STATE OF ARIZONA

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

OFFICE OF THE

AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

June 28, 2001

The Honorable Ken Bennett, Chairman
Joint Legislative Audit Committee

The Honorable Roberta L. Voss, Vice Chairman
Joint Legislative Audit Committee

Dear Senator Bennett and Representative Voss:

Our Office has recently completed a 12-month follow up with the Board of Medical Student Loans regarding the implementation status of the 8 audit recommendations (including sub-parts to the recommendations) presented in the performance audit report released in May 2000 (Auditor General Report No. 00-6). As the attached grid indicates:

■ 8 of the 8 recommendations have been implemented.

Since all of the audit recommendations have been implemented and unless otherwise directed

by the Joint Legislative Audit Committee, this report concludes our follow-up work on the Board

of Medical Student Loans.

Sincerely,

Debbie Davenport
Auditor General

Attachment

cc: Ms. Diane Brennan, Director   JLAC Committee Members
       Board of Medical Student Loans

       Senate Education Committee   House Public Institutions
                                             and Rural Affairs Committee

       Ms. Kimberly Yee   Mr. Mike Huckins
       Senate Committee Research Analyst   House Committee Research Analyst

       Mr. James Keane   Ms. Tami Stowe
       Senate Research Analyst   House Research Analyst

BOARD OF MEDICAL STUDENT LOANS
12-Month Follow-Up Report to
Auditor General Report No. 00-6

FINDING I: Changes to Board's Statutes Could Help Clarify Service Area and Retention Tracking Requirements

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. If the Board wants greater flexibility to approve service locations that are not federally designated HPSAs or Arizona Medically Underserved Areas, it should request that the Legislature amend A.R.S. §15-1723(D) to include additional areas where doctors can fulfill service obligations as approved by the Board. The Board should request that the Legislature make such a statutory change retroactive to include past exceptions, such as the doctor serving in Mesa.	**Implemented at 12 months**	
2. The Legislature should amend the Board's statutes to define "rural" or give the Board rule-making authority to adopt a definition of rural.	**Implemented at 12 months**	
3. Unless and until the Board's statutes are revised, the Board should comply with the current statutes that restrict doctors' service sites to those located in rural and medically underserved areas.	**Implemented at 6 months**	

BOARD OF MEDICAL STUDENT LOANS
12-Month Follow-Up Report to
Auditor General Report No. 00-6

FINDING I: **Changes to Board's Statutes Could Help Clarify Service Area and Retention Tracking Requirements (Concl'd)**

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
4. The Legislature should amend A.R.S. §15-1723(E) to include the amount of time the Board should track doctors who continue to practice in rural and medically underserved areas once their service obligations are complete.	**Implemented at 12 months**	
5. The Board should include in its retention statistics only those doctors who continue to practice in rural and underserved areas once their service obligations are complete.	**Implemented at 6 months**	

BOARD OF MEDICAL STUDENT LOANS
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FINDING II: **Changes in Applicant Selection Process Needed to Ensure Equal Consideration for All Students**

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Legislature should add a definition of "Arizona resident" to the Board's statutes.	**Implemented at 12 months**	
2. The Board should develop and use standard interview instruments for applicant interviews.	**Implemented at 6 months**	
3. The Board should adopt a scoring system to rank applicants and guide selection of the most qualified applicants for funding.	**Implemented at 6 months**	