

The August 2022 Arizona State Parks Board performance audit and sunset review found that the Board developed standardized State Park system operations guidance and a multilevel grant award review process but did not comply with some State cash-handling and conflict-of-interest requirements and lacked comprehensive capital project management and grant timeliness policies. We made 17 recommendations to the Board, and its status in implementing the recommendations is as follows:

Status of 17 recommendations

Implemented	4
Implemented in a different manner	1
In process	11
Not implemented	1

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

Finding 1: Board did not protect public monies, increasing risk of loss or theft

1. The Board should comply with SAAM requirements and implement recommended practices for recording cash transactions and reconciling cash deposits, including developing and implementing policies and procedures for:
 - a. Requiring Board staff and volunteers who receive cash to provide a receipt to customers for all transactions.
Implemented at 18 months—The Board developed a policy that requires its staff and volunteers to provide a receipt to customers for all cash transactions. Our June 2023 and April 2024 observations at 2 State Parks found that Board staff and volunteers provided a receipt to customers for all 15 transactions we observed.
 - b. Locking transactions after a sale, including processing refunds as separate transactions rather than editing transaction information after a sale.
Implemented in a different manner at 18 months—Although the Board has not developed policies and procedures that require its staff to lock each transaction after a sale and process refunds as a separate transaction, its new integrated reservation system, implemented in July 2022, does not allow staff to edit transactions after a sale. Our June 2023 and April 2024 observations at 2 State Parks confirmed that the integrated reservation system did not allow staff to edit transactions after a sale.
 - c. Reconciling detailed and prenumbered receipt logs and register tapes to deposits with the State Treasurer during its daily and weekly reconciliation processes.
Implementation in process—The Board developed policies and procedures that require park managers and/or assistant park managers to review a daily summary report of transactions that is generated by the Board’s new integrated reservation system for accuracy prior to making deposits and submit daily deposit reports and deposit slips to the Board’s fiscal office for review and reconciliation. However, the Board’s policies and procedures do not include the SAAM requirement to reconcile daily deposit documentation generated by its new integrated reservation system to State financial system documentation for deposits made with the State Treasurer. We will continue to assess the Department’s implementation of this recommendation during our 30-month followup.

2. The Board should work with its cash receipt system vendor to ensure its new cash receipt system locks transactions after sales are completed and that the system can generate reports to facilitate the Board's reconciliation of deposits in compliance with SAAM requirements.

Implemented at 18 months—As discussed in recommendation 1b, the Board's new integrated reservation system does not allow staff to edit transactions after a sale. Additionally, the new integrated reservation system can generate reports to facilitate Board staff's verification of daily sales and reconciliation of deposits.

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

3. The Board should complete development of and implement its project tracker and project management policies and procedures. The policies and procedures should outline specific steps project managers should follow to manage capital projects, including planning, regularly tracking the status of, and documenting key project information and dates in a standardized way.

Implemented at 18 months—The Board developed and has implemented project management policies and procedures that outline key steps for managing capital projects, including requiring staff to update project-tracking spreadsheets with the current status of project progress, notifying stakeholders weekly regarding project status, and coordinating with relevant staff on specific planning tasks. For example, the Board has developed a project-tracking spreadsheet to document key information for each capital project, such as project title, location, project budget, start and end dates, project status updates, and dates of working with various stakeholders and other State agencies on projects. Our review of this spreadsheet found that the Board included this information for all 53 capital projects it had between September 2022 and October 2023, with a few exceptions, such as 6 projects that did not include a project end date. A supervisory or management review of the data could further ensure the accuracy and completeness of the data entered into the Board's project-tracking spreadsheets.

4. The Board should implement its weekly project management trainings for project managers, including providing training on its project tracker and project management policies and procedures.

Implementation in process—The Board conducted weekly trainings for its staff, including project managers, in fiscal years 2023 and 2024, with some exceptions, such as a week with a State holiday. According to the Board's weekly training tracker, these trainings covered various topics, including project template tools and forms and project management procedures. However, despite our requests, the Board did not provide any training documentation or materials for our review, and thus, we were unable to confirm the content of these trainings. We will further assess the Board's implementation of this recommendation during our 30-month followup.

5. The Board should develop and implement policies and procedures that:

- a. Require Board staff to track grantees' compliance with project completion time frames outlined in project agreements, including procedures for reporting time frame compliance information to the Board.

