



**Katie Hobbs**  
Governor

**Office of the State Forester**  
**Arizona Department of Forestry**  
**and Fire Management**



**Thomas A. Torres**  
State Forester

September 15, 2023

Lindsey A. Perry  
Auditor General  
Office of the Auditor General  
2910 North 44th Street, Suite 410  
Phoenix, Arizona 85018

**RE: Department of Forestry and Fire Management Performance Audit and Sunset Review**

Dear Ms. Perry,

Attached is the Department of Forestry and Fire Management's response to the Performance Audit and Sunset Review recently completed by your office.

My staff and I appreciate the opportunity to respond to your recommendations.

Please do not hesitate to contact my office with any additional questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. A. Torres".

Thomas A. Torres  
Arizona State Forester

TAT:rb

**Duty ♦ Respect ♦ Integrity**

**Finding 1:** Department's Fire Marshal's Office has not established statutorily required fire safety inspection program, increasing the risk of fire-related deaths, injuries, and property damage

**Recommendation 1:** The Department should require the Fire Marshal's Office to develop and implement a written plan that outlines key steps it will take to establish a regularly scheduled fire safety inspection program as required by statute, including associated completion deadlines for each step. Its written plan should include steps and deadlines for:

**Recommendation 1a:** Developing and implementing a documented process for compiling and maintaining a complete inventory of buildings it is required to inspect, including for buildings that local fire authorities inspect. As part of this process, the Department should review and incorporate the relevant recommendations from our 1999 audit report and the practices of similar agencies in other states to help ensure it develops and maintains a complete building inventory.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will closely review and incorporate relevant recommendations from the 1999 audit report. Additionally, the Department will complete an assessment of the State Fire Marshal's office for compliance with relevant portions of the National Fire Protection Association's (NFPA) "*1730 Standard on Organization and Deployment of Fire Prevention Inspection and Code Enforcement, Plan Review, Investigation, and Public Education Operations*". This standard includes but is not limited to requirements to establish minimum frequencies for fire prevention and code enforcement inspections based on NFPA risk classification, annual reporting requirements, and a compiling a complete building inventory. This will be incorporated into a written accountability plan with completion deadlines as recommended by the Auditor General.

**Recommendation 1b:** Assigning each building in its inventory an NFPA risk classification and identifying the required fire safety inspection frequency for each building based on its risk classification.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will complete an assessment of the State Fire Marshal's office for compliance with relevant portions of the National Fire Protection Association's (NFPA) "*1730 Standard on Organization and Deployment of Fire Prevention Inspection and Code Enforcement, Plan Review, Investigation, and Public Education Operations*". This standard includes but is not limited to requirements to establish minimum frequencies for fire prevention and code enforcement inspections based on NFPA risk classification, a regularly scheduled fire safety inspection program, including annual reporting requirements and compiling a complete building inventory.

**Recommendation 1c:** Identifying which buildings in its inventory are covered by agreements with local fire authorities to conduct fire safety inspections on its behalf.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will identify which buildings in its inventory are covered by agreements with local fire authorities to conduct fire safety inspections on its behalf.

**Recommendation 1d:** Identifying the date of the last fire safety inspection for each building not covered by agreements with local fire authorities and the date the next fire safety inspection is/was due based on NFPA inspection frequency requirements.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will identify the date of the last fire safety inspection for each building in its inventory not covered by agreements with local fire authorities and the date the next fire safety inspection is/was due based on NFPA inspection frequency requirements.

**Recommendation 1e:** Developing a regular fire safety inspection schedule using information gathered in the previous steps.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will complete an assessment of the State Fire Marshal's office for compliance with relevant portions of the National Fire Protection Association's (NFPA) "*1730 Standard on Organization and Deployment of Fire Prevention Inspection and Code Enforcement, Plan Review, Investigation, and Public Education Operations*". This standard includes but is not limited to requirements to establish minimum frequencies for fire prevention and code enforcement inspections based on NFPA risk classification.

