The September 2022 Arizona Department of Emergency and Military Affairs and State Emergency Council performance audit and sunset review found that the Department helps coordinate emergency management efforts throughout the State but did not consistently develop and track corrective actions to address some emergency response deficiencies, impacting its ability to address these deficiencies during real-world emergency responses, and did not comply with some State conflict-of-interest requirements. We made 16 recommendations to the Department, and its status in implementing the recommendations is as follows:

Status of 16 recommendations

Implementation in process	14
Not yet applicable	1
Not implemented	**1**

We will conduct a 30-month followup with the Department on the status of the recommendations that have not yet been implemented.

Finding 1: Department did not develop corrective actions to address some emergency response deficiencies it identified and did not consistently track corrective action status and completion

1. The Department should develop, implement, and test corrective actions for deficiencies identified in after-action reports, or document why a corrective action for an identified deficiency cannot be developed, implemented, and/or tested.

    Implementation in process—The Department has developed procedures and a template tracking sheet that require the development, implementation, and testing of corrective actions to address deficiencies identified in after-action reports. The procedures identify who is responsible for developing and implementing corrective actions and updating the tracking sheet to track status changes, including the time frames for doing so, consistent with FEMA guidance, as well as guidance on how to prioritize corrective actions for completion. The Department developed and published after-action reports in July 2023 and February 2024 related to 2 exercises it conducted. Both reports include improvement plans with identified corrective actions, and the Department estimated completing implementation and testing of these corrective actions by July 2024 and September 2024, respectively. We will assess the Department's implementation and testing of these corrective actions during our 30-month followup.

2. The Department should document and track status changes and completion of corrective actions identified in after-action reports.

    Implementation in process—See explanation for Recommendation 1.

3. The Department should develop and/or update and implement policies and procedures for:

    a. Requiring corrective actions to be developed within a specified time frame after the exercise or real-world event, consistent with FEMA guidance.

        Implementation in process—See explanation for Recommendation 1.

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b. Documenting and tracking corrective actions using its tracking spreadsheet, including guidance for who should update the tracking spreadsheet and time frames for doing so.

Implementation in process—See explanation for Recommendation 1.

c. Assigning priorities for corrective actions, including guidance for how priorities should be determined and how an assigned priority should dictate when the corrective action should be completed.

Implementation in process—See explanation for Recommendation 1.

d. Holding improvement planning meetings as frequently as needed to ensure that the Department updates the status of corrective actions and monitors them until completion.

Implementation in process—As explained in Recommendation 1, the Department has developed procedures that require the development, implementation, and testing of corrective actions to address deficiencies identified in after-action reports. These procedures also require Department staff to meet biannually to confirm the status of corrective action items and their implementation. Although the Department has developed and published 2 after-action reports in July 2023 and February 2024 that include improvement plans with identified corrective actions (see explanation for Recommendation 1), it reported that it has yet to hold a biannual meeting and is working to hold its initial biannual meeting in April 2024. We will further assess the Department's implementation of this recommendation during our 30-month followup.

Finding 2: 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

4. The Department should develop and/or update and implement conflict-of-interest policies and procedures for:

a. Reminding employees at least annually to update their disclosure form when their circumstances change, including attesting that no conflicts exist, if applicable, consistent with recommended practices.

Implementation in process—The Department implemented various conflict-of-interest processes, such as sending an email to employees in February 2023 reminding them to update disclosure forms if and when circumstances change and using a disclosure form that addresses both financial and decision-making conflicts of interest, including attesting that no conflicts exist. Further, the Department reported it created a special file to store substantial interest disclosure. However, the Department has not yet developed written conflict-of-interest policies and procedures for these processes. We will further assess the Department's implementation of policies and procedures during our 30-month followup.

b. Continuing to use a conflict-of-interest disclosure form that addresses both financial and decision-making conflicts of interest, including attesting that no conflicts exist, as applicable.

Implementation in process—See explanation for Recommendation 4a.

c. Storing all substantial interest disclosures, including disclosure forms and meeting minutes, in a special file available for public inspection, as required by statute.

Implementation in process—See explanation for Recommendation 4a.

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5. Provide periodic training on its conflict-of-interest requirements, process, and disclosure forms, including how the State's conflict-of-interest requirements relate to their unique programs, functions, or responsibilities and when to complete the supplemental form, consistent with recommended practices.

