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AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

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DEPUTY AUDITOR GENERAL

September 22, 2015

The Honorable Judy Burges, Chair  
Joint Legislative Audit Committee

The Honorable John Allen, Vice Chair  
Joint Legislative Audit Committee

Dear Senator Burges and Representative Allen:

Our Office has recently completed a 24-month followup of the Arizona State Board of Funeral Directors and Embalmers regarding the implementation status of the 14 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in September 2013 (Auditor General Report No. 13-11). As the attached grid indicates:

- 13 have been implemented, and
- 1 has been partially implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes our follow-up work on the Board's efforts to implement the recommendations from the September 2013 performance audit report.

Sincerely,

Dale Chapman, Director  
Performance Audit Division

DC:ss  
Attachment

cc: Rodolfo Thomas, Executive Director  
Arizona State Board of Funeral Directors and Embalmers

# Arizona State Board of Funeral Directors and Embalmers

## Auditor General Report No. 13-11

### 24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<b>Licensing: Board ensured licensure applicants submitted required documents but should strengthen its license, registration, and endorsement application forms</b>	
1. The Board should further revise its licensing, registration, and endorsement application forms so that they are consistent with all of its rule requirements.	<b>Implemented at 6 months</b>
2. The Board should develop and implement policies and procedures to ensure that all licensure, registration, and endorsement requirements, including any future revisions to the requirements, are accurately reflected in its policies and procedures.	<b>Implemented at 24 months</b>
3. To ensure that the Board has an appropriate process for collecting late fees and ensuring that licensees/registrants reapply as required, the Board should develop and implement policies and procedures to guide the renewal process and ensure staff receive adequate supervisory oversight.	<b>Implemented at 24 months</b>
4. Where the information asked for in the Board's renewal applications differs from the information required by its administrative rules, the Board should determine whether to revise its renewal application forms or revise its rules. However, unless and until it revises its rules to change the renewal requirements, the Board should ensure its renewal application forms request all information required in rule.	<b>Implemented at 6 months</b>
5. To help ensure licensees/registrants meet the continuing education requirements, the Board should either follow up on a sample of renewal applications to verify that the licensee/registrant has completed the continuing education, or require all licensees/registrants to submit proof that they have completed the continuing education, such as a certificate of completion.	<b>Implemented at 24 months</b>
<b>Inspections: Board should improve its inspection process to better protect consumers</b>	
1. The Board should revise and implement its inspection policies and procedures to ensure that:	
a. All licensed facilities are inspected at least once every 5 years;	<b>Implemented at 6 months</b>
b. Staff track inspection progress and report compliance with the 5-year requirement to the Board;	<b>Implemented at 24 months</b>

Recommendation	Status/Additional Explanation
<p>c. Inspection checklists are fully completed and that there are no checklist items left unchecked without an explanation, and to require a periodic supervisory review of the inspector's checklists to ensure that checklists are clearly and accurately completed;</p>	<p><b>Implemented at 6 months</b></p>
<p>d. Board staff (1) conduct follow-up activities as required by AAC R4-12-120, including requesting written corrective action plans; (2) document whether and when corrective action is taken; and (3) obtain appropriate evidence to verify that deficiencies have been corrected; and</p>	<p><b>Implemented at 24 months</b></p>
<p>e. The Board's Executive Director randomly reviews inspection files and associated database entries at a specified, regular interval to ensure required follow-up activities have been performed.</p>	<p><b>Implemented at 6 months</b></p>
<p>2. The Board should develop and implement policies and procedures that provide direction to its staff on appropriately identifying and informing the Board of deficiencies that meet the three serious deficiency criteria specified in AAC R4-12-120(G), and that provide guidance to the Board for taking appropriate disciplinary action to address serious deficiencies identified during an inspection.</p>	<p><b>Implemented at 24 months</b> The Board has developed the recommended policies and procedures. However, the Board reported that no establishments had committed serious violations since the policies and procedures were developed. Therefore, auditors could not verify the implementation of these policies and procedures.</p>
<p><b>Public Information: Board should improve its provision of public information</b></p>	
<p>1. The Board should implement its revised policy and procedures designed to help prevent staff from making inaccurate computer entries, which prevent discipline records from being displayed on the Web site.</p>	<p><b>Implemented at 6 months</b></p>
<p>2. The Board should ensure that its staff follow its new written procedure it developed in January 2013 to ensure that the public is provided complete information regarding licensees and registrants over the phone.</p>	<p><b>Partially implemented</b> In two anonymous phone calls auditors made after the previous follow-up report, board staff followed the written procedure for providing information over the phone in one phone call but did not follow the procedure in another phone call.</p>
<p><b>Sunset Factor 2: The extent to which the Board has met its statutory objective and purpose and the efficiency with which it has operated</b></p>	
<p>1. To ensure board staff continue engaging in appropriate processes, the Board should document its licensing, registration, and endorsement procedures.</p>	<p><b>Implemented at 24 months</b></p>