**Recommendation 1f:** Developing a process for tracking inspections conducted on its behalf by local fire authorities to ensure these inspections are conducted consistent with NFPA inspection frequency requirements, such as requiring local fire authorities to report on which buildings they have inspected and the associated inspection dates.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department has invested in the development of a management information system that includes tracking and recording inspections conducted on its behalf by local fire authorities and is working diligently to implement the 3<sup>rd</sup> party system, Salesforce Customer Relationship Management software, as soon as practical.

**Recommendation 1g:** Developing, implementing, and maintaining an information system to support the effective management of its fire safety inspection program, including collecting and entering into the information system data to support steps a through f.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department has invested in the development of a management information system to effectively manage its fire safety inspection program that includes collecting and entering relevant data for efficient record keeping. The Department is working

diligently to implement the 3rd party system, Salesforce Customer Relationship Management software, and the system will go live as soon as practical. When fully functional, the system will fully support the Auditor's recommendations.

**Recommendation 2:** The Department should develop and implement a plan to hold the Fire Marshal's Office accountable for establishing a regularly scheduled fire safety inspection program, including requiring the Fire Marshal's Office to provide quarterly written reports to the Department Director on its progress in implementing the steps outlined in Recommendation 1 and developing regular reporting mechanisms, such as management reports, to ensure the sustained implementation of the inspection program thereafter.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will develop a plan to hold the Fire Marshal's Office accountable for establishing a regularly scheduled fire inspection program and will incorporate this requirement into the Department's assessment of the State Fire Marshal's office for compliance with relevant portions of the National Fire Protection Association's (NFPA) "1730 Standard on Organization and Deployment of Fire Prevention Inspection and Code Enforcement, Plan Review, Investigation, and Public Education Operations" as outlined in Recommendation one. Furthermore, the Department will engage the services of an outside party to assist in the development and management of the plan on behalf of the Department Director.

**Recommendation 3:** The Department should update and/or develop and implement fire safety inspection policies and procedures that, at a minimum, address each of the steps outlined in Recommendation 1.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will review current fire safety inspection protocols and guidelines and incorporate them into formal policy documents in accordance with established Department policy development requirements.

**Recommendation 4:** The Department should perform a workload analysis to determine the number of staff needed to conduct required inspections within NFPA frequency requirements and, if necessary, pursue additional agreements with local fire authorities and/or private vendors to conduct inspections. If after completing these actions the Department determines it needs additional resources for its inspection program, it should work with the Legislature to obtain these additional resources.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: When the Office of the State Fire Marshal (OSFM) was consolidated with DFFM in 2016, the OSFM employed nine inspectors for the entire state of Arizona. Since 2016, DFFM has worked with both the Executive and the Legislature to better staff the OSFM. Through those efforts, the OSFM now employs 15 inspectors; however, given the size and population of Arizona, we are confident that 15 is an inadequate number of inspectors. To determine additional needs, the Department will complete an assessment of the State Fire

Marshal's office for compliance with relevant portions of the National Fire protection Association's (NFPA) "1730 Standard on Organization and Deployment of Fire Prevention Inspection and Code Enforcement, Plan Review, Investigation, and Public Education Operations". This standard includes guidelines to perform a workload analysis. Once this workload analysis is completed, the agency will work with the governor's office, local authorities, private vendors, and the legislature to address the necessary additional resources.

**Finding 2:** Department has not implemented most recommendations for assisting Arizona communities with wildfire planning, potentially impacting communities' wildfire vulnerability

**Recommendation 5:** The Department should fully implement the ERI assessment recommendations, including:

**Recommendation 5a:** Updating the CWPP content requirements document to include intended purpose, audience, and use; wildfire-risk assessment and treatment-prioritization process; and strategies for implementation.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will update its "CWPP Guidance Requirements" located on the Department's website to include the auditor's recommendations and these requirements will further be incorporated into a CWPP Template to be provided by DFFM to applicants within Arizona. Note that the Department has always relied on federal funding for CWPP development and other fire prevention activities. Indeed, the ERI study was funded using federal grant money. Through the Bipartisan Infrastructure Law (BIL), DFFM has hired a dedicated CWPP Program Specialist to assist local governments with CWPP development and maintenance. Using funds provided by the BIL, the Department is in the process of updating CWPP content requirements and will incorporate the Auditor's recommendation. The requested information will be included but the emphasis on documenting risk and identifying needed projects will remain.

