



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

June 26, 2002

The Honorable Roberta L. Voss, Chair
Joint Legislative Audit Committee

The Honorable Ken Bennett, Vice Chair
Joint Legislative Audit Committee

Dear Representative Voss and Senator Bennett:

Our Office has recently completed a 24-month followup of the Arizona Department of Agriculture—Animal Disease, Ownership and Welfare Protection Program regarding the implementation status of the 11 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in June 2000 (Auditor General Report No. 00-8). As the attached grid indicates:

- 4 of the 11 recommendations have been implemented; and
- 7 of the recommendations are no longer applicable due to program changes.

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the Department's efforts to implement the recommendations resulting from the June 2000 performance audit report.

Sincerely,

Debbie Davenport
Auditor General

Attachment

cc: Mr. Sheldon R. Jones, Director Department of Agriculture	JLAC Members
Senate Natural Resources, Agriculture and Environment Members	House Natural Resources and Agriculture Members
Ms. Kerri Morey Senate Committee Analyst	Ms. Kathi Knox House Committee Analyst
Ms. Nadine Sapien Senate Research Analyst	Ms. Tami Stowe House Research Analyst

ARIZONA DEPARTMENT OF AGRICULTURE
Animal Disease, Ownership and Welfare Protection Program
24-Month Follow-Up Report To
Auditor General Report No. 00-8

FINDING I: Several Changes Needed To Improve Cattle Inspection Process

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. To reduce duplicative inspections, the Legislature should consider amending A.R.S. §3-1336(A) to eliminate the need for the Department to conduct pre-transit cattle inspections at auctions and feedlots.	Implemented at 12 months	
2. The Department should significantly reduce the number of pre-transit cattle inspections it conducts at the owner's property by allowing owners to transport cattle to auction or feedlot without this inspection and instead allowing previous ownership inspection documentation to identify cattle during transit.	Implemented at 12 months	

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FINDING I: Several Changes Needed To Improve Cattle Inspection Process (Cont'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>3. The Legislature should consider amending A.R.S. §3-1337 to give the Department the authority to impose a travel fee not to exceed \$15. Implementing this travel fee would allow the Department to recover its travel costs from customers who request the Department's inspectors to travel to their property to provide inspection services.</p>	<p>Not Applicable¹</p>	

¹ By passing Laws 2002, Chapter 270, the Legislature made a number of changes to the livestock inspection process. While these changes did not include a travel fee, they contained a number of provisions that should drastically reduce the number of cattle inspections carried out by the Department on the owner's property. As a result, this recommendation is no longer applicable.

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FINDING I: Several Changes Needed To Improve Cattle Inspection Process (Concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>4. To reduce travel costs associated with inspections, the Department should:</p> <p>a. Promote regular, centralized inspections at convenient locations.</p> <p>b. Adopt a policy encouraging inspectors to meet cattle owners at a convenient mid-point rather than traveling to the owner's home or ranch.</p> <p>c. Consider replacing some of the full-time officers, through attrition, with part-time or seasonal inspectors to increase inspectors' ability to respond to the seasonal and geographically dispersed nature of the industry.</p>	<p>Implemented at 12 months</p> <p>Implemented at 24 months</p> <p>Not Applicable¹</p>	

¹ Since our 2000 audit, legislative changes to the cattle inspection program have focused the program more on health than ownership inspections, and will greatly reduce the number of inspections conducted by Department staff. According to the Department, these program changes and agency budget reductions decreased its cattle inspection staff by 21 full-time positions.

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FINDING II: Current Fee Does Not Support Inspection Costs for Horse Registration

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Legislature should consider amending A.R.S. §3-1344(B) to increase the current inspection fee and allow the Department to institute a separate travel fee not to exceed a maximum amount established by the Legislature.	Not Applicable ¹	
2. Pending legislative approval and granting of authority, the Department should adopt an appropriate travel fee that would allow it to recover the costs of traveling to horse inspections. As these costs change, the Department should modify the travel fee to reflect these costs.	Not Applicable ¹	

¹ The Department has revised its horse registration function and no longer physically inspects horses to verify ownership and issue horse registration certificates. The Department now issues these certificates through the mail upon receipt of ownership documentation. As a result, the recommendations made to increase horse inspection fees and reduce inspection travel costs are no longer applicable.

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FINDING II: Current Fee Does Not Support Inspection Costs for Horse Registration (Concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>3. The Department should reduce travel expenses associated with the horse ownership-hauling certificate and its inspection process by:</p> <p>a. Establishing a regular schedule of inspection times at central locations and encouraging horse owners needing inspections to transport horses to these locations; and</p> <p>b. Encouraging horse owners to meet inspectors at mutually convenient locations rather than traveling to the horse owner's property.</p>	<p style="text-align: center;">Not Applicable¹</p> <p style="text-align: center;">Not Applicable¹</p>	
<p>4. To provide incentive to horse owners, the Department should waive the travel fee if owners bring their horses to the Department's inspection staff or mutually agreed-upon location for this inspection.</p>	<p style="text-align: center;">Not Applicable¹</p>	

¹ The Department has revised its horse registration function and no longer physically inspects horses to verify ownership and issue horse registration certificates. The Department now issues these certificates through the mail upon receipt of ownership documentation. As a result, the recommendations made to increase horse inspection fees and reduce inspection travel costs are no longer applicable.