

January 12, 2026

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 Physical Therapy Board of California 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 Liz Constancio, Administrative Services Manager, at (916) 561-8274, Liz.Constancio@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

Strategic Plan

The Physical Therapy Board of California (Board) adopted its 2024-2029 Strategic Plan June 13, 2024, and it is available to all stakeholders on the Board's website.

Mission

To protect the people of California by the effective administration of the Physical Therapy Practice Act.

Vision

The Board is the standard of excellence for consumer protection.

Values

Consumer Protection

Equity

Innovation

Integrity

Leadership

Respect

Service

Strategic Plan Goals

Goal 1: Enforcement

The Board protects consumers through effective enforcement of laws and regulations governing the practice of physical therapy.

Goal 2: Licensing

The Board provides effective and efficient application and licensing services while maintaining consumer protection.

Goal 3: Outreach and Communication

The Board provides relevant, timely, and accurate information to consumers, applicants, licensees, and other stakeholders.

Goal 4: Organization Effectiveness

The Board facilitates an exemplary organization through governance, leadership, performance, and service.

Goal 5: Continuing Competency

The Board provides an effective and efficient continuing competency program to maintain consumer protection.

Control Environment

The Executive Officer (EO), Jason Kaiser, is responsible for the oversight and administrative operations of the Board and serves at the pleasure of seven Board Members. The Board Members are appointed by the Governor, Senate Rules Committee, and Speaker of the Assembly. The Management team is responsible for recruiting and maintaining a competent workforce and evaluating employee performance to enforce accountability through adhering to personnel laws, policies, and procedures.

Information and Communication

The Board has several means to share information regarding operational, programmatic, and financial decision making. Management works closely with the EO and meets regularly to discuss areas of concern associated with internal/external risk to the Board, staff performance, staff accountability, and fiscal matters. The EO also provides regular updates to the Board President regarding the budget, staff updates, industry, and administrative concerns, and upcoming events relevant to the profession. In addition, the Board meets four times per year in

a public setting to handle matters related to licensure, disciplinary actions, legislation, regulation, budget, and a variety of other topics related to the status of daily operations.

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 Physical Therapy Board of California monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Sarah Conley, Assistant Executive Officer; Liz Constancio, Administrative Services Manager; Jason Kaiser, Executive Officer.

The Board's Administrative Manager reports risks and risk management strategies to the EO. The following activities are performed to ensure internal controls are effective:

- EO meets regularly with management team to discuss daily operations and conducts annual one-on-one meetings with all staff.
- Management team holds routine staff meetings and one-on-one meetings with staff regarding performance and
- Management team conducts continuous monitoring of processes in place and reconciles.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Physical Therapy 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, employee engagement surveys, 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, 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: Internal Staff-Key Person Dependence, Workforce Planning

The Board's resources generally meet workload demands; however, staff resources are specialized to each subject area, including tasks that are mission critical. This key person dependence may impact operations as follows

- Incorrect, delayed, or halted operations should the individual team member be unavailable.
- Delayed operations due to over-reliance on one team member
- Limited perspective and lack of innovation having only the one team member as a reference point.
- Increase stress on the team member that is being relied upon.
- Loss of critical organizational information should the team member leave

Control: Control 1

Prioritize staff development, including cross-training mitigate reliance on a single team member.

Control: Control 2

Establish back-up plan for each team member, including identifying the other team member(s) and reference materials.

Control: Control 3

Develop and maintain succession plan.

Risk: Internal Technology - Support, Tools, Design, or Maintenance

The Board would like to leverage existing technological resources to improve business processes and services to stakeholders; however, this process is hindered by limited available shared IT support resources.

Control: Control 1

Work closely with support services to determine optimal technology solutions within reasonable implementation timeframes.

Control: Control 2

Collaborate with internal stakeholders to identify and develop opportunities that enhance support services and streamline business processes.

Risk: Internal Funding - Sources, Levels

The Board is projecting insolvency by FY 2029/30, and, in the event the Board is presented with unanticipated costs (e.g., litigation, enforcement costs, contract issues), the Board may not be able to effectively meet its consumer protection mandate. Mission-critical functions such as complaint investigations and disciplinary proceedings will be delayed without sufficient funding. The Board will be unable to pay its vendors, including the Federation of State Board of Physical Therapy (FSBPT) that administers the licensing examinations to ensure applicants' minimum competency for licensure. In addition, lack of sufficient funding will impact the quality of Board services.

Control: Control 1

Design, implement, and maintain comprehensive fiscal control frameworks that ensure financial integrity, regulatory compliance, and operational accountability.

Control: Control 2

Seek legislative and regulatory change to increase fee caps and implement all fee authorities.

CONCLUSION

The Physical Therapy 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.

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Jason Kaiser, 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