**Recommendation 5b:** Establish CWPP guidance and resources for how communities can conduct wildfire-risk reduction assessments, prioritize areas for hazardous-fuel reduction treatments, and integrate CWPP's with existing county, State, and other federal planning documents relevant to reducing wildfire threat.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Using funds provided by the BIL, the Department is in the process of establishing CWPP guidance and a template. The Department will also provide resources for how communities can conduct wildfire-risk assessments, prioritize areas for hazardous-fuel-reduction treatments, and integrate CWPPs with existing planning documents relevant to reducing wildfire threat.

**Recommendation 5c:** Establish CWPP accomplishment tracking and reporting requirements, such as information about completed hazardous-fuel-reduction treatments.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will assess its existing Geographical Information System (GIS) technology-based system (Forestry Information Tracking System) that tracks hazardous fuels projects managed by the Department for inclusion of CWPP projects performed by state, county or other entities. Additionally, the Department is in the process of hiring additional GIS staff to provide more capacity to address recommended tracking efforts to support CWPP efforts.

**Recommendation 5d:** Establish CWPP update requirements, including how frequently CWPPs should be reviewed and updated.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will provide guidance for CWPP updates including frequency of updates. It is important to note that federal requirements allow for projects to be considered for federal funding within 10 years of an approved plan and that sets the baseline for plan update frequency. The Department will remind CWPP participants of this 10 year federal requirement and provide guidance for other criteria that may necessitate an update.

**Recommendation 6:** The Department should evaluate available funding and staffing, including State and federal funding sources, and determine if additional funding and/or staffing is needed to assist communities with developing and implementing CWPPs. If additional funding and/or staffing is needed, perform a cost analysis and work with the Legislature to obtain the needed resources.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department currently funds a majority of its CWPP and related work using federal funds. Given the importance of the CWPP program, State funding via the Department's wildfire mitigation budget line item is being used in FY 2024 and beyond, as funding allows, to augment staffing and other resources to support the CWPP program. This new capacity includes the hiring of a GIS employee with State funds. Through the Bipartisan Infrastructure Law (BIL), DFFM has hired a dedicated CWPP Program Specialist to assist local governments with CWPP development and maintenance. Fortunately, the BIL provides funding opportunities of up to \$250,000/year to applicants for CWPP development and maintenance. The Department will build on this new capacity and communicate with communities to evaluate if available funding and staffing is adequate for them and how the Department can support them.

**Finding 3:** Department did not comply with some State conflict-of-interest requirements and its conflict-of-interest process was not fully aligned with recommended practices, increasing risk that employees and public officers had not disclosed substantial interests that might influence or could affect their official conduct

**Recommendation 7:** The Department should develop and implement comprehensive conflict-of-interest policies and procedures that align with State conflict-of-interest requirements and recommended practices, including:

**Recommendation 7a:** Requiring employees and committee members to complete a conflict-of-interest disclosure form upon hire or appointment and requiring all employees and committee members to use a disclosure form that addresses both financial and decision-making conflicts of interest.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will develop and implement a comprehensive conflict-of-interest policy with procedures that align with state conflict-of-interest requirements and recommended practices including requiring employees and committee members to complete a conflict-of-interest disclosure form upon hire or appointment and requiring all employees and committee members to use a disclosure form that addresses both financial and decision-making conflicts of interest.

**Recommendation 7b:** Reminding employees and committee members at least annually to update their form when their circumstances change, including attesting that no conflicts exist, if applicable.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: While not required by statute or ADOA, the Department will remind employees and committee members annually to update conflict-of-interest forms.

**Recommendation 7c:** Storing all substantial interest disclosures, including disclosure forms and meeting minutes, in a special file available for public inspection.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will store all substantial interest disclosures, including disclosure forms and meeting minutes, in a special file available for public inspection.

**Recommendation 7d:** Establishing a process to review and remediate all disclosed conflicts.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will establish a process to review and remediate disclosed conflicts.

