

December 28, 2023

Yana Garcia, Secretary
California Environmental Protection Agency
1001 I Street
Sacramento, CA 95814

Dear Secretary Yana Garcia,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Department of Pesticide Regulation 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 Christina Bugai, Assistant Director, at (916) 650-6957, Christina.Bugai@cdpr.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Department of Pesticide Regulation's (DPR)'s mission is to protect human health and the environment by regulating pesticide sales and use, and by fostering reduced-risk pest management. As part of its mission, the Department is working to accelerate a system wide transition to safer, more sustainable pest management. Pest management is essential to protecting public health, the environment, the food supply and enabling effective resource management. The people of California and our environment are best served by a continuous effort to minimize risks associated with pest management.

DPR is currently in the process of updating its strategic plan, including its mission and goals, for 2024-2028. Currently, DPR is pursuing its mission through the following goals and objectives from its 2018 strategic plan:

Goal #1: Protect people and the environment – Assure California's environment is not adversely affected by pesticides and that all people are protected from unacceptable pesticide risks.

1. Objective #1: Assure that pesticide products available for use in California are evaluated and registered, as required by statute, and do not pose an unacceptable risk.
2. Objective #2: Continuously evaluate and respond to the human health and environmental risks from pesticide use.
3. Objective #3: Respond to identified risks to human health and the environment through collaboration with other governmental agencies, stakeholders and the public.
4. Objective #4: Exercise DPR's statutory and regulatory authorities, as well as other opportunities, to work with affected persons to meet existing and emerging challenges involving pesticide risks.

5. Objective #5: Use state-of-the-art scientific practices and technologies to advance the evaluation and management of pesticides.

Goal #2: Advance reduced-risk pest management systems – Advance the research, development and adoption of effective pest management systems that reduce risks to people and the environment.

1. Objective #1: Encourage and support research and development of reduced-risk pest management practices and technologies.
2. Objective #2: Promote adoption of reduced-risk pest management systems and practices.
3. Objective #3: Advance reduced-risk pest management systems for California by providing policy, scientific, and technical leadership and collaboration at local, state, national, and international forums.

Goal #3: Enforce and achieve compliance – Maintain and continuously improve strong and equitable compliance and enforcement programs to ensure people and the environment are not exposed to unacceptable pesticide risks.

1. Objective #1: Obtain compliance through clear, equitable rules; education; licensing; and strong, effective enforcement.
2. Objective #2: Provide training, guidance, and support to county agricultural commissioners.
3. Objective #3: Ensure effective and consistent enforcement.
4. Objective #4: Through continuous review of data and information, improve our compliance and enforcement programs.

Goal #4: Ensure environmental justice – Protect all people in California, regardless of race, culture, income, or geographical location, from adverse environmental and health effects of pesticides.

1. Objective #1: Ensure DPR's programs, regulations, policies and activities address risks associated with pesticide use in environmental justice communities.
2. Objective #2: Ensure that needed multilingual outreach materials are made available to environmental justice communities.
3. Objective #3: Ensure that DPR provides outreach to environmental justice communities by providing them with accessible and meaningful opportunities to learn about DPR and the county agricultural commissioner programs and provide input.
4. Objective #4: Maintain transparency and effectiveness in public participation through the use of advisory committees, workshops, community advocacy networks and other forums.
5. Objective #5: Work with the county agricultural commissioners to address pesticide issues regarding pesticides.

Goal #5: Continuously improve performance, accountability, and organizational effectiveness – Efficiently deliver our programs by attracting and retaining a competent workforce, effective business processes, and use of current technology.

1. Objective #1: Use current and emerging technology to implement and maintain stable, compliant, resilient and effective information systems to support DPR's business and program needs.
2. Objective #2: Use cost effective and secure technologies to collect and deliver information electronically.
3. Objective #3: Use a comprehensive risk-based approach to protect and support business systems and assets in compliance with State and industry information security best practices.
4. Objective #4: Use technology to foster collaboration and transparency with other government agencies and the public.
5. Objective #5: Ensure that existing and new policies, procedures, and programs contribute to: the development and retention of a diverse and motivated workforce, and a productive work environment that meets our organization's needs.
6. Objective #6: Maintain a leadership and workforce development program focused on effective mentoring, employee development, and the retention of experienced talent for the future.
7. Objective #7: Allow our skilled scientific and professional staff to maintain and advance their expertise by providing opportunities for growth and development.
8. Objective #8: Preserve the financial integrity of DPR's programs and activities through accurate forecasting of revenue trends, expenditures, and external influences that could impact DPR funding.
9. Objective #9: Annually plan, track, and account for program costs and performance, and assess our ability to meet future program needs.

