enlighten Enforcement Project. Lessons learned will inform reduction of paper files by using BreEZe features, contributing to more efficient complaint processing and case investigating.

**Risk: Risk 2: Budget Balance**

The Board's fund is structurally imbalanced and could drop significantly below recommended operating levels. The Board would be unable to maintain existing licensing and enforcement operations. It would become necessary to reduce expenditures, such as staffing, equipment purchases, and operating resources. This would result in delayed response times to licensing inquiries and application approvals; such delays would create a barrier to licensure for dentistry and dental assisting applicants seeking licensure and timely employment. Additionally, this would lead to delays in processing consumer complaints, conducting investigations, and referring serious cases to the Office of the Attorney General for prosecution. These impacts would prevent the Board from being able to protect the public efficiently and effectively. A fee increase may be necessary, which would require promulgating regulations.

**Control: Control 1: Monthly Monitoring**

The Board continues to work with DCA to monitor the Board's budget. If needed, the Board will work with DCA and stakeholders to increase fees to correct the structural imbalance by proposing regulations.

**Risk: Risk 3: Increased Workload Due to Rise in Unlicensed Activity**

The Board has experienced a significant increase in complaints of unlicensed activity. Some of these complaints concern dental procedures performed by unlicensed individuals in the absence of licensed professionals. These complaints are particularly challenging to process and investigate. If such complaints continue to increase, the Board will lack the resources to investigate them.

**Control: Control 1: Publicize Citations and Monitor Trends**

Seek authority to publicize administrative citations for unlicensed practice by posting them on the Board's website. This will protect consumers and reduce unlicensed activity by timely identifying offenders. The Board will also work with stakeholders to monitor trends in unlicensed activity.

**Risk: Risk 4: Leave Balances**

Leave balances exceeding established caps could contribute to the decline in the Board's fund balance. Any significant payout for Board staff upon retirement will have negative impacts on future funding levels.

**Control: Control 1: Monitor Leave Balances and Create Leave Reduction Plans**

Board managers and supervisors will continue to regularly monitor vacation/annual leave balances for excess time. Board staff and managers will coordinate with executive leadership to create leave reduction plans to prevent unforeseen funding liabilities.

**Risk: Risk 5: Staffing Levels**

Until this past fiscal year, the Board was operating with a 25–30% vacancy rate. Several factors contributed to the high vacancy rate (e.g., promotions, retirements, and the COVID-19 pandemic). The Board now has an 8% vacancy rate. Given the competition for competent personnel across state services, however, the Board must work to engage and retain personnel in accordance with Goal 4 of its Strategic Plan. The Board must also remain vigilant in monitoring current and pending vacancies and initiate a selection process as soon as a position becomes vacant.

**Control: Control 1: Monitor and Recruit Personnel Timely**

Board executive leadership and managers meet biweekly to discuss, among other items, the status of personnel. The purpose of these meetings is to ensure that personnel have proper training, clear performance expectations, and commitment to their respective positions. Further, the Board will implement exit interviews to the extent that offboarding staff are willing to share feedback.

**CONCLUSION**

The Dental 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.

**Tracy Montez, 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