

Arizona Department of Forestry and Fire Management

Department has not established statutorily required fire safety inspection program, implemented recommendations to help Arizona communities with wildfire planning, or developed complaint-handling process, increasing the risk of fire-related deaths, injuries, and property damage

Performance Audit and
Sunset Review

September 2023
Report 23-108

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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September 20, 2023

Members of the Arizona Legislature

The Honorable Katie Hobbs, Governor

Mr. Tom Torres, Director
Arizona Department of Forestry and Fire Management

Transmitted herewith is the Auditor General's report, *A Performance Audit and Sunset Review of the Arizona Department of Forestry and Fire Management*. This report is in response to a December 17, 2020, resolution of the Joint Legislative Audit Committee. The audit was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq. I am also transmitting within this report a copy of the Report Highlights to provide a quick summary for your convenience.

As outlined in its response, the Arizona Department of Forestry and Fire Management agrees with all the findings and plans to implement all the recommendations. My Office will follow up with the Arizona Department of Forestry and Fire Management in 6 months to assess its progress in implementing the recommendations. I express my appreciation to Director Torres and Department staff for their cooperation and assistance throughout the audit.

My staff and I will be pleased to discuss or clarify items in the report.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

Arizona Department of Forestry and Fire Management

Department has not established statutorily required fire safety inspection program, implemented recommendations to help Arizona communities with wildfire planning, or developed complaint-handling process, increasing the risk of fire-related deaths, injuries, and property damage

Audit purpose

To determine whether the Department regularly scheduled and timely performed required fire safety inspections, implemented recommendations to assist Arizona communities with wildfire planning, complied with State conflict-of-interest requirements, and developed complaint-handling processes; and to respond to the statutory sunset factors.

Key findings

- The Department's statutory responsibilities include monitoring and conducting forestry projects, wildfire prevention through education and outreach, wildfire suppression, and enforcement of the State fire code through regularly scheduled fire safety inspections of schools and other public buildings.
- Our review of a sample of 29 transactions between fiscal years 2021 and 2023 found the Department used appropriated monies related to its statutory objectives and purposes for allowable wildfire emergency response and wildfire mitigation purposes, such as for wildfire suppression equipment and staff.
- The Fire Marshal's Office, housed within the Department since 2016, has not established a statutorily required fire safety inspection program for State and county public buildings and schools—despite our recommendations that it do so in our 1988, 1999, 2001, and 2011 performance audits of the Fire Marshal's Office—increasing the risk of fire-related deaths, injuries, and property damage.
- The Department has not implemented most recommendations from a consultant report it commissioned related to helping Arizona communities develop Community Wildfire Protection Plans (CWPPs), which are important for helping communities develop and implement strategies to reduce their wildfire vulnerability.
- The 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 their official conduct. Additionally, the Department lacks complaint-handling processes to ensure it investigates and resolves all complaints, including complaints related to State fire code violations, increasing public safety risk.
- The Department had not implemented most of the recommendations from our 2016 procedural review related to internal controls over financial reporting, payroll processing, and capital assets, increasing risk of errors and fraud.

Key recommendations

The Department should:

- Require the Fire Marshal's Office to develop and implement a plan outlining key steps and deadlines to establish a fire safety inspection program, and hold the Fire Marshal's Office accountable for implementing the plan.
- Fully implement its consultant's recommendations to help communities develop and implement CWPPs.
- Develop and implement policies and procedures that align with State conflict-of-interest requirements and recommended practices, and policies and procedures for handling complaints.
- Implement the recommendations from our November 2016 procedural review and align its implementation of these recommendations with applicable *State of Arizona Accounting Manual* requirements.



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Department did not comply with some State conflict-of-interest requirements, and its conflict-of-interest process was not fully aligned with recommended practices

Department’s noncompliance with State conflict-of-interest requirements and not fully aligning its conflict-of-interest process with recommended practices increased risk that employees did not disclose substantial interests that might influence or affect their official conduct

Department lacked comprehensive conflict-of-interest policies and procedures

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The Arizona Auditor General has completed a performance audit and sunset review of the Arizona Department of Forestry and Fire Management (Department). This performance audit and sunset review determined whether the Department regularly scheduled and timely performed required fire safety inspections, implemented recommendations to assist Arizona communities with wildfire planning, complied with State conflict-of-interest requirements and aligned its conflict-of-interest processes with recommended practices, and developed complaint-handling processes. This report also includes responses to the statutory sunset factors.

Department history, mission, and responsibilities

Laws 2016, Ch. 128, established the Department by transferring and consolidating responsibilities previously assigned to other State agencies (see textbox for Department mission). Specifically, the legislation establishing the Department transferred the Office of the State Forester and the Office of the State Fire Marshal (Fire Marshal's Office) to the Department.^{1,2} The Department's statutory responsibilities include:

- Land Management**—The Department is statutorily responsible for monitoring and conducting forestry projects, such as removing overgrown vegetation that can fuel fire, also known as hazardous-fuel-reduction treatment and preventing and suppressing diseased and invasive vegetation.³ See Photos 1 and 2 on page 2 for an illustration of before and after the Department's hazardous-fuel-reduction treatment in Gila County.
- Wildfire prevention**—Statute requires the Department to conduct education and outreach in forest communities by explaining wildfire threats.⁴ The Department supports various wildfire prevention efforts to accomplish this, including by providing presentations at schools regarding the importance of campfire safety and the basics of fire prevention, and by educating homeowners on how to protect their homes from wildfires. Additionally, statute requires the Department to develop recommendations for minimum standards for safeguarding life and property from wildfires, preventing wildfires, and for the creation of defensible spaces in and around buildings and structures in wildland areas.⁵ Further, the Department is allowed to work collaboratively with communities and approve their Community Wildfire Protection Plans (CWPPs),

Department mission

To foster, maintain, and enhance collaboration with partners, stakeholders, and cooperators to proactively promote the health and safety of Arizona's forests, woodlands, deserts, and watersheds; provide leadership and oversight of wildfire response resources; ensure fire safety in public buildings through enforcement of the State Fire Code; and encourage fire-adapted communities.

Source: Governor's Office of Strategic Planning & Budgeting (2022). *Master List of State Government Programs*. Phoenix, AZ.

¹ The Office of the State Forester was originally established in 1966 as part of the Arizona State Land Department.

² Prior to being transferred to the Department, the Fire Marshal's Office had been part of the Department of Fire, Building and Life Safety since 1986 and was initially established within the Arizona Industrial Commission in 1972.

³ Arizona Revised Statute (A.R.S.) §§37-1301(A), 37-1302(A)(10).

⁴ A.R.S. §37-1302(A)(9).

⁵ A.R.S. §37-1302(A)(15)(18).

which are intended to help communities develop and implement strategies to reduce wildfire threats (see Finding 2, pages 12 through 16, for more information).⁶

Photos 1 and 2 Before and after Department's hazardous-fuel-reduction treatment in Gila County



Source: Department-provided photographs.

- **Wildfire suppression**—The Department is statutorily responsible for the suppression of wildfires on State land and on private lands located outside of cities and towns.⁷ As part of this responsibility, the Department coordinates wildfire response efforts with local fire departments and has its own firefighters and firefighting equipment stationed throughout the State. To facilitate State-wide wildfire suppression activities, the Department established a comprehensive State-wide wildfire response plan for wildfire suppression activities throughout the State, as required by statute.⁸
- **Arizona fire code enforcement**—Statute requires the Fire Marshal's Office to establish and enforce the State's fire code.⁹ Specifically, it requires the Fire Marshal's Office to establish a regularly scheduled fire safety inspection program for all State- and county-owned public buildings and all public and private school buildings throughout the State, except for private school buildings in cities with a population of 100,000 or more (see Finding 1, pages 6 through 11, for more information on the Department's fire safety inspections).¹⁰ Statute also requires the Fire Marshal's Office to review construction plans and issue permits for newly constructed or modified State, county, and public school buildings to ensure compliance with the State Fire Code.¹¹ Fire safety inspections include the inspection of a variety of fire prevention systems, including fire alarms, sprinkler systems, and fire extinguishers. To help fulfill these responsibilities, statute authorizes the Fire Marshal's Office to enter into agreements for conducting fire safety inspections on the State's behalf, such as with local fire departments, fire districts, or private vendors.¹² As of December 2022, the Fire Marshal's Office had entered into 60 such agreements.

⁶ 16 United States Code (USC) 6511(3)(A) requires CWPPs to be developed collaboratively and agreed to by the Department, local governments, and fire departments in consultation with federal agencies and other stakeholders responsible for land management within the community.

⁷ A.R.S. §§37-1301(A), 37-1302(A)(10).

⁸ A.R.S. §37-1302(A)(13).

⁹ A.R.S. §37-1383(A)(2)(5). The State's fire code is established in the Department's rules. See Arizona Administrative Code (AAC) R4-36-201 through R4-36-310.