Goal #6: Communication and outreach – Promote an understanding and awareness of DPR programs, priorities, initiatives and accomplishments through effective external communications, multilingual translations, outreach and public education.

1. Objective #1: Participate in active conversations with our stakeholders about all DPR programs and initiatives.
2. Objective #2: Optimize social media, print and electronic media to convey DPR's mission and accomplishments to the public.
3. Objective #3: Engage in outreach to educate households, service establishments, institutional users and government agencies about the safe, appropriate and effective use of pesticide products.

Control Environment

DPR works actively to establish and maintain an effective control environment. DPR's Management (which includes the executive team, branch chiefs, managers, and all supervisors) accomplishes this goal by setting and modeling standards of ethics and integrity, setting and communicating priorities, exercising executive-level oversight, and working within an organizational structure with assigned responsibilities, authority and staff accountability, and maintaining documentation of the control system.

The Department's top executives – Director Julie Henderson, and Chief Deputy Director Karen Morrison – set priorities for and provide direction to department leadership, and exercise

oversight of department operations. This executive leadership is coupled with a management level organizational structure to ensure appropriate levels of responsibility and authority are being exercised and that staff are held accountable. DPR maintains and documents an effective control system and complies with the State Leadership Accountability Act (SLAA).

DPR Management focuses recruitment efforts on the Department's operational needs, priorities and values, including developing a workforce that reflects the diversity of the state. Management has designated specific employees from each branch to engage in DPR's Recruitment Workgroup led by the Department's Recruitment Specialist. The workgroup members attend various recruitment events, discuss recruitment strategies, and relay information to Management regarding new, innovative ways to strengthen and focus recruitment efforts within each branch.

Management identifies, and lists as screening criteria, the required and desirable knowledge and skills for each vacancy during the hiring process. This process has been standardized departmentally and gives Management tools to interview and select the most qualified candidates. Upon hire, all employees review and sign duty statements that outline their roles and responsibilities and the requirement that they exercise those roles and responsibilities ethically and with integrity. Management review of duty statements with new employees promotes a strong, competent workforce by documenting and demonstrating expected roles and responsibilities.

Management is committed to growing and developing the talent base within DPR through internal training, such as Implicit Bias training, Strategies for Diverse and Inclusive Hiring training, and personal mentoring. Additionally, the Human Resources Branch (HRB) has an ongoing Consultation Program, which gives managers the chance to ask questions and bring up HR specific topics to discuss and obtain guidance on. The meetings allow HRB to provide ongoing guidance and helps foster relationships between HRB and management to support one another. DPR also utilizes coaching and mentoring trainers where individual plans are created for specific employees to build upon individual strengths and overcome challenges.

Management evaluates staff performance by reviewing their work with an annual performance appraisal which management is required to submit to the Human Resources Branch as well as holding regular check-in meetings. The manager/supervisor training held by the Human Resources Branch instructs Management to consistently engage with their employees and develop the most effective, individual strategies to ensure their staff feel supported and are able to be productive. When holding staff accountable for their duties and deadlines, Management is instructed to assist staff in prioritizing their workloads and be flexible when there is a need to re-evaluate and/or re-prioritize due to unreasonable and/or excessive pressures.

The Department provides reports and updates to the SLAA Report biannually, performs ongoing monitoring throughout the year, and tracks important meetings and dates throughout the SLAA process.

Information and Communication

DPR uses multiple channels of communication to ensure meaningful, accurate information is

communicated internally and externally. DPR convenes weekly executive team meetings, monthly management team meetings, quarterly manager and supervisor meetings, biweekly branch chief meetings, quarterly all staff meetings, and individual branch meetings as needed, to convey information throughout the department. DPR also uses various weekly and monthly meetings within CalEPA to raise issues and focus on objectives relevant to the Agency as a whole. These channels of communication ensure that relevant and necessary information is transmitted internally in an effective and timely manner throughout the year. Additionally, DPR utilizes internal email notifications and town hall/brown bag meetings to provide any relevant information to staff as it relates to information technology, human resources, and fiscal matters, and to answer questions. DPR also subscribes to numerous lists and attends multiple interagency forums to stay up to date and aware of any changes that would affect the Department. These include updates from control agencies (e.g., Department of Technology, Department of Human Resources, and Department of General Services) and partner agencies (e.g., Natural Resources Agency and Department of Food and Agriculture).

