

## Arizona Game and Fish Commission Heritage Fund

The Arizona Game and Fish Department spent Heritage Fund monies in accordance with statute but did not consider some Heritage Fund operations and maintenance expenses for compliance with statutory limit, increasing risk that these monies would be unavailable for their intended purpose

### Audit purpose

To determine if Heritage Fund monies were spent for the purposes and in the percentages outlined in statute.

### Key findings

- The Heritage Fund was established through a 1990 ballot initiative to provide monies to the Arizona Game and Fish Commission for the purposes of preserving, protecting, and enhancing Arizona's natural and scenic environment, biological diversity, wildlife and wildlife habitat, endangered and threatened species, and for environmental education.
- Statute requires that 60 percent of Heritage Fund monies—or up to \$6 million annually—be spent for identification, inventory, acquisition, protection, and management (IIAPM), including operations and maintenance (O&M) of property with a sensitive habitat.
- Statute expressly states that not more than 20 percent of IIAPM monies be spent for the O&M of Heritage Fund acquired properties.
- Department allocated IIAPM monies to separate funds to help ensure compliance with statute, but did not consider all IIAPM O&M.
- Department reported it believed the plain meaning of the Heritage Fund statute was contrary to legislative intent and that it was not intended to limit all IIAPM monies from being used for O&M of acquired property. However, according to the Department, as of December 2021, it now agrees with the plain language of the statute and will revise its practices accordingly.

### Key recommendations

The Department should:

- Develop and implement internal controls to monitor all IIAPM O&M expenses of Heritage Fund acquired properties.
- Ensure that not more than 20 percent of the IIAPM monies are used for O&M expenses, including infrastructure, of Heritage Fund acquired properties