¹⁰ A.R.S. §37-1383(A)(8) also requires the Department to inspect, as necessary, all other occupancies located throughout the State, except family dwellings having fewer than 5 residential units and occupancies located in cities with a population of 100,000 or more persons.

¹¹ A.R.S. §37-1383(A)(5),(B).

¹² A.R.S. §§37-1382(A)(2), 34-461(A).

Department's organization and staffing

As of July 2023, the Department had 204 filled FTEs and 33.5 vacancies and is organized into the following divisions:

- **Forestry Division (64 FTEs, 12 vacancies)**—Responsible for monitoring forest health and conducting forestry projects to preserve forests and reduce wildfires.
- **Fire Division (95 FTEs, 15 vacancies)**—Responsible for suppressing wildfires, conducting wildfire prevention education and outreach, and helping communities with wildfire planning.
- **Fire Marshal's Office (16 FTEs, 3.5 vacancies)**—Responsible for conducting fire safety inspections and reviewing construction plans for all State- and county-owned public buildings and school buildings.
- **Administrative services (29 FTEs, 3 vacancies)**—Responsible for providing administrative, human resources, accounting, contracting, and information technology services for the Department.

Additionally, statute requires the Fire Marshal's Office to establish the Arizona Advisory Committee on Arson Prevention (Arson Prevention Committee) to provide rewards from the Arson Detection Reward Fund for information relating to arson (see Sunset Factors, page 29, for more information on the Arson Prevention Committee).^{13,14} Statute also establishes the State Fire Safety Committee, which is responsible for advising the Department in various areas, including on the adoption of a State fire code and a fee schedule for the review of construction plans and issuing of permits for newly constructed or modified State, county, and public school buildings.¹⁵ However, as of July 2023, the State Fire Safety Committee does not have any members and is no longer active (see Sunset Factors, page 30, for our recommendation related to the State Fire Safety Committee).

Department's revenues and expenditures

As shown in Table 1 (see pages 4 and 5), the Department has various revenue sources, including federal grants and State General Fund appropriations, totaling an estimated \$117.1 million in fiscal year 2023. The Department's expenditures totaled an estimated \$103.7 million in fiscal year 2023 and include payroll and related benefits and aid to counties, municipalities, and other organizations. The Department's aid to counties, municipalities, and other organizations totaled an estimated \$57.6 million in fiscal year 2023.

¹³ The Arson Prevention Committee's bylaws establish its membership and include the officers and Board of Directors of the Arizona Chapter of the International Association of Arson Investigators.

¹⁴ Per A.R.S. §37-1387(D), the Arson Detection Reward Fund consists of fines imposed by a court for an arson offense, monies from forfeiture of bail posted in connection with an arson offense, monies received from donations to the fund, and monies appropriated by the Legislature. A.R.S. §37-1387(E) requires monies from the fund be expended only for payment of rewards and promotion of public awareness of the fund.

¹⁵ A.R.S. §37-1307 requires the State Fire Safety Committee to consist of 9 governor-appointed members who serve 3-year terms, including a fire chief from a local fire department, a registered architect, and a member of the public.

Table 1
Schedule of revenues, expenditures, and changes in fund balances
Fiscal years 2021 through 2023
(Unaudited)

	2021 (Actual)	2022 (Actual)	2023 (Estimate)
Revenues			
State General Fund appropriations ¹	16,289,652	49,373,719	61,803,975
Intergovernmental ²			
Federal grants	33,889,255	59,611,355	45,738,498
State and local grants	196,958	1,013,100	279,631
Other	2,306,493	801,176	
Donations ³	103,488	1,462,723	1,852,341
Other revenues ⁴	530,433	779,294	1,697,406
Gross revenues	53,316,279	113,041,367	111,371,852
Net credit card fees	(10,617)	(7,616)	(5,615)
Transfers from Budget Stabilization Fund ⁵	11,269,083		6,090,483
Remittances to the State General Fund ⁶	(396,899)	(343,556)	(349,343)
Total net revenues	64,177,846	112,690,195	117,107,377
Expenditures and transfers			
Payroll and related benefits	12,074,375	13,367,979	18,624,304
Professional and outside services			
Fire suppression and mitigation	1,512,124	5,273,585	10,662,319
Other ⁷	135,930	258,325	
Aid to counties, municipalities, and other organizations ⁸	43,625,319	66,883,323	57,615,855
Motor pool charges ⁹	369,250	7,822,879	4,550,006
Travel and food	634,984	835,168	1,795,373
Other operating ¹⁰	4,312,989	5,017,575	7,941,050
Capital and noncapital purchases ¹¹	135,317	2,903,471	1,201,716
Transfers to Budget Stabilization Fund ⁵		4,596,838	

Table 1 continued

	2021 (Actual)	2022 (Actual)	2023 (Estimate)
Transfers to other agencies		190,418	1,302,539
Transfers to Department of Corrections ¹²		1,502,859	
Total expenditures and transfers	62,800,288	108,652,420	103,693,163
Excess of revenues over (under) expenditures	1,377,558	4,037,775	13,414,214
Fund balances, beginning of year	7,066,617	8,444,175	12,481,950
Fund balances, end of year	\$8,444,175	\$12,481,950	25,896,164

- ¹ State General Fund appropriations increased in fiscal year 2022 primarily because of emergency supplemental appropriations in fiscal year 2021 authorized by Laws 2021, 1st S.S., Ch. 1. Additionally, in fiscal year 2023, the Department received another legislative appropriation to continue its wildfire emergency response and wildfire mitigation efforts. See Sunset Factor 2, pages 24 through 25, for more information on these appropriations.
- ² Federal grants increased during fiscal year 2022 primarily because of reimbursements from the federal government for fire suppression expenditures, such as the Bighorn fire in June 2020 in the Santa Catalina Mountains within the Coronado National Forest. In addition, State and local grants increased primarily because the Department received a reimbursement of approximately \$631,000 from the Emergency Management Assistance Compact (EMAC) related to its firefighting assistance in the State of California. Other intergovernmental revenues consist primarily of monies received from other State agencies related to interagency service agreements.
- ³ Donations increased during fiscal year 2022 because the Department received approximately \$1.46 million from the Salt River Project (SRP) for hazardous-fuel-reduction projects completed in partnership with the Arizona Game and Fish Department and U.S. Forest Service. SRP's donations included contributions from its customers and matching monies from SRP.
- ⁴ Other revenues primarily consisted of inspection and permit fees from the Department's Fire Marshal's Office, as authorized by AAC R4-36-202.
- ⁵ A.R.S. §35-144(A)(3) authorizes the Department to use Budget Stabilization Fund monies to pay claims for reimbursement for wildland fire suppression services. The Department then requests reimbursement from the federal government and transfers those monies back to the Budget Stabilization Fund.
- ⁶ According to the Department, remittances to the State General Fund primarily consist of inspection and permit fees from the Department's Fire Marshal's Office, as authorized by AAC R4-36-202.
- ⁷ Other professional and outside services primarily consist of education and training expenses.
- ⁸ Aid to counties, municipalities, and other organizations increased because of an increase in fire suppression activity during fiscal year 2022.
- ⁹ Pursuant to Laws 2021, 1st S.S., Ch. 1, the Department received a supplemental appropriation for wildfire emergency response and wildfire mitigation purposes, including for the purchase of vehicles (see Sunset Factor 2, pages 24 through 25, for more information on the Department's expenditures and transfers of these appropriated monies).
- ¹⁰ Other operating expenditures primarily consist of automotive and transportation fuels and operating supplies.
- ¹¹ Pursuant to Laws 2021, 1st S.S., Ch. 1, the Department received a supplemental appropriation for wildfire emergency response purposes, including for capital expenditures and equipment associated with wildfire suppression. In fiscal year 2022, the Department used these monies to purchase new telecommunication equipment, totaling approximately \$2.1 million.
- ¹² Transfers to ADCRR consisted of monies to pay for costs associated with inmates working on hazardous fuel reduction projects, including costs for vehicles to transport inmates to and from work sites.

Source: Auditor General staff analysis of the Arizona Financial Information System *Accounting Event Transaction File* and the State of Arizona *Annual Financial Report* for fiscal years 2021 and 2022 and the Department-prepared estimates for fiscal year 2023.