DPR shares important information with its stakeholders through a variety of means. The most general source of information is the department's website, which provides news updates and reports data and other information. DPR distributes information through its various listservs in order to directly reach stakeholders. DPR also regularly hosts meetings with partner and stakeholder groups, including the County Agricultural Commissioners and Sealers Association, non-governmental organizations, community-based organizations, and industry representatives, to provide opportunities for partners and stakeholders to raise concerns and opportunities, provide feedback, identify priorities and ask questions, and for the department to share updates on its activities and priorities. DPR also convenes several standing advisory committees that advise the department on a variety of issues, including licensing and certification, regulatory development, and grant programs.

The Department also provides mechanisms for employees to report impropriety within DPR and/or, inefficiencies and inappropriate actions to management and other decision makers. DPR is able to provide this through the Equal Employment Opportunity (EEO) Program led by DPR's EEO Officer. The EEO Officer is available to speak with employees to provide guidance and/or gather information to ensure that inappropriate actions are properly and thoroughly investigated. The EEO Officer works to ensure that all DPR employees' behavior is consistent with the Department's EEO policies to provide a safe and comfortable working environment. These policies include the EEO Administrative Directive, the No Harassment Administrative Directive and the Workplace Violence and Bullying Prevention Administrative Directive. The Department also utilizes the Health and Safety Suggestion Form, which gives employees the opportunity to make suggestions and recommendations concerning health and safety in the workplace. DPR also provides and requires mandatory Workplace Violence and Bullying Prevention Training (annually and upon hire) and Equal Employment Opportunity/Harassment Prevention Training (biennially and upon hire).

Due to the efforts of DPR's Employee Engagement Workgroup, and with support from executive leadership, the Department has established an anonymous feedback portal to encourage open and honest communication. The portal provides all employees an avenue for providing feedback on branch or department-wide policies, procedures, informal practices, etc.; ongoing or proposed departmental changes or initiatives; recent

announcements or department events; or other similar topics that may be relevant.

The multiple channels available for conveying information to both internal and external parties, as well as employees having the ability to report any improper behavior, provides a healthy flow of communication and information throughout DPR.

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 Department of Pesticide Regulation monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Karen Morrison, Chief Deputy Director.

DPR engages in operational planning to establish and maintain effective internal control systems and evaluates the effectiveness of those systems using both routine and periodic reviews. The DPR operational planning process allows the Department to collect and communicate relevant and reliable information needed for operational, programmatic, and financial decision making. The Department's branch-specific operational plans specify key performance goals selected from branch and executive office plans that will be conducted during a fiscal year. These goals that the Department identifies are classified into four types of work that are organized by their predictability and expected timeline of completion. The four primary types of work are routine, troubleshooting, special projects, and initiatives. DPR management uses these proposed goals and categories of work to establish tasks that need to be monitored on an ongoing basis.

The operational planning process begins in November with an executive management meeting to identify potential near-term and longer-range planning issues. Meetings to discuss the Director's and department's priorities, expectations, and strategic plan objectives and goals for the upcoming fiscal year follow in February and March. From March through May, DPR develops draft operational plans which identify performance goals, as well as specific staff responsible for accomplishing those goals within a desired timeline. Operational plans are finalized in June. Upon completion, each operational plan provides guidance and is used as a reference for support in monitoring throughout the year.

In an effort to mitigate security risks, DPR's information security team manages an information security risk register. The team meets with information asset owners on a monthly basis to add new risks, review risk status, and plan mitigation. The Chief Information Officer (CIO) is provided with at least quarterly updates, or more frequently if risk level requires. DPR plans to initiate annual reviews of the information security risk register, so the CIO can keep the Executive Team informed of high-risk items.

For medium or high information security risks, the information security team collaborates with Information Technology Branch partners and appropriate stakeholders to develop mitigation actions to reduce or eliminate risks. Examples of mitigation measures include: conducting security awareness training, phishing testing and training, and using hardware and software based security best practices or countermeasures.

DPR is also able to rely on knowledgeable internal auditing staff as well as external control agency audits for periodic and detailed reviews. Additionally, DPR utilizes executive management, middle management, and frontline management to monitor the progress of their staff to identify vulnerabilities. When expectations are not met with internal controls, DPR management addresses vulnerabilities and adjusts the internal control system as needed. This process is achieved by performing, documenting, and measuring the control against an expected result. If that result is not attained, then it is determined that the internal control requires changes.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Department of Pesticide Regulation risk assessment process: executive management, and middle management.

