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OFFICE OF THE
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March 13, 2017

The Honorable Bob Worsley, Chair
Joint Legislative Audit Committee

The Honorable Anthony Kern, Vice Chair
Joint Legislative Audit Committee

Dear Senator Worsley and Representative Kern:

Our Office has recently completed an 18-month followup of the *Arizona Department of Administration—Sunset Factors* regarding the implementation status of the 2 audit recommendations presented in the performance audit report released in September 2015 (Auditor General Report No. 15-109). As the attached grid indicates:

- 1 has been substantially implemented, and
- 1 is in the process of being implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes our follow-up work on the Department's efforts to implement the recommendations from the September 2015 performance audit report.

Sincerely,

Dale Chapman, Director
Performance Audit Division

DC:ka
Attachment

cc: Craig Brown, Director
Arizona Department of Administration

Arizona Department of Administration—Sunset Factors

Auditor General Report No. 15-109

18-Month Follow-Up Report

Recommendation

Status/Additional Explanation

Sunset Factor #4: The extent to which rules adopted by the Department are consistent with the legislative mandate.

1. Because of the existing moratorium on state agencies' rule-making, the Department should determine whether and when it can proceed with a rulemaking to establish the rules required by A.R.S. §41-3532.

Implementation in process

According to the Department, it determined that the proposed rule-making may fall under one of the exceptions listed in Governor's Executive Order 2017-02, which continues the moratorium on state agencies' rule-making. The Department reported that it anticipates requesting the required prior written approval of the Governor's Office to proceed with this proposed rule-making and other rule-makings by April 1, 2017.

Sunset Factor #5: The extent to which the Department has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.

2. To help ensure that it consistently complies with the State's open meeting law requirements, the Department should continue to train appropriate staff, and monitor staff's actions to ensure that they adhere to the Department's newly developed desk references and meeting instructions.

Substantially implemented at 18 months

The Department has developed and distributed division-specific desk references for use by staff whose duties include supporting the Department's public bodies that are subject to open meeting law requirements. According to these desk references, department supervisors are responsible for monitoring the staff's actions to ensure that they adhere to these desk references and meeting instructions. In addition, the Department conducted open meeting law training for its staff in July 2016. However, auditors found that the staff did not consistently comply with requirements. Specifically, auditors reviewed compliance with open meeting law requirements for the Department's public bodies that met in January and February 2017 and determined that three of the four bodies that met complied with the requirements. The Governor's Regulatory Review Council, Information Technology Authorization Committee, and Water Quality Appeals Board met requirements, but the Set Aside Committee did not. For example, the Set Aside Committee's February meeting agenda and minutes contained time and date errors.