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

Despite 4 audit reports spanning 35 years recommending that it do so, the Fire Marshal's Office has failed to develop and implement a statutorily required fire safety inspection program

Fire Marshal's Office has long history of not meeting its statutory responsibility to establish regularly scheduled fire safety inspection program—Statute requires the Fire Marshal's Office, housed within the Department since August 2016, to establish a regularly scheduled fire safety inspection program for all State- and county-owned public buildings throughout the State, such as schools, stadiums, and healthcare buildings.^{16,17} Performance audits we conducted in 1988, 1999, 2001, and 2011 all found that the Fire Marshal's Office had not met this statutory responsibility. Additionally, although the Fire Marshal's Office had made some improvements to address the recommendations we made in our prior audits, most improvements were not sustained. Specifically:

- **1988 performance audit found the Fire Marshal's Office lacked information needed to establish a regularly scheduled fire safety inspection program and had not performed any fire safety inspections of many State- and county-owned public buildings**—We found that the Fire Marshal's Office lacked the needed information to develop a regularly scheduled fire safety inspection program, such as an inventory of buildings in its jurisdiction, and had not inspected many State- and county-owned buildings.¹⁸ We recommended the Fire Marshal's Office develop an inventory of buildings it is required to inspect, determine how frequently buildings should be inspected, and implement a fire safety inspection record-keeping system. We also recommended the Fire Marshal's Office request funding from the Legislature for additional staff and implement options for reducing its workload, such as entering into agreements with local fire authorities to conduct fire safety inspections on the State's behalf.
- **1999 performance audit found that the Fire Marshal's Office still lacked information needed to establish a regularly scheduled fire safety inspection program**—In response to our 1988 performance audit recommendations, the Fire Marshal's Office had worked with the Legislature to obtain funding for 5 additional inspection staff and entered into 23 agreements with local fire authorities to conduct inspections on its behalf.¹⁹ However, the Fire Marshal's Office still lacked information needed to establish a

¹⁶ A.R.S. §37-1383(A)(7). This statute also requires the Fire Marshal's Office to perform regular fire safety inspections of private schools in cities with a population of less than 100,000.

¹⁷ In August 1986, the Legislature added the statutory requirement that the Fire Marshal's Office inspect State and county buildings on a regular basis.

¹⁸ See Arizona Auditor General report 88-4 *Department of Building and Fire Safety*.

¹⁹ See Arizona Auditor General report 99-16 *Department of Building and Fire Safety*.

regularly scheduled fire safety inspection program. Specifically, the Fire Marshal's Office lacked a complete inventory of buildings in its jurisdiction, had not determined how frequently buildings should be inspected, and had incomplete fire safety inspection records. We again recommended that the Fire Marshal's Office develop an inventory of buildings it is required to inspect and recommended it do so by contacting the appropriate State and county agencies to obtain current building inventories, and periodically contact the agencies to identify new buildings that require inspection or remove locations no longer needing inspections. Additionally, we again recommended that it determine how often each building should be inspected and implement an information system to track and schedule fire safety inspections.

- **2001 performance audit found that although the Fire Marshal's Office had made some improvements to its fire safety inspection planning, it had still not established a regularly scheduled fire safety inspection program**—In response to our 1999 performance audit, the Fire Marshal's Office developed an inventory of buildings it was required to inspect from lists provided by State and county agencies, such as the Department of Administration, the Department of Transportation, and the Department of Education.²⁰ The complete inventory consisted of over 19,000 buildings. To ensure that it maintained a complete and accurate building inventory, the Fire Marshal's Office implemented written procedures for annually updating the inventory. Additionally, the Fire Marshal's Office assigned each building in its jurisdiction a fire-risk rating based on the potential for fire-related death and property damage, and implemented an information system to track fire safety inspections. However, we found that the Fire Marshal's Office was not using the fire-risk ratings it assigned to buildings to determine how frequently to inspect the buildings and, as a result, had not established a regularly scheduled fire safety inspection program. We recommended that the Fire Marshal's Office develop policies that specify how frequently buildings should be inspected based on the assigned fire-risk rating to establish a regularly scheduled fire safety inspection program.
- **2011 performance audit found that the Fire Marshal's Office had not sustained previous improvements and had still not established a regularly scheduled fire safety inspection program**—We found that improvements the Fire Marshal's Office made in response to our 1999 and 2001 performance audit recommendations were not sustained, and it continued to not have a regularly scheduled fire safety inspection program.²¹ Specifically, we found that the Fire Marshal's Office lacked information and processes needed to manage its fire safety inspections, including an inventory of buildings it is required to inspect, a process for determining how frequently buildings should be inspected based on fire risk, accurate information on completed fire safety inspections, or an effective information system for managing its inspections. Additionally, the Fire Marshal's Office did not track fire safety inspections conducted by local fire authorities on its behalf. We recommended that the Fire Marshal's Office develop and maintain a building inventory, implement a process to prioritize inspections based on fire risk, provide oversight of fire safety inspections conducted by local fire authorities on its behalf, and implement an information system to manage and track inspections. We also recommended the Fire Marshal's Office increase the number of agreements with local fire authorities or private contractors to help ensure all buildings receive fire safety inspections.

Fire Marshal's Office continues to not meet its statutory responsibility to establish a regularly scheduled fire safety inspection program—Approximately 35 years after we issued our 1988 audit, the Fire Marshal's Office has failed to take all of the necessary steps to meet its statutory responsibility to establish a regularly scheduled fire safety inspection program.²² In 2021, the Department adopted in rule the 2018 International Fire Code (IFC) as the State's fire code and the IFC references standards from the National Fire Protection Association (NFPA).²³ Although NFPA standards include minimum requirements for establishing a regularly scheduled fire safety inspection program, the Fire Marshal's Office

²⁰ See Arizona Auditor General report 01-23 *Department of Building and Fire Safety*.

²¹ See Arizona Auditor General report 11-13 *Department of Fire, Building and Life Safety*.

²² A.R.S. §37-1383(A)(7).

²³ AAC R4-36-201.

has not implemented these requirements (see textbox for NFPA's minimum requirements for establishing a fire safety inspection program). Specifically, the Fire Marshal's Office:

- **Had not developed a complete inventory of the buildings it is required to inspect**—As of June 2023, the Fire Marshal's Office lacked a complete inventory of the buildings it is required to inspect. Additionally, the Fire Marshal's Office lacked a complete building inventory that identifies which buildings should be inspected by local fire authorities on its behalf.
- **Had not assigned a risk classification to all buildings to determine how frequently they should be inspected**—Without a complete building inventory, the Fire Marshal's Office could not assign a risk classification to all buildings it is required to inspect. Additionally, as of June 2023, for the incomplete building inventory the Fire Marshal's Office did have, it had assigned a risk classification to school buildings but had not assigned a risk classification to any other State- and County-owned buildings to determine how frequently they should be inspected, including medical and correctional facilities.
- **Lacked an effective information system for its inspection program**—The Fire Marshal's Office's information system did not include or provide complete and accurate information regarding fire safety inspections, including information on inspections conducted or a complete inventory of buildings requiring inspection. Additionally, the information system did not include information on inspections conducted by local fire authorities on behalf of the Fire Marshal's Office. In August 2022, the Fire Marshal's Office began developing and using a new information system to schedule and track fire safety inspections; however, as of June 2023, it had not yet finalized its new system, including entering some necessary building information and assigned risk classifications. The Department reported that the Fire Marshal's Office's new information system should address the deficiencies of its previous system and that it planned to have the necessary information in the new information system by the end of calendar year 2023.

NFPA fire safety inspection program requirements

1. **Develop building inventory**—The inventory should include all buildings, including structures such as parking garages, that are included in the fire safety inspection program.
2. **Assign buildings a risk classification**—The risk classification for buildings should be based on various factors, including the history of fire frequency, potential for loss of life, and occupants' level of dependency on fire protection features or staff to assist in evacuation during a fire or other emergency. The risk classification is used to determine how frequently a building should be inspected. Specifically, NFPA outlines the following building risk classifications and inspection frequency requirements:
 - **High**—High-risk buildings must be inspected annually and could include K-12 schools, courtrooms, and child-care buildings.
 - **Moderate**—Moderate-risk buildings must be inspected biennially and could include outpatient healthcare buildings, such as an urgent care or a doctor's office, as well as some industrial buildings, including commercial kitchens.
 - **Low**—Low-risk buildings must be inspected triennially and could include buildings used for storage or business.
3. **Implement information system**—An information system must be developed and maintained to support the effective management of a fire safety inspection program by collecting various data, such as information on inspections performed and identified fire safety violations.

¹ Fire protection features may include sprinkler systems, smoke detection systems, and fire alarms.

Source: Auditor General staff review and summary of NFPA inspection standards.

Additionally, the Department had not developed systematic processes for handling complaints, including processes to track, investigate, and address complaints from the public, including complaints related to potential State Fire Code violations that could necessitate an inspection by the Fire Marshal's Office (see Finding 4, pages 21 through 23, for more information on this issue).

Fire Marshal's Office's failure to establish a regularly scheduled fire safety inspection program increases the risk of fire-related deaths, injuries, and property damage

The Fire Marshal's Office's failure to develop and implement a regularly scheduled fire safety inspection program limits its ability to identify and address fire code violations that can put the public's health and safety at risk. Fire safety inspections are intended to identify conditions that may impair the proper functioning of fire protection systems, which include fire alarms, sprinkler systems, and fire extinguishers. According to NFPA, fire inspections are critical for ensuring a proper degree of protection for life and property from fire (see textbox for an example of the protection a properly functioning fire protection system can provide in the event of a fire).