Implementation in process—The Board revised its policies and procedures in March 2023 to require its staff to track a project agreement's signing and each project's completion date. Additionally, these policies and procedures require grantees to submit quarterly updates regarding project status throughout a project's duration. However, the Board's policies and procedures do not provide guidance for staff to ensure grantees submit these quarterly reports, for reviewing quarterly reports to determine whether projects are on track to meet completion time frames established in the project agreements, or for reporting time frame compliance information to the Board. We will continue to assess the Board's implementation of this recommendation during our 30-month followup.

- b. Describe how Board staff should establish project start and end dates, including criteria for doing so.

Implemented at 18 months—The Board developed guidance for its staff that includes criteria for establishing project start and end dates depending on the type of grant project, and our review of all 11

projects the Board initiated between November 2022 and February 2023 found that all 11 of these projects included start and end dates consistent with the criteria specified in the guidance.

- c. Require Board staff to track grantee compliance with the 90-business day closeout requirement for all of the Board's grant programs.

Implementation in process—The Board developed a policy that requires its staff to track grantee compliance with and provide reminders to grantees about the requirement to submit all required closeout paperwork within 90 business days after project completion. Our review of 22 grants closed between February 2022 and February 2023 found that 20 were closed within the 90-day period; however, the remaining 2 projects were closed 109 days and 326 days after project completion, respectively. For the project that was closed 109 days after completion, Board staff attributed the delay to the grantee not requesting reimbursement within the 90-business-day closeout period. For the project that was closed 326 days after completion, Board staff reported that although the project was fiscally closed on time, Board staff did not complete the final official closeout letter within the 90-business day closeout period because of staffs' excess workload. Board staff also reported further revising the closeout process to address these delays. We will continue to assess the Board's implementation of its closeout policy during our 30-month followup.

Sunset Factor 3: The extent to which the Board serves the entire State rather than specific interests.

6. The Board should develop and implement conflict-of-interest policies to help ensure compliance with State conflict-of-interest requirements and recommended practices including:
 - a. Requiring public officers, including all Board and advisory group members, to complete a conflict-of-interest disclosure form upon appointment, including attesting that no conflicts exist, if applicable.

Not implemented—Although the Board obtained conflict-of-interest disclosure forms from its Board members, it has not established a policy and procedure for obtaining these forms from its Board or advisory group members upon their appointment. Additionally, the Board has not obtained disclosure forms from 26 of 27 members of its various advisory groups, committees, and commissions. We will assess the Board's implementation of this recommendation during our 30-month followup.

- b. Reminding all employees and public officers at least annually to update their disclosure form when their circumstances change.

Implementation in process—Although the Board has not developed a policy for reminding employees and public officers at least annually to update their disclosure form when their circumstances change, it reported that it requires all employees to annually complete training that includes a reminder to update their disclosure form when their circumstances change. According to the Board's calendar year 2024 staff training tracker, 152 of its 250 employees had completed this training as of February 16, 2024. Additionally, the Board sent a reminder to each of its Board members in February 2024 to update their disclosure forms if needed but did not provide evidence of sending a similar reminder to its advisory group members. We will continue to assess the Board's implementation of this recommendation during our 30-month followup.

- c. Storing all substantial interest disclosures, including disclosure forms, in a special file available for public inspection.

Implementation in process—Board policy requires all employee disclosure forms with a substantial interest to be stored in a designated location at the Board's central office, but the policy does not include a similar requirement for Board and advisory group members who have disclosed a substantial interest. Our review of the Board's special file found that it included disclosure forms for 20 employees. Additionally, consistent with the Board's policies and procedures for reviewing and remediating employee-disclosed conflicts discussed in Recommendation 6d, the Board documented its determination that the 20 employee disclosure forms

did not include any substantial interest disclosures. Therefore, the Board is not required to include these disclosure forms in its special file.

Additionally, although not required by its policy, the Board has stored all 6 Board members' conflict-of-interest disclosure forms in its special file. Our review of these 6 disclosure forms found that 2 of these forms did not include disclosures, while 4 disclosed a conflict, but the Board reported the conflict did not involve a substantial interest. However, the Board did not document its review of these disclosures. Additionally, the Board has not obtained disclosure forms from its advisory group members to determine whether any substantial interest disclosures should be included in the special file (see explanation for Recommendation 6a). Finally, our review of 8 Board or advisory group meetings held between November 2022 and June 2023 found that Board or advisory group members did not disclose any substantial interests that would require their inclusion in the special file. We will further assess the Board's implementation of this recommendation during our 30-month followup.