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

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

RISKS AND CONTROLS

Risk: Staff Recruitment and Retention

DPR has made it a priority to examine recruitment efforts and monitor staffing levels to determine departmental hiring needs. DPR remains dedicated to hiring a qualified and diverse workforce while ensuring the development of existing talent. However, due to a variety of factors, it has been challenging to find qualified candidates and fill vacancies due to the required education and experience needed for many of DPR's complex and specialized roles. Additionally, DPR has lost key staff due to retirements, promotional opportunities outside of the Department, and increasing workload demands. The loss of key staff risks the loss of needed capacity and valuable expertise, knowledge, institutional history, and in-depth understanding of tasks and programs. Collectively, these pressures put the department at risk of failing to complete priority projects, missing important deadlines, and burning out existing staff. These risks will negatively affect operational flow. DPR will continue to prioritize recruitment and retention and seek new ways to mitigate these risks

Control: Collaboration for Succession Planning

The Recruitment Specialist has developed a survey to help elicit ideas for succession planning and transferring knowledge throughout the Department. The survey was previously sent to all DPR managers and supervisors to collect information on current succession planning and knowledge transfer efforts and needs. This survey will continue to be sent on an annual basis, and the Recruitment Specialist will monitor succession planning efforts over time. The Recruitment Specialist analyzed the survey results to understand DPR's current succession planning practices as a department and the differences in approach within each branch. This information was used to facilitate a

discussion between executive management, in which branch chiefs were encouraged to examine their existing efforts, share their experiences, and learn different strategies from each other. This discussion helped executive management better understand succession planning options and encouraged them to think of possible changes that they could incorporate, which is key to retaining employees and program knowledge. The Classification and Pay Unit and Recruitment Specialist continue to meet with branch chiefs on a quarterly basis to discuss recruiting and hiring needs, succession planning, and strategies to retain knowledge and talent.

Control: Internal and External Recruitment Outreach

The Recruitment Specialist has developed a survey and set of interview questions to gather recruitment-related information from current DPR employees. The survey responses and interviews have helped the Recruitment Specialist identify schools, programs, and organizations for DPR to work with for recruitment purposes, and the Recruitment Specialist has contacted many of these entities to discuss upcoming events and potential ways to partner in recruiting efforts. The Recruitment Specialist has also held meetings with representatives from other Boards, Departments, and Offices (BDOs) within CalEPA to discuss recruitment and to identify other groups and organizations for DPR to connect with. Additionally, the Recruitment Specialist independently researches other schools, groups, and organizations to partner with on an ongoing basis to continually increase recruitment efforts. DPR has also aimed to increase efforts to reach more diverse groups. The Recruitment Specialist and Diversity, Equity, and Inclusion (DEI) Coordinators have developed a DEI recruitment database to help keep track of diverse organizations DPR can contact for recruitment and outreach purposes. The Recruitment Specialist has also developed a list of diverse organizations that DPR can share its job postings with and contacts these organizations each time DPR has new job opportunities. Additionally, the Recruitment Specialist has developed a recruitment newsletter that is sent to potential candidates on an ongoing basis. This newsletter is designed to share current job opportunities with interested individuals. The Recruitment Specialist also continues to look for career fairs and recruiting events that DPR can participate in, especially events that emphasize DEI. All of these efforts contribute to the Department's goal to find more efficient and effective ways to recruit and have helped DPR reach more qualified, diverse candidates.

Control: Upward Mobility and Career Development

The Department's existing Upward Mobility (UM) guide is being reviewed with the intent to modernize and support a more robust UM Program to support the career development of employees in all pay classifications. In support of a revamped UM Program, release of the updated UM guide will be announced to all staff, and additional resources curated by the Human Resources Branch will be disseminated to staff on a more consistent basis to increase the knowledge and awareness of the career development support offered by the Department. With this increase of visibility, staff will be able to better utilize resources and opportunities to increase their skills and aid in their overall advancement. The Department's committed, prioritized efforts towards upward mobility and career development will provide more support to employees and increase their satisfaction in

working with the Department, which can aid in staff retention. The Department highlights its commitment to supporting employees and their career development as a recruitment strategy.

Risk: Communication and Engagement

DPR has observed that the complex network surrounding pesticide regulation in California, and how that overlaps with federal and local policies, can create challenges for external partners and stakeholder understanding of how the department regulates pesticides to protect human health and the environment.

This includes how the Department makes determinations about whether and how pesticides may be used in California as well as how compliance with pesticide laws and regulations is promoted and enforced. Specific concerns have been raised about the association between pesticide use and cancers, health risks, and ecological impacts, and about illegal pesticide use due to the lack of enforcement.