Additionally, according to NFPA, from 2015 through 2019, educational buildings in the U.S., such as schools, had approximately 4,677 fires, 1 death, 46 injuries, and approximately \$60 million in property damage.

In addition, our review of inspection reports from fire safety inspections the Fire Marshal's Office conducted in October 2022 found that the inspections regularly identified violations related to fire protection systems in school buildings, including fire alarms, sprinkler systems, and fire extinguishers. For example, several inspections identified that fire alarm and sprinkler systems were past due for their required service, and an instance when a fire alarm for a school auditorium was without power and the emergency batteries had been disconnected. These identified violations increase the risk of death, injury, and property damage in the event of a fire, and further underscore the importance of the Fire Marshal's Office conducting timely and regular inspections, as required by statute.

Despite the importance of conducting timely and regular inspections, the Fire Marshal's Office has not met the minimum fire safety inspection frequency required by NFPA standards and has not complied with State law. Specifically, although the Fire Marshal's Office assigned school buildings a risk classification of "high," it reported it was inspecting schools only once every 3 years instead of annually, as required by NFPA standards. Additionally, for other State- and county-owned buildings, the Fire Marshal's Office reported that it was not conducting regular inspections and instead primarily conducted fire safety inspections for only newly constructed buildings and buildings for which an inspection request had been made.²⁴ Similarly, our prior performance audits found that the Fire Marshal's Office had not performed regular inspections of State- and county-owned public buildings throughout the State.

Fire protection systems reduce fire-related deaths and property damage

NFPA indicates that when sprinkler systems are installed in a building and properly maintained and inspected, the risk of fire-related death is reduced by almost 90 percent, and property damage is reduced by up to 70 percent.

Source: Ahrens, M. (2021). *US experience with sprinklers*. Quincy, MA: NFPA Research.

²⁴ A request for a fire safety inspection can be made by contacting the Department or submitting a request form on the Department's website. A fire safety inspection request could be made for various reasons, including a building manager requesting a regular fire safety inspection or a citizen reporting a potential State Fire Code violation(s).

Multiple factors contributed to the Fire Marshal’s Office not completing key steps for developing a statutorily required fire safety inspection program

Department has not prioritized or held Fire Marshal’s Office accountable for establishing a fire safety inspection program—The Fire Marshal’s Office’s continued failure to establish a regularly scheduled fire safety inspection program, despite it being a statutory requirement and our Office issuing 4 audit reports spanning 35 years recommending that it do so, suggests that the Fire Marshal’s Office—and now the Department, which has housed the Fire Marshal’s Office since August 2016—have not prioritized taking all steps necessary to meet this statutory responsibility. Additionally, although the Fire Marshal’s Office had made some improvements to address the recommendations we made in our prior audits, these improvements were not sustained, suggesting a lack of accountability for the Fire Marshal’s Office, including while it had been housed within the Department.

Department reported inadequate staffing contributed to inability to establish a regularly scheduled fire safety inspection program, but it requested and received additional staff positions from the Legislature for the Fire Marshal’s Office—According to the Department, it has not established a regularly scheduled fire safety inspection program because it did not have sufficient staff to do so. However, the Department requested funding from the Legislature for additional staff for the Fire Marshal’s Office in its fiscal years 2021, 2022, and 2023 budget requests. As a result, the Fire Marshal’s Office was appropriated additional FTE positions, increasing from 11 in fiscal year 2021 to 19.5 in fiscal year 2023.²⁵ To determine its staffing needs, the Department estimated that it is responsible for inspecting approximately 17,400 State- and county-owned public buildings, including schools, and it estimated the time needed for staff to perform annual inspections of schools and triennially inspections of other State- and county-owned public buildings. However, until the Department develops a complete building inventory and assigns risk classifications to other State- and county-owned public buildings based on the risk factors specific to each building, it lacks the information needed to fully assess the number of staff needed to meet NFPA inspection frequency requirements.

Although Department reported that prior effort to develop an effective information system for fire safety inspection program was unsuccessful and delayed its development of a new information system, it continues to lack information necessary for implementing an effective information system—The Department reported the Fire Marshal’s Office did not begin developing and using a new information system to schedule and track fire safety inspections until August 2022 because a previous effort to develop a new system was unsuccessful. Specifically, according to the Department, in calendar year 2019, it worked with the Governor’s Office to identify solutions to help ensure it could perform the required fire safety inspections. The Department reported that this effort resulted, in part, in it working with a private company to develop a new information system to help manage its fire safety inspection program, but the private company was unable to deliver an information system that met its needs.²⁶ However, even if the private company had been able to provide an information system, the Department lacked the information needed for establishing a regularly scheduled inspection program, such as a complete building inventory and risk classifications for all buildings, and it continues to lack this information. Additionally, it lacks a process for developing and maintaining a complete building inventory.

Recommendations

The Department should:

1. 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:

²⁵ With the transfer of the Fire Marshal’s Office to the Department in 2016, the Department received funding for 11 FTE positions in its fiscal year 2017 appropriation, and it continued to receive funding for 11 FTE positions in its annual appropriation until fiscal year 2022.

²⁶ The Department reported that it spent approximately \$36,000 on this failed system.

- a. 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.
 - b. 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.
 - c. Identifying which buildings in its inventory are covered by agreements with local fire authorities to conduct fire safety inspections on its behalf.
 - d. 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.
 - e. Developing a regular fire safety inspection schedule using information gathered in the previous steps.
 - f. 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.
 - g. 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.
2. 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.
 3. 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.
 4. 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: As outlined in its [response](#), the Department agrees with the finding and will implement the recommendations.



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

Department has not implemented most Ecological Restoration Institute (ERI) recommendations to help Arizona communities develop and implement CWPPs

The federal Healthy Forests Restoration Act of 2003 (HFRA) allows the Department to work collaboratively with communities and approve communities' CWPPs, which are intended to help communities develop and implement strategies to reduce wildfire threats (see textbox for more information on CWPP requirements).²⁷ In 2018, the Department provided funding to Northern Arizona University's ERI to help the Department assess CWPP development and implementation in Arizona (ERI assessment). The Northern Arizona University's ERI is 1 of 3 federally recognized southwestern institutions that provides expert guidance on forest restoration and hazardous-fuel-reduction treatments.²⁸ The ERI assessment was published in December 2019 and included recommendations for the Department to establish State-specific requirements and provide guidance to

Community Wildfire Protection Plan (CWPP) requirements and examples

According to HFRA, a CWPP should:

- **Be collaboratively developed by local, State, and federal agencies.** For example, Northern Gila County's CWPP was developed by Gila County Office of Emergency Management, local fire departments, the Department, the U.S. Forest Service, and other stakeholders, such as utility providers, local businesses, and homeowners.
- **Prioritize areas for hazardous-fuel-reduction treatments that will protect communities and essential infrastructure.** For example, Northern Gila County's CWPP prioritized fuel reduction treatment in areas near electrical equipment and powerlines.
- **Recommend measures for reducing the risk of fire to structures, such as homes and infrastructure.** For example, Northern Gila County's CWPP recommends that residents remove dried and dead vegetation within 5 feet of their homes.

Source: Auditor General staff reviewed: 16 USC 6511; Gila County Emergency Management. (2022). *Northern Gila County—Community Wildfire Protection Plan (CWPP)*. Globe, AZ. Retrieved 6/8/2023 from https://cms3.revize.com/revize/gilaaz/government/health_and_emergency_services/gilaem_eoc/docs/2022NoGilaCountyCWPP_Final_032322.pdf.

²⁷ 16 USC 6501(1) and 16 USC 6511(3).

²⁸ The Southwest Ecological Restoration Institutes consists of 3 university-based restoration institutes, including the ERI at Northern Arizona University, the Colorado Forest Restoration Institute at Colorado State University, and the New Mexico Forest and Watershed Restoration Institute at New Mexico Highlands University. The institutes' primary purpose is to provide the best available science to entities on designing and implementing forest restoration and hazardous-fuel-reduction treatments.

Arizona communities for developing and implementing CWPPs.²⁹ As of April 2023, the Department had not implemented most ERI assessment recommendations (see Table 2).

Table 2
Department had not implemented most ERI recommendations
As of April 2023

ERI Recommendations	Implemented	Partially Implemented	Not Implemented
Establish CWPP content requirements —Ensures communities’ CWPPs include the content needed to be effective tools for reducing wildfire risks		✓	
Establish CWPP development guidance —Helps communities identify wildfire risk, prioritize actions to reduce wildfire risk, and coordinate with other wildfire reduction plans			✗
Establish CWPP accomplishment tracking and reporting requirements —Establishes accountability and can sustain community collaboration and implementation efforts			✗
Establish CWPP review and update requirements —Ensures plans are relevant and reflect the current conditions in the community			✗

Source: Auditor General staff review of Ecological Restoration Institute, 2019, and the Department’s CWPP Requirements document.

