

## Arizona Board of Funeral Directors and Embalmers

**Board licensed/registered applicants without ensuring they met key public protection requirements and did not properly perform funeral establishment and crematory inspections or perform some of these inspections within the required time frame.**

### Audit purpose

To determine whether the Board issued licenses to individuals and businesses in the funeral industry in accordance with statute and rule requirements, conducted funeral establishment and crematory inspections as required, and provide responses to the statutory sunset factors.

### Key findings

- Board licensed/registered 44 of 47 funeral establishment, crematory, prearranged funeral salesperson, cremationist, embalmer, funeral director, and multiple funeral director applicants we reviewed without ensuring they met key public protection requirements, including not performing the required fingerprint-based criminal history records check for 27 of these applicants.
- Board approved funeral establishments to sell prearranged funeral agreements without ensuring they had surety bonds in required amounts to help protect customers who purchase these agreements from financial loss.
- Board did not properly perform funeral establishment and crematory inspections we reviewed, placing business employees' health and safety at risk and consumers at financial risk.
- Board did not perform 5 of 30 funeral establishment and crematory inspections we reviewed within the statutorily required 5-year time frame, including 3 that had not been inspected for more than 7 years.
- Board has not evaluated the appropriateness of its license and registration fees.

### Key recommendations

The Board should:

- Ensure that all initial licensing and registration applicants meet all statutory and rule requirements and develop and/or update and implement licensing and registration policies and procedures to address all statute and rule requirements.
- Revise its license and registration applications and application checklists to ensure they include and address all statute and rule requirements.
- Verify that funeral establishments that are applying for an endorsement to sell prearranged funeral agreements have obtained surety bonds in amounts prescribed by statute.
- Conduct licensed business inspections that assess compliance with all statutory and rule requirements and accurately document the results of the inspections; and update and implement its inspection policies, procedures, and checklists to address all statute and rule requirements.
- Conduct licensed business inspections at least once every 5 years, as required by statute.
- Conduct a review of its licensing and registration fees and work with the Legislature to revise fees accordingly.