Expanding education, outreach and awareness of DPR's roles and responsibilities, as well as those of its partner county agricultural commissioners, within community settings across the state has been challenging due to the following:

1. Lack of capacity and resources to reach the right audiences (staffing, experienced outreach and other leadership and staff focused on community engagement, outreach materials and tools).
2. Increasing number of stakeholder events outpacing existing leadership and staff's ability to attend.
3. Lack of funding to run paid advertising that may reach the communities outside of traditional earned media and DPR social media channels.
4. Messaging challenges based on assumptions regarding DPR's engagement with different stakeholder groups.

A lack of awareness and understanding regarding the respective functions, authority, and responsibilities of DPR and County Agricultural Commissioners (CACs) have created confusion as well as overall mistrust in the Department and the CACs. This has led some to question whether pesticide laws and regulations are enforced effectively, and that communities and their health are not protected.

Control: Updating DPR Messaging and Developing Proactive Media Relations and Outreach

DPR has updated messaging to describe the role it plays in evaluating pesticides for health or environmental risks, working with CACs to advance compliance and enforcement efforts and engaging with communities to address concerns, including messaging regarding the department's work to accelerate a transition to safer, more

sustainable pest management. DPR has also been shifting to a more proactive media relations and outreach approach to facilitate the increased distribution of messaging and stories related to DPR's work and priorities across the state. In addition, the department is increasing the story telling, visuals and videos that are shared across social media and other DPR-owned channels.

Risk: Changes from Control Agencies

Statewide changes, including new requirements relative to contracting, accounting, human resources, and technology, can have significant impacts on departmental operations. These new and sometimes unanticipated changes are often absorbed by current staff resources and funding places stress on other existing programs. This can create challenges to innovating and replacing outdated systems and inefficient processes because the resources may instead be directed toward these new requirements and oversight efforts.

Control: Anticipation of Upcoming Change

We will continue to work closely with control agencies to receive any advanced notice on upcoming policies and procedures that may impact the department. This includes changes to the State Administrative Manual (SAM), Statewide Information Management Manual (SIMM), legislation, and policy related memos. The team will also regularly monitor oversight agency news through website review and mailing lists.

Risk: Expanded Scope of Programs with Static Funding

Over the last several decades, DPR has added and expanded essential programs to study and address the risks and impacts of pesticide use on people and the environment and engage with communities impacted by pesticide use – but the current mill assessment, which supports the majority of DPR's programs, has been fixed statutorily for 20 years. While DPR has received some additional permanent staff to address specific or immediate needs, the DPR's current funding level does not adequately support its statutory and programmatic responsibilities. DPR first started operating with a structural imbalance in 2013.

Control: Streamlining and Improving on Processes Throughout the Department

DPR is continuing to explore streamlining and work process improvements throughout the department in order to free resources to work on new programs. DPR will be implementing this through additional staff training, temporary cross-program assistance, improved online databases, and staff retention. If these approaches do not adequately address workload capacity needs, the department will consider requesting additional resources to support unfunded programs.

Control: Evaluating DPR's Funding Structure

The Legislature approved funding in 2021 to support an independent Mill Assessment Study to assess long-term resource needs and identify mechanisms to address DPR's funding imbalance and fund its increasing programmatic responsibilities. The study findings and recommendations, which DPR released in August 2023, followed and reflect extensive

stakeholder engagement and include an analysis of DPR's workload and resource needs. DPR is currently reviewing the study to determine next steps.

Risk: Organizational Change Management

DPR is in the process of strengthening and supplementing its existing programs in order to support various challenges around pest management. This includes implementation of recommendations in the Sustainable Pest Management (SPM) Roadmap and an updated 2024-2028 Strategic Plan. These initiatives will lead to process changes for all department programs and branches. It will be critical to establish a clear organizational change management strategy to ensure that any changes are implemented at a sustainable pace and the department is able to transition thoughtfully considering both staff and stakeholder impacts.

Control: Coaching/Leadership/Change Management Training

DPR has hired a consultant to help determine and implement change action, shepherding the change using known change engagement models and coaching members of the Executive Committee through this process. The process for determining the change action will require understanding the parameters of the change, including the breadth and depth, stakeholders impacted and involved, the roles of the team members, dependencies, timeline, perceived obstacles, and solutions. By using a successful change engagement model, it will assist the various stakeholders in understanding the need for the change, ensuring they have the skills and ability to change, and reinforcing the change. The model will be multifunctional and will also be used to coach the Executive Committee during the implementation phase. This will have a positive impact on their approach, communication, and support of employees during the turbulence caused by the change, with the expectation that it will increase the overall connectivity and effectiveness of implementation.

CONCLUSION

The Department of Pesticide Regulation 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.

Julie Henderson, Director

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