Specifically, the Department:

- Had partially implemented recommendation to establish CWPP content requirements**—The ERI assessment recommended the Department establish CWPP content requirements to ensure communities develop CWPPs with the content needed for the CWPP to be an effective tool to help communities identify, prioritize, and reduce wildfire risks, such as by completing hazardous-fuel-reduction treatments to remove overgrown, dead, or dry vegetation that can fuel fire near homes, structures, and infrastructure. In February 2023, the Department published a CWPP requirements document on its website that established the minimum content requirements for communities developing CWPPs in Arizona.³⁰ This CWPP requirements document incorporated the ERI recommendations of requiring communities to include a description of community engagement and outreach strategies and identify other plans relevant to reducing wildfire threats in the community, such as county emergency plans that include wildfire response activities to minimize public risk or plans developed by the U.S. Forest Service for reducing wildfire risks in western states. However, the Department’s CWPP requirements document did not include requirements for other content the ERI assessment recommended to help communities develop CWPPs with effective wildfire mitigation plans, including descriptions of the CWPP’s intended purpose, audience, and use; processes used for assessing wildfire risk and prioritizing areas for hazardous-fuel-reduction treatments; or strategies for CWPP implementation.

²⁹ Ecological Restoration Institute. (2019). *Assessment of community wildfire protection plans (CWPP) in Arizona and communities-at-risk throughout the west project report*. Flagstaff, AZ. Retrieved 2/9/2023 from <https://cdm17192.contentdm.oclc.org/digital/collection/p17192coll1/id/1018/rec/1>.

³⁰ Additionally, as of April 2023, the Department was in the process of developing a CWPP template for communities to use as a guide for organizing the content required by HFRA and the CWPP requirements document in their CWPPs, but the Department had not established a time frame for finalizing and publishing the template on its website.

- **Had not implemented recommendation to establish guidance for communities to develop CWPPs, including wildfire-risk assessment guidance**—The ERI assessment recommended that the Department establish guidance for communities to use when developing a CWPP, including guidance on how communities should assess wildfire risks and prioritize actions that reduce those risks, such as completing hazardous-fuel-reduction treatments. The ERI assessment reported that this guidance can provide communities with the help they need to accurately identify their wildfire risks and use this information to prioritize the most effective hazardous-fuel-reduction treatments for reducing those risks. Additionally, the ERI assessment recommended the Department establish guidance on how communities can integrate their CWPPs with other relevant county, State, and federal wildfire prevention planning documents to better coordinate wildfire-risk reduction activities. However, the Department had not developed guidance for any CWPP development.
- **Had not implemented recommendation to establish tracking and reporting requirements for CWPP accomplishments**—The ERI assessment recommended the Department establish requirements for communities to track and report on CWPP accomplishments, such as information about completed hazardous-fuel-reduction treatments and other improvements to community wildfire protection. According to the ERI assessment, tracking and reporting CWPP accomplishments establishes accountability and can sustain community collaboration and implementation of wildfire prevention efforts. Further, tracking and reporting CWPP accomplishments can help the Department identify those communities not meeting their CWPP goals and support their efforts with additional resources and guidance. However, the Department had not required CWPP accomplishment tracking or reporting.
- **Had not implemented recommendation to establish requirements for reviewing and updating CWPPs**—The ERI assessment recommended the Department establish requirements for periodically updating CWPPs to ensure the plans are relevant and reflect current community conditions. The Department had not established requirements for how frequently communities should review and update their CWPPs.

Department’s failure to implement most ERI recommendations increases Arizona communities’ wildfire vulnerability

According to the ERI assessment, by not establishing the recommended CWPP requirements and guidance, Arizona communities may lack sufficient direction and technical knowledge needed to develop and implement effective CWPPs. For example, the ERI assessment indicated that many Arizona communities may not be able to effectively select methods for assessing wildfire risk and prioritizing areas for hazardous-fuel-reduction treatments without guidance. According to the National Park Service, hazardous-fuel-reduction treatments are important because they have been shown to lessen wildfire risk.³¹

Additionally, communities may be at higher risk for wildfires when they do not have a CWPP or have a CWPP that has not been updated to reflect current conditions. The Department reported that 4 counties are at high risk of wildfire and do not have a CWPP or have an outdated CWPP, including Santa Cruz, Coconino, Pima, and Cochise Counties.³² We further identified 3 more counties that have outdated CWPPs and were identified by the U.S. Forest Service as being at high risk of wildfires as of March 2023, including Apache, Graham, and Greenlee Counties (see Appendix A, Table 5, for more information on the status of CWPPs throughout Arizona). Without an updated CWPP, these communities’ ability to effectively prioritize and implement hazardous-fuel-reduction treatments may be negatively affected.

³¹ National Park Service. (2017). *Wildland fire: What is hazard fuel reduction?* Retrieved 6/13/2023 from <https://www.nps.gov/articles/what-is-hazard-fuel-reduction.htm>; National Park Service. (2022). *Wildfires, prescribed fires, and fuels.* Retrieved 8/20/2023 from <https://www.nps.gov/orgs/1965/wildfires-prescribed-fires-fuels.htm>.

³² The Department used a Community Wildfire Defense Grant Program requirement in 16 USC 6592(f) to define an outdated CWPP as one that is 10 years or older.

Finally, the ERI assessment found that communities with CWPPs increase their chances of obtaining grant funding because they are more likely to meet State and federal grant requirements for wildfire-risk reduction activities. For example, the Community Wildfire Defense Grant Program, established by the 2021 Infrastructure Investment and Jobs Act, provides up to \$10 million for an at-risk community to implement projects in its CWPP, but requires that the CWPP be not more than 10 years old.³³ In March 2023, the International Association of Fire Chiefs was awarded \$341,000 through the Community Wildfire Defense Grant Program to implement some of the wildfire-risk reduction activities identified in Gila County's CWPPs because its CWPPs were updated and identified community education and outreach and hazardous-fuel-reduction treatments as top priority projects to help reduce wildfire risk in their community.³⁴

Although Department reported lack of wildfire prevention funding delayed its implementation of ERI assessment recommendations, it did not request or consider using other available monies for this purpose

The Department reported that it had not fully implemented the ERI assessment recommendations because it had received limited funding for wildfire prevention activities. For example, the Department reported it has not received any specific State funding for wildfire prevention, such as funding to hire staff to assist communities with developing and implementing CWPPs. However, the Department has not requested additional State funding from the Legislature for this purpose since the Department was established in 2016. The Department also receives State funding for operating expenditures to meet its broader statutory responsibilities, including for wildfire prevention, educating the community on wildfire threats, and developing minimum standards for safeguarding life and property from wildfires, all of which align with the development and implementation of CWPPs.³⁵ Additionally, the Department received federal funding to support its wildfire prevention efforts and increased its wildfire prevention staff from 1 FTE in fiscal year 2019 to 4 FTE in fiscal year 2022. According to the Department, the 3 additional wildfire prevention staff have been assigned to specific regions of the State and are responsible for prevention activities in their assigned areas, including investigating wildfires, conducting prevention patrols in high-risk areas to identify and respond to fire incidents, and providing education and outreach in forest communities on wildfire risks. Further, the Department reported that it received additional federal funding to hire a part-time CWPP coordinator in January 2023 and plans to make implementing the ERI assessment recommendations a higher priority because it now has sufficient staff to do so.

The Department also reported that it had not prioritized CWPP efforts because of limited federal guidance on what the Department's role should be in developing and implementing CWPPs. However, the ERI assessment provided to the Department nearly 4 years ago addressed this concern by providing specific guidance and recommendations to the Department regarding its role in developing and implementing CWPPs.

Recommendations

The Department should:

5. Fully implement the ERI assessment recommendations, including:
 - a. Updating the CWPP content requirements document to include intended purpose, audience, and use; wildfire-risk assessment and treatment-prioritization process; and strategies for implementation.
 - b. Establish CWPP guidance and resources for how communities can conduct wildfire-risk assessments, prioritize areas for hazardous-fuel-reduction treatments, and integrate CWPPs with existing county, State, and other federal planning documents relevant to reducing wildfire threat.

³³ 16 USC 6592(f)(1)(B)-(3)(A).

³⁴ The International Association of Fire Chiefs is an organization that provides leadership to current and future firefighters and emergency responders world-wide. Arizona is a member of the Western Division, one of 8 divisions within the organization.

³⁵ A.R.S. §§37-1301(A), 13-1302(A)(9),(10),(15),(18).

- c. Establish CWPP accomplishment tracking and reporting requirements, such as information about completed hazardous-fuel-reduction treatments.
 - d. Establish CWPP update requirements, including how frequently CWPPs should be reviewed and updated.
6. 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: As outlined in its [response](#), the Department agrees with the finding and will implement the recommendations.



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

Statute addresses conflicts of interest for public agency employees and public officers

Arizona law requires employees of public agencies and public officers to avoid conflicts of interest that might influence or affect their official conduct. To determine whether a conflict of interest exists, employees/public officers must first evaluate whether they or a relative has a “substantial interest” in (1) any contract, sale, purchase, or service to the public agency or (2) any decision of the public agency.