    Not implemented—The Department reported that it has not provided periodic training on its conflict-of-interest requirements, process, and disclosure forms and believes this to be an Arizona Department of Administration responsibility. However, the Department is responsible for providing training on its specific conflict-of-interest processes and policies and procedures, such as the Department policy requirement for some employees to complete a supplemental disclosure form, to help ensure its employees understand and comply with them and Department expectations regarding their compliance with the State's conflict-of-interest requirements. We will assess the Department's implementation of this recommendation during our 30-month followup.

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

6. The Department should develop and/or update and implement written policies and procedures that outline:

    a. The specific steps staff should complete for reviewing and approving EMPG applications.

        Implementation in process—The Department revised its EMPG application-review checklist to incorporate some written procedures and provide additional information on its processes for reviewing and approving EMPG applications. However, the procedures do not specify all the steps staff must follow when reviewing and approving EMPG applications. For example, the procedures state that applications will undergo a thorough review and assessment for their technical and programmatic quality and competency, which will vary depending on the project, but lack the specific steps for conducting the thorough review and assessment. We will assess the Department's further development and implementation of its policies and procedures for reviewing and approving EMPG applications during our 30-month followup.

    b. A supervisory review process for EMPG applications.

        Implementation in process—In addition to revising its EMPG application-review checklist as explained in Recommendation 6a, the Department has incorporated a supervisory review process within the checklist that requires the Department's assistant director, finance coordinator, and chief finance officer to certify with their signature that they have reviewed the application and verified its contents with the provided supporting documentation. We will assess the Department's implementation of this supervisory review process during our 30-month followup in conjunction with our further assessment of its policies and procedures for reviewing and approving EMPG applications.

7. The Department should revise its EMPG application and checklist consistent with grant manual requirements, including requiring that application narratives include the scope of work and timelines.

    Implementation in process—The Department finalized its fiscal year 2023 EMPG application in May 2023 and reported it is also using this application for fiscal year 2024. The fiscal year 2023 EMPG requires applicants to submit a work plan that includes information such as identifying priorities that will be addressed with EMPG monies. However, the application does not require applicants to provide timelines for the project. Further, as discussed in Recommendation 9, the Department reported that it is in the process of transitioning to a new grants management system, which may result in further changes to its EMPG application. Therefore, we will further assess the Department's development and implementation of its EMPG application during our 30-month followup.

8. The Department should train all relevant staff on the newly developed or updated policies, procedures, and checklist for reviewing and approving EMPG applications.

    Not yet applicable—As explained in Recommendations 6a through 7, although the Department has taken some steps to revise it EMPG application, review checklist, and application-review process, the application and written policies and procedures lack some necessary and important information and requirements to help ensure the Department receives complete and comprehensive EMPG applications and thoroughly reviews these applications.

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Therefore, the Department should train its staff once it addresses the gaps in its policies, procedures, and application and review materials, and we will assess its efforts to do so during our 30-month followup.

9. The Department should develop and implement a goal and time frame for adopting eCivis, or a similar grants management system, to manage the EMPG.

    Implementation in process—As noted in our September 2022 Performance Audit and Sunset Review (Report 22-114), the Department reported it planned to procure a grants management system other than eCivis that it believed would better meet the needs of its EMPG application process. The Department reported working with the Arizona Department of Administration's Arizona Strategic Enterprise Technology Office to select a grants management system, and after meeting with 3 potential vendors of grants management systems, it selected a system based on several factors, including ease of use and integration with federal grants management systems. The Department expects to deploy the new grants management system by the end of April 2024. We will further assess the Department's implementation of its new system during our 30-month followup.

10. The Department should conduct a risk assessment of its IT systems and develop and implement a written action plan for the development and implementation of all ASET-required IT security procedures, focusing on the highest priority IT security areas first. The action plan should include specific tasks and their estimated completion dates, assign staff responsibility for completing and overseeing completion of the task, and include a process for regularly reviewing and updating the plan based on its progress.

    Implementation in process—The Department created an IT security plan in September 2023 to document its chief information officer's risk assessment of the Department's IT systems and security planning for various processes, such as the development of IT security policies and procedures, patch management, and vulnerability testing. The IT security plan states that the Department plans to be compliant with all policies, procedures, and standards required by the Arizona Department of Homeland Security (AZDOHS) by June 2024; and reported that the Department has implemented 16 IT security policies since March 2023. However, the IT security plan does not indicate if the Department is focusing on the highest-priority IT security areas first. Further, the Department did not develop a written action plan for the development and implementation of all AZDOHS-required IT security procedures based on its risk assessment, and its IT security plan does not include specific tasks with their estimated completion dates or a process for regularly reviewing and updating the plan or assign staff responsibility for completing tasks. We will further assess the Department's implementation of this recommendation during our 30-month followup.

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