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April 4, 2019

The Honorable Rick Gray, Chair
Joint Legislative Audit Committee

The Honorable Anthony Kern, Vice Chair
Joint Legislative Audit Committee

Dear Senator Gray and Representative Kern:

Our Office has recently completed an 18-month followup of the Arizona Department of Economic Security—Sunset Factors regarding the implementation status of the 4 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in September 2017 (Auditor General Report 17-110). As the attached grid indicates:

- 2 have been implemented.
- 1 has been substantially implemented.
- 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 2017 performance audit report.

Sincerely,
Dale Chapman, Director
Performance Audit Division

cc: Michael Traylor, Director
Arizona Department of Economic Security

Arizona Department of Economic Security— Sunset Factors Auditor General Report 17-110 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

1.1 Because of the existing moratorium on State agencies' rulemaking, the Department should:

a. Continue with its efforts to determine whether and when it can proceed with rulemaking to establish rules for the ABLE program; and

Substantially implemented at 18 months

The Department received an exemption from the rule-making moratorium in November 2017. Since then, it has almost completed the rule-making process for the Achieving a Better Life Experience (ABLE) program. Specifically, it obtained approval on March 5, 2019, from the Governor's Regulatory Review Council for its proposed rules for the ABLE program. In addition, the Department filed its rules for the ABLE program with the Arizona Secretary of State's Office on March 22, 2019, to be published in the Arizona Administrative Register and anticipates the new rules will become effective in June 2019.

b. Continue with its efforts to determine whether and when it can proceed with rulemaking to establish rules for the long-term care ombudsman program.

Implementation in process

The Department received an exemption from the rule-making moratorium in November 2017. Since then, the Department has prepared draft rules for the Long-Term Care Ombudsman program and is revising them based on informal input it requested from the Arizona Attorney General's Office and stakeholders prior to officially starting the rule-making process with the Arizona Secretary of State's Office. According to the Department's timeline, the Department plans on starting the rule-making process with the Arizona Secretary of State's Office in September 2019 and anticipates completing the process in July 2020.

Recommendation**Status/Additional Explanation****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**

2.1 To help ensure that the councils, boards, and committees the Department staffs consistently comply with the State's open meeting law requirements, the Department should:

a. Develop and implement policies and procedures regarding staff responsibilities for helping to ensure that the councils, boards, and committees comply with the open meeting law, including how it will oversee staff's adherence to these policies and procedures. These policies and procedures should reflect staff responsibilities such as posting a statement on the website where councils', boards', and committees' meeting notices will be posted and providing meeting minutes within 3 working days of the meeting.

Implemented at 18 months

b. Develop and implement training for all Department staff who provide support to the councils, boards, and committees based on its open meeting law policies and procedures. This training should cover policies and procedures for complying with all open meeting law requirements as outlined in statute, explain the staff's responsibilities for helping the councils, boards, and committees meet these requirements, and be provided to appropriate department staff on a regular basis.

Implemented at 18 months