If an employee/public officer or a relative has a substantial interest, statute requires the employee/public officer to fully disclose the interest and refrain from voting upon or otherwise participating in the matter in any way as an employee/public officer.^{36,37} The interest must be disclosed in the public agency’s official records, either through a signed document or the agency’s official minutes. To help ensure compliance with these statutory requirements, the Arizona Department of Administration’s (ADOA) State Personnel System employee handbook and conflict-of-interest disclosure form require State employees to disclose if they have any business or decision-making interests, secondary employment, and relatives employed by the State at the time of initial hire and anytime there is a change.³⁸ The ADOA disclosure form

Key terms

- **Substantial interest**—Any direct or indirect monetary or ownership interest that is not hypothetical and is not defined in statute as a “remote interest.”
- **Remote interest**—Any of several specific categories of interest defined in statute that are exempt from the conflict-of-interest requirements. For example, an employee or public officer who is reimbursed for actual and necessary expenses incurred while performing official duties.

Source: Auditor General staff review of A.R.S. §38-502 and the *Arizona Agency Handbook*. Arizona Office of the Attorney General. (2018). Phoenix, AZ. Retrieved 1/10/2023 from <https://www.azag.gov/outreach/publications/agency-handbook>.

³⁶ See A.R.S. §§38-502 and 38-503(A) and (B).

³⁷ A.R.S. §38-502(8) defines “public officer” as all elected or appointed officers of a public agency established by charter, ordinance, resolution, State constitution, or statute. According to the *Arizona Agency Handbook*, public officers include directors of State agencies and members of State boards, commissions, and committees—whether paid or unpaid.

³⁸ Arizona Department of Administration (ADOA). (2020). *State personnel system employee handbook*. Retrieved 06/28/2023 from https://drive.google.com/file/d/19M16Yu_Bc_SEEen4WYtIS9x-Kpt1rogF/view.

also requires State employees to attest that they do not have any of these potential conflicts, if applicable, also known as an “affirmative no.” In addition, A.R.S. §38-509 requires public agencies to maintain a special file of all documents necessary to memorialize all disclosures of substantial interest, including disclosure forms and official meeting minutes, and to make this file available for public inspection. Additionally, for employees who indicate on their conflict-of-interest disclosure form that they have secondary employment, Department policy requires them to complete a supplemental form and work with their supervisor to determine if a conflict exists. If it is determined that the secondary employment creates a conflict, the Department policy also requires the employee and their supervisor to take steps to remediate the conflict, which may include terminating any secondary employment.

In response to conflict-of-interest noncompliance and violations investigated in the course of our work, such as employees/public officers failing to disclose substantial interests and participating in matters related to these interests, we have recommended several practices and actions to various school districts, State agencies, and other public entities.³⁹ Our recommendations are based on recommended practices for managing conflicts of interest in government and are designed to help ensure compliance with State conflict-of-interest requirements by reminding employees/public officers of the importance of complying with the State’s conflict-of-interest laws.⁴⁰ Specifically, conflict-of-interest recommended practices indicate that all public agency employees and public officers complete a disclosure form annually. These recommended practices also indicate that agencies develop a formal remediation process and provide periodic training to ensure that identified conflicts are appropriately addressed and help ensure conflict-of-interest requirements are met.

Department did not comply with some State conflict-of-interest requirements, and its conflict-of-interest process was not fully aligned with recommended practices

The Department did not comply with some State conflict-of-interest requirements, and its conflict-of-interest process was not fully aligned with recommended practices designed to help ensure that employees/public officers comply with State requirements. Specifically, the Department:

- **Did not require all employees to complete all required disclosure forms**—We selected a random sample of 20 Department employees employed as of November 2022 and found that 2 of the 20 employees did not complete a conflict-of-interest disclosure form when they were hired, as required by ADOA.⁴¹ Additionally, 3 of the 20 employees we selected indicated on their conflict-of-interest disclosure form that they had secondary employment but did not complete the supplemental form, as required by Department policy.
- **Did not require all employees to use updated disclosure form that address all required disclosures**—Prior to June 2020, the Department had been using an outdated conflict-of-interest disclosure form, which did not require employees to disclose substantial interests related to decision-making interests, as required by statute.⁴² The Department began using an updated conflict-of-interest disclosure form in June 2020 that required the disclosure of both decision-making and financial interests;

³⁹ See, for example, Arizona Auditor General reports 21-402 *Higley Unified School District—Criminal indictment—Conspiracy, procurement fraud, fraudulent schemes, misuse of public monies, false return, and conflict of interest*, 19-105 *Arizona School Facilities Board—Building Renewal Grant fund*, and 17-405 *Pine-Strawberry Water Improvement District—Theft and misuse of public monies*.

⁴⁰ Recommended practices we reviewed included: Organization for Economic Cooperation and Development (OECD). (2021). *Recommendation of the council on OECD guidelines for managing conflict of interest in the public service*. Paris, France. Retrieved 1/26/2023 from <https://legalinstruments.oecd.org/public/doc/130/130.en.pdf>; Ethics & Compliance Initiative (ECI). (2016). *Conflicts of interest: An ECI benchmarking group resource*. Arlington, VA. Retrieved 1/26/2023 from <https://www.ethics.org/wp-content/uploads/2021-ECI-WP-Conflicts-of-Interest-Defining-Preventing-Identifying-Addressing.pdf>; and Controller and Auditor General of New Zealand (2020). *Managing conflicts of interest: A guide for the public sector*. Wellington, New Zealand. Retrieved 1/26/2023 from <https://oag.parliament.nz/2020/conflicts/docs/conflicts-of-interest.pdf>.

⁴¹ The Department had 186 employees as of November 2022.

⁴² See A.R.S. §§38-502 and 38-503(A) and (B). In June 2020, ADOA updated its disclosure form to include decision-making disclosures and to require an affirmative statement indicating whether or not a conflict exists.

however, 6 of 20 employees we selected for review were hired prior to June 2020, but the Department did not require these 6 employees to update their disclosures and file a new form.

- **Lacked a special disclosure file required by statute**—The Department did not have a special disclosure file to store disclosures of substantial interest for public inspection, as required by statute. Instead, the Department stored all completed conflict-of-interest disclosure forms in each individual employee’s personnel file.

Finally, although not required by statute or ADOA, the Department had not fully aligned its conflict-of-interest process with recommended practices. Specifically, the Department:

- Did not require its employees to annually complete a disclosure form or annually remind them to complete a disclosure form when their circumstances change.
- Did not develop a process for remediating potential employee conflicts aside from those arising from secondary employment.
- Did not require Arson Prevention Committee members, who are public officers, to complete a disclosure form when appointed or annually remind them to complete a disclosure form when their circumstances change.
- Did not provide periodic conflict-of-interest training for employees or public officers related to their unique programs, functions, or responsibilities.

Department’s noncompliance with State conflict-of-interest requirements and not fully aligning its conflict-of-interest process with recommended practices increased risk that employees did not disclose substantial interests that might influence or affect their official conduct

The Department’s noncompliance with State conflict-of-interest requirements and not fully aligning its conflict-of-interest process with recommended practices increased the risk that Department employees and public officers would not disclose substantial interests that might influence or affect their official conduct. Specifically, by not requiring employees or its public officers to complete a disclosure form that addressed all statutorily required disclosures upon hire or appointment, or by reminding them to update their disclosure form at least annually or as their circumstances changed, the Department could not ensure that all employees and public officers disclosed both financial interests, such as interests affecting contracts, sales, purchases or services, and decision-making substantial interests, and refrained from participating in any manner related to these interests, as required by statute.⁴³ Consequently, the Department might have been unaware of potential conflicts and the need to take action to mitigate those conflicts.

Additionally, because the Department did not store completed forms disclosing substantial interests in a special file, it lacked a method to track and remediate which and how many employees and public officers disclosed an interest and make this information available in response to public requests, as required by statute.

Department lacked comprehensive conflict-of-interest policies and procedures

The Department had not developed comprehensive internal conflict-of-interest policies and procedures, which contributed to the problems noted previously. Specifically, although the Department had policies and procedures to address conflicts that may arise from secondary employment, it had not developed any

⁴³ A.R.S. §38-503.

other conflict-of-interest policies and procedures. For example, the Department had not developed policies and procedures that required all employees and public officers to complete a disclosure form upon hire or appointment, or that reminded them to update their form at least annually or as their circumstances change. Additionally, according to the Department, not ensuring that employees complete the required supplemental disclosure form for secondary employment was an oversight. As previously mentioned, the Department had not provided periodic conflict-of-interest training for employees which may have contributed to this oversight.

Recommendations

The Department should:

7. Develop and implement comprehensive conflict-of-interest policies and procedures that align with State conflict-of-interest requirements and recommended practices, including:
 - a. 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.
 - b. Reminding employees and committee members at least annually to update their form when their circumstances change, including attesting that no conflicts exist, if applicable.
 - c. Storing all substantial interest disclosures, including disclosure forms and meeting minutes, in a special file available for public inspection.
 - d. Establishing a process to review and remediate all disclosed conflicts.
8. 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.
9. 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: As outlined in its [response](#), the Department agrees with the finding and will implement the recommendations.