- d. Establishing a process to review and remediate disclosed conflicts.

Implementation in process—The Board revised its policies and procedures to establish a process for reviewing and remediating potential conflicts disclosed by employees. However, Board policy does not establish a similar review and remediation process for conflicts disclosed by Board and advisory group members. Additionally, our review of the 20 employee conflict-of-interest disclosure forms stored in the Board's special file found that 19 forms did not fully document the Board's review. Specifically, although the Board had a documented review and determination, it did not include the review date as required by Board policy. We will continue to assess the Board's implementation of this recommendation during our 30-month followup.

- 7. The Board should provide periodic training on its conflict-of-interest requirements, process, and disclosure form, including providing training to all employees and Board/advisory group members on how the State's conflict-of-interest requirements relate to their unique program, function, or responsibilities.

Implementation in process—The Board reported that it requires all employees to complete an annual training that includes information on the State's conflict-of-interest requirements, process, and disclosure form, and includes a reminder to update their disclosure form when their circumstances change. However, although this training includes information on how the State's conflict-of-interest requirements relate to the Board's procurement responsibilities, it does not include information on how the State's conflict-of-interest requirements relate to the Board's other unique programs, functions, or responsibilities, such as awarding grant monies and related grant administration responsibilities. Additionally, the Board has not established a requirement for its Board and advisory group members to complete this training. We will continue to assess the Board's implementation of this recommendation during our 30-month followup.

Sunset Factor 5: The extent to which the Board 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.

- 8. The Board should develop and implement open meeting law policies and procedures to help ensure its compliance with open meeting law requirements.

Implementation in process—The Board developed an open meeting law policy and procedure that includes key steps for helping to ensure compliance with open meeting law requirements, such as posting meeting notices at least 24 hours in advance at the Board's office and on its website, making minutes available to the public within 3 business days after the meeting, and documenting the names of members who proposed each motion. However, this policy does not include a requirement to note how each Board member voted on a matter. Our review of 3 Board meetings held between February and August 2023 found that the Board complied with its policies for meeting notices and minutes. Furthermore, although not required by its policy, the Board noted in its meeting minutes how each Board member voted on each matter. We will continue to assess the Board's implementation of this recommendation during our 30-month followup.

Sunset Factor 6: The extent to which the Board has been able to investigate and resolve complaints that are within its jurisdiction and the ability of the Board to timely investigate and resolve complaints within its jurisdiction.

9. The Board should document complaint resolution dates for all complaint types, including those received through its public information officer or its social media.

Implementation in process—The Board has developed a complaint-handling policy and procedure that includes key complaint-handling steps, such as documenting the complaint resolution date for all complaint types in a tracking log. Our review of a sample of 4 complaints received through social media and 28 complaints received through e-mail or telephone from the 52 complaints the Board received between February and November 2023 and listed on its complaint-tracking log found that 30 complaints had a documented complaint resolution date. However, 2 complaints did not have a documented complaint resolution date, including 1 complaint that had no documented information subsequent to the Board receiving it in June 2023. We will continue to assess the Board's implementation of this recommendation during our 30-month followup.

10. The Board should implement its complaint-handling policy and procedure.

Implementation in process—The Board developed a complaint-handling policy and procedure that includes key complaint-handling steps such as establishing a 48-hour response deadline for complaints received by phone and email, and documenting the staff member assigned to process the complaint, complainant contact information, steps taken to resolve the complaint, and complaint-closed date. However, our review of a sample of 28 complaints received through e-mail or telephone from the 52 complaints the Board received between February and November 2023 found that Board staff did not fully document the steps taken to resolve a complaint prior to closing it or provide evidence of responding to the complainant within 48 hours as required by policy for 11 of 28 complaints. Specifically, Board staff resolved 3 of these complaints between 3 and 6 days after receipt, and we could not determine the complaint-resolution times frames for 8 complaints because 1 complaint had a resolution date prior to the received date, and 7 complaints did not have a documented receipt date. We will continue to assess the Board's efforts to implement its complaint-handling policy and procedure during our 30-month followup.