**Recommendation 8:** The Department should ensure that employees who disclose secondary employment complete a supplemental disclosure form and work with their supervisor to determine if a conflict exists, as required by Department policy.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will ensure that employees who disclose secondary employment complete a supplemental disclosure form and work with their supervisors to determine if a conflict exists.

**Recommendation 9:** The Department should develop and provide periodic training on its conflict-of-interest requirements, process, and disclosure form, including providing training to all employees and committee members on how the State's conflict-of-interest requirements relate to their unique programs, functions, or responsibilities.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Although not required by statute or ADOA, the Department will develop and provide periodic training on its conflict-of-interest requirements, process, and disclosure form, including providing training to all employees and committee members on how the State's conflict-of-interest requirements relate to their unique programs, functions, or responsibilities.

**Finding 4:** Department does not have complaint-handling processes to ensure it investigates and resolves all complaints, increasing public safety risk

**Recommendation 10:** The Department should establish a method for the public to submit complaints through its website or by other easily accessible means.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Although the Department receives very few complaints each year, and none related to the Department's complaint handling process, the Department will establish a method for the public to submit complaints through its website.

**Recommendation 11:** The Department should make complaint-handling information readily available on its website, including a description of the Department's complaint-handling process and forms.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will make complaint-handling information, including a complete description of the process readily available on its website.

**Recommendation 12:** The Department should develop and implement written policies and procedures for complaint handling that include:

**Recommendation 12a:** Minimum documentation standards, such as retaining complaint forms, correspondence with all parties and other investigative documents, final investigative reports, Department decisions, and dates associated with investigative steps and Department decisions.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will develop and implement a written policy with procedures for complaint handling that include all relevant information regarding the Departments complaint-handling processes and procedures.

**Recommendation 12b:** Time frames for completing key complaint-handling steps and tasks and for resolving complaints.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will develop and implement a written policy with procedures for complaint handling that include all relevant information regarding the Departments complaint-handling processes and procedures.

**Recommendation 12c:** Standards for prioritizing complaints based on the severity of allegations.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will develop and implement a written policy with procedures for complaint handling that include all relevant information regarding the Departments complaint-handling processes and procedures.

**Recommendation 12d:** Complaint-screening protocols, including determining which complaints are within its jurisdiction.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will develop and implement a written policy with procedures for complaint handling that include all relevant information regarding the Departments complaint-handling processes and procedures.

**Recommendation 12e:** Notification requirements for parties involved, such as when a complaint is being opened or resolved, or when a complaint falls outside the Department's jurisdiction.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will develop and implement a written policy with procedures for complaint handling that include all relevant information regarding the Departments complaint-handling processes and procedures.

**Recommendation 13:** The Department should develop and implement a complaint-tracking process that allows the Department to track all complaints it receives, monitor complaints it receives to ensure that they are investigated and resolved, and ensure that complaints are being resolved in a timely manner.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will develop and implement a written policy with procedures for complaint handling that include all relevant information regarding the Departments complaint-handling processes and procedures.

**Sunset Factor 2:** The extent to which the Department has met its statutory objective and purpose and the efficiency with which it has operated.

**Recommendation 14:** The Department should implement the recommendations made in our November 2016 procedural review and align its implementation of these recommendations with applicable SAAM requirements.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department is implementing the recommendations made in the Auditor General's November 2016 Procedural Review in alignment with applicable SAAM requirements.

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

**Recommendation 15:** The Department should adopt rules required by A.R.S. §§37-1305, 37-1383, and 37-1422.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will adopt rules required by A.R.S. §§37-1305, 37-1383, and 37-1422.

**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.

**Recommendation 16:** The Department should include a statement on its website indicating where public meeting notices will be posted, as required by statute.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will include a statement on its website indicating where public notices will be posted.

**Sunset Factor 8:** The extent to which the Department has addressed deficiencies in its enabling statutes that prevent it from fulfilling its statutory mandate.

**Recommendation 17:** The Department should conduct and document an assessment to determine whether the State Fire Safety Committee should be eliminated and, if necessary, work with the Legislature to seek a statutory change to eliminate the State Fire Safety Committee.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department will conduct and document an assessment to determine whether the State Fire Safety Committee should be eliminated from statute.