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

Department has not established complaint-handling processes to help ensure it investigates and resolves all complaints and does so in a timely manner

Complaints are an important source of information for determining whether the individuals or entities operating within a regulated industry are in compliance with all applicable requirements and standards.⁴⁴ According to the National State Auditors Association, agencies with regulatory responsibilities, such as the Department, should have systematic processes for handling complaints, such as processes for tracking and monitoring the receipt and resolution of a complaints (see textbox for recommended complaint-handling processes).

The Department reported that it primarily receives complaints related to potential State Fire Code issues, fire suppression techniques, or potential driving infractions of State vehicles driven by Department staff. However, we were unable to review and assess the Department’s complaint handling because the Department has not developed systematic processes for handling, documenting, and resolving the complaints it receives. Specifically, the Department:

- Does not include information on its website explaining its complaint-handling processes, including the types of complaints it has jurisdiction to handle and how a member of the public can submit a complaint to the Department.
- Has not established standards for determining whether a complaint falls within its jurisdiction and steps Department staff should take when it receives complaints that are outside of its jurisdiction.
- Has not developed a documented process for tracking and overseeing the complaints it receives to ensure that they are being addressed appropriately.

Examples of recommended complaint-handling processes

- Establishing a method for receiving and screening complaints
- Setting guidelines/requirements for which complaints need action and how quickly complaints should be handled.
- Tracking and overseeing complaints to ensure that they are being addressed appropriately and that things do not slip through the cracks.
- Maintaining a record of the complaints received, the investigation results, and any actions taken.

Source: National State Auditors Association, 2004.

⁴⁴ National State Auditors Association. (2004). *Carrying out a state regulatory program: A National State Auditors Association best practices document*. Lexington, KY. Retrieved 5/22/2023 from https://www.nasact.org/files/News_and_Publications/White_Papers_Reports/NSAA%20Best%20Practices%20Documents/2004_Carrying_Out_a_State_Regulatory_Program.pdf.

- Has not established standards or time frames for completing key tasks, such as prioritizing complaints based on the severity of allegation, assigning complaints to Department staff for investigation, completing investigations, and taking the necessary actions to resolve complaints.
- Has not developed complaint documentation requirements, including 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’s lack of complaint-handling processes limits its ability to ensure it has resolved all complaints and timely addressed risks to public safety

By not having processes to inform the public of how they can submit complaints and to ensure it resolves all complaints in a timely manner, the Department may be putting public safety at risk. For example, without providing readily available information on its website on how to submit complaints, including complaints regarding potential fire code violations, members of the public may not know how to submit complaints, such as complaints about fire alarms and/or sprinkler systems that are not functioning properly, limiting the Department’s ability to address potential risks to public safety. Additionally, without complaint-handling processes, the Department cannot ensure that it resolves all complaints it receives, such as complaints regarding potential fire code violations at schools and other public buildings, which could result in fire code violations not being addressed and putting the public’s health and safety at risk.

Department reported that complaint-handling processes were not needed because of the small number of complaints it receives, but without this process, it cannot know and ensure it receives and resolves all complaints

The Department reported that it has not needed or developed a systematic complaint-handling process because (1) it does not receive many complaints and (2) it is able to resolve the complaints it receives within 1 business day. However, as mentioned above, without systematic complaint-handling processes, the Department cannot know and ensure it is receiving and resolving all complaints in an appropriate and timely manner, potentially putting the public at risk. According to the Department, it is in the process of developing complaint-handling policies and procedures, and it anticipates completing them by the end of calendar year 2023.

Recommendations

The Department should:

10. Establish a method for the public to submit complaints through its website or by other easily accessible means.
11. Make complaint-handling information readily available on its website, including a description of the Department’s complaint-handling process and forms.
12. Develop and implement written policies and procedures for complaint handling that include:
 - a. 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.
 - b. Time frames for completing key complaint-handling steps and tasks and for resolving complaints.
 - c. Standards for prioritizing complaints based on the severity of allegations.

- d. Complaint-screening protocols, including determining which complaints are within its jurisdiction.
 - e. 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.
13. 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: As outlined in its [response](#), the Department agrees with the finding and will implement the recommendations.



Pursuant to A.R.S. §41-2954(D), the legislative committees of reference shall consider but not be limited to the following factors in determining the need for continuation or termination of the Department. The sunset factor analysis includes additional findings and recommendations not discussed earlier in the report.

Sunset factor 1: The objective and purpose in establishing the Department and the extent to which the objective and purpose are met by private enterprises in other states.

The Department was established in 2016, and its primary statutory objectives and responsibilities include land management through monitoring and conducting forestry projects, wildfire prevention through education and outreach, wildfire suppression, and enforcement of the State fire code through regularly scheduled fire safety inspections.

According to the National Association of State Foresters and the U.S. Fire Administration, all 50 states have 1 or more state agencies responsible for land management, wildfire prevention and suppression, and fire code enforcement in their respective states.^{45,46} However, in contrast to Arizona, all 49 other states delegate these responsibilities among 2 or more agencies. For example, Colorado's Department of Natural Resources oversees land management and wildfire prevention, and Colorado's Department of Public Safety oversees wildfire suppression and fire code enforcement. Additionally, New Mexico's Energy, Minerals and Natural Resources Department oversees land management, wildfire prevention, and wildfire suppression, while the New Mexico Department of Homeland Security and Emergency Management oversees fire code enforcement.

We did not identify any states that met the Department's objective and purpose through private enterprises.

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

The Department met its statutory objective and purpose for 1 area we reviewed. Specifically, the Department used appropriated monies related to its statutory objectives and purposes for allowable purposes for the fiscal years 2021 through 2023 expenditures and transfers (transactions) we reviewed.⁴⁷ In fiscal year 2021, the Legislature held a special legislative session to determine what resources would be needed to suppress wildfires and address wildfire damages impacting the State. As a result, Laws 2021, 1st S.S., Ch. 1, appropriated the Department approximately \$100 million in State General Fund monies, including \$75 million for specific wildfire emergency response purposes and approximately \$25 million for wildfire-mitigation purposes.⁴⁸ Additionally, in fiscal year 2023, the Department received another legislative appropriation of \$65 million for wildfire emergency response and approximately \$38.8 million to continue its wildfire mitigation

⁴⁵ National Association of State Foresters. (2023). *Our membership*. Retrieved 4/24/2023 from <https://www.stateforesters.org/who-we-are/our-membership>; National Association of State Foresters. (2023). *Home page*. Retrieved 8/29/2023 from <https://www.stateforesters.org>.

⁴⁶ U.S. Fire Administration. (2023). *State fire points of contact*. Retrieved 5/16/2023 from <https://www.usfa.fema.gov/pocs/>; U.S. Fire Administration. (2022). *National roundtable testimony: Codes and standards*. Retrieved 8/29/2023 from <https://www.usfa.fema.gov/about/fire-administrators-summit/codes-standards/testimony.html>.

⁴⁷ Our review of the Department's fiscal year 2023 expenditures and transfers was limited to those made as of January 2023.

⁴⁸ Wildfire mitigation is also referred to as hazardous fuel reduction (see Introduction, pages 1 through 2, for more information on hazardous-fuel-reduction treatments). Monies appropriated for wildfire emergency response were exempt from lapsing, and monies for wildfire mitigation were exempt from lapsing until June 30, 2022.

efforts.^{49,50} As of January 2023, the Department spent approximately \$75.7 million of these monies, including approximately \$55.5 million for wildfire emergency suppression and approximately \$20.2 million for wildfire mitigation. See Appendix B, Table 6, pages b-1 through b-2, for more information on the specific wildfire emergency response purposes and Department's use of these monies, and Appendix B, Table 7, page b-3, for more information on the specific wildfire mitigation purposes and Department's use of these monies.

We selected and reviewed a sample of 17 wildfire emergency response transactions and a sample of 12 wildfire-mitigation transactions as of January 2023, and our review found that the Department's wildfire emergency response and wildfire-mitigation transactions were used for purposes consistent with Laws 2021, 1st S.S., Ch. 1, and its fiscal years 2022 and 2023 appropriations.^{51,52} Specifically, for the transactions we reviewed, the Department used approximately:

- \$15 million in wildfire emergency response monies for wildfire suppression and repositioning of wildfire-suppression equipment and staff. For example, the Department used \$13.6 million to pay the U.S. Forest Service for its assistance with suppressing multiple wildfires, including assisting with the Bighorn Fire in 2020 that burned more than 100,000 acres in Pima County.
- \$115,000 in wildfire emergency response monies for capital expenditures and equipment associated with wildfire suppression. The Department used \$115,000 to purchase new telecommunications equipment, such as radios for firefighters. The transactions we reviewed were part of the approximately \$2.1 million in wildfire emergency response monies that the Department used to purchase new telecommunications equipment in fiscal year 2022.
- \$180,000 in wildfire emergency response monies for addressing postfire flooding and other damage resulting from a wildfire or wildfire-suppression activities. Specifically, the Department used the monies to assist Pima, Gila, and Coconino Counties and the Town of Miami with the completion of projects to address postfire flooding and other damages. For example, the Department provided approximately \$100,000 to Gila County to address postfire flooding resulting from the Telegraph fire that burned more than 180,000 acres in 2021.
- \$550,000 in wildfire mitigation monies for grants to organizations, contracted services, and operating costs for hazardous fuel reduction. For example, the Department provided approximately \$32,000 in grant monies to Oracle Volunteer Fire District and used approximately \$117,000 to pay a private contractor for hazardous-fuel-reduction services on 130 acres near Prescott.

However, we also identified some areas where the Department can better meet its statutory objective and purpose. Specifically, the Department:

- **Had not implemented most recommendations from our 2016 procedural review**—Our November 2016 procedural review found that the Department lacked adequate internal controls over financial reporting, conflicts of interest, payroll processing, and capital assets. For example, we found that the Department did not prepare an annual budget, monitor financial activity, perform a risk assessment over financial reporting, or consistently follow the *State of Arizona Accounting Manual (SAAM)*.⁵³ We

⁴⁹ The fiscal year 2023 wildfire emergency response funds are exempt from lapsing through fiscal year 2025.

⁵⁰ Although the Department did not receive additional wildfire emergency response or wildfire-mitigation appropriations in fiscal year 2022, its fiscal year 2022 appropriation included additional details on the intended uses of the approximately \$25 million wildfire-mitigation appropriation it received in fiscal year 2021.

⁵¹ We reviewed a sample of 17 of 458 wildfire emergency response transactions that were greater than \$10,000 and a sample of 12 of 243 wildfire mitigation transactions that were greater than \$10,000. See Appendix C, page c-2, for more information on our sample methods.

⁵² Additionally, our review of the sampled wildfire emergency response transactions found that the Department complied with requirements of Laws 2021, 1st S.S., Ch. 1, §1(B)(C)(D), which include requiring the Department to use monies to supplement, and not supplant, any monies allocated by the federal government, not spending more than a total of \$10 million on capital expenditures and equipment, and not spending more than a total of \$10 million for financial assistance to private landowners.

⁵³ See Arizona Auditor General report 16-308 *Arizona Department of Forestry and Fire Management*.

made 10 recommendations to the Department, and as of August 2023, its status in implementing the recommendations is as follows:⁵⁴

- **2 have been implemented**—The Department had implemented 2 of our recommendations, including preparing an annual budget and designating a property control officer that is responsible for ensuring the Department complies with SAAM requirements related to capital assets.
- **1 is in process of implementation**—The Department had developed written procedures over cash receipts but had not developed written policies and procedures for properly classifying reimbursements. However, the Department reported that it is in the process of further developing its financial policies and procedures and anticipates completing them by the end of calendar year 2023.
- **7 have not been implemented**—The Department did not provide documentation demonstrating it had implemented processes consistent with SAAM requirements, including Monthly Financial Review and Verification requirements for financial reporting, payroll processing, and capital assets; performing risk assessments over financial reporting; and conducting physical inventory of capital assets, and therefore was not able to demonstrate that it implemented the 6 recommendations related to these responsibilities.⁵⁵ The Department's lack of adequate internal controls increases the risk for errors and fraud. For example, without adequate internal controls over payroll and capital assets, the Department could pay its employees wrong amounts and is at an increased risk of fraudulent payroll activity, and its capital assets are exposed to theft or misuse. Additionally, the Department did not comply with some State conflict-of-interest requirements and had not fully aligned its conflict-of-interest process with recommended practices, and therefore had not implemented 1 additional recommendation regarding conflicts of interest (see Finding 3, pages 17 through 20, for additional information).
- **Has not established statutorily required fire safety inspection program**—Performance audits conducted by the Auditor General in 1988, 1999, 2001, and 2011 found that the Fire Marshal's Office, now housed within the Department, had not established a fire safety inspection schedule or regularly inspected State- and county-owned buildings or schools, as required by statute.⁵⁶ We found the Fire Marshal's Office has continued to not meet these statutory responsibilities. Specifically, the Fire Marshal's Office has not regularly scheduled or timely performed required fire safety inspections and lacked an effective information system to manage its inspection program. Additionally, the Fire Marshal's Office did not track fire safety inspections conducted by local fire authorities on its behalf. The Fire Marshal's Office's failure to perform timely fire safety inspections limits its ability to identify and address fire code violations and increases the risk of fires and fire-related death, injury, and property damage in the State. We recommended the Department develop and implement a written plan that outlines the steps, including associated timelines, that the Department will take to ensure it can meet its statutory responsibility to establish a regularly scheduled fire safety inspection program.⁵⁷ See Finding 1, pages 6 through 11, for additional information and recommendations.
- **Has not implemented most recommendations for assisting Arizona communities with wildfire planning**—The Department had not implemented most recommendations from the ERI assessment to assist Arizona communities with effective wildfire planning. The Department's failure to implement the ERI assessment recommendations may increase Arizona's communities' vulnerability to wildfire. We recommended that the Department implement all ERI assessment recommendations and evaluate

⁵⁴ Our procedural review included an additional recommendation that the Department, if practicable, rotate payroll duties among employees. The Department determined that the recommendation was not practicable because it would require hiring additional staff.

⁵⁵ Arizona Department of Administration: General Accounting Office. (2019). *State of Arizona Accounting Manual: Topic 5 (Internal Controls), Section 25*; Arizona Department of Administration: General Accounting Office. (2022). *State of Arizona Accounting Manual: Topic 5 (Internal Controls), Section 6*; Arizona Department of Administration: General Accounting Office. (2022). *State of Arizona Accounting Manual: Topic 5 (Internal Controls), Section 10*.

⁵⁶ A.R.S. §37-1383(A)(7).

⁵⁷ A.R.S. §37-1383(A)(7).

available funding and staffing and determine if additional funding and/or staffing is needed to support CWPP development and implementation in Arizona communities. See Finding 2, pages 12 through 16, for additional information and recommendations.

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: As outlined in its [response](#), the Department agrees with the finding and will implement the recommendation.

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

The Department has provided land management, wildland fire prevention, and wildfire suppression services throughout the State. For example, the Department has:

- **Planned and completed forestry projects**—The Department collaborates with a variety of entities, including federal, State, tribal, and local governments, academic institutions, nonprofit organizations, and private landowners to complete forestry projects throughout Arizona. The Department also has foresters who are assigned to specific regions of the State and work on current forestry projects and to identify future projects. Further, the Department proposes, evaluates, and plans forestry projects using its project development and planning process. Specifically, the Department uses a template for the development of project proposals, which requires a description of the project's purpose; type of vegetation in the area, including hazardous fuels; wildfire risks to homes and infrastructure; and project benefits. The Department then uses a scoring rubric to evaluate a project proposal against its scoring criteria, such as the wildfire risk level in the project area and whether the project is part of or complements a relevant planning document, such as a CWPP. The Department will use the proposed project's evaluation score to help determine if a project should begin the planning process. The Department uses a template that outlines what needs to be included in a project plan, including a detailed assessment of the project area, what issue the project will address and how, and the project's funding source(s) and budget, goals, objectives, milestones, and timelines.

According to Department data, it completed 64 hazardous-fuel-reduction projects across nearly 17,000 acres in the State in calendar years 2020 through 2022.⁵⁸ For example, in calendar year 2021, the Department completed a treatment of 100 acres in Gila County's Camp Lomia by thinning diseased, hazardous, or infested trees and conducting a prescribed burn to reduce hazardous fuels (see Introduction, page 2, for an illustration of before and after the Department's hazardous-fuel-reduction treatment in Gila County). As of May 2023, the Department reported that it has completed 2 treatment projects covering 9,200 acres in calendar year 2023.

- **Provided educational outreach**—To support wildfire prevention efforts across the State, the Department reported that it conducted education and outreach on wildfire prevention to the public. Specifically, the Department led Smokey the Bear wildfire prevention presentations at schools for kindergarten through sixth grade students, youth clubs, and afterschool programs, which provided information about wildfire prevention through activities. Additionally, the Department provided homeowner education through the NFPA's Firewise USA program, including providing pamphlets and posters that explain basic home wildfire mitigation strategies.⁵⁹ According to the Department's 2022 Wildfire Annual Report, it conducted 145 school presentations, community outreach events, and Firewise USA site visits. Further, the Department's website provides wildfire prevention educational resources for the public, including a booklet the Department

⁵⁸ The Department provides hazardous-fuel-reduction treatment data from 2012 to the present for the public through its Forestry Information Tracking System (FITS) found on <https://gis-dffm.hub.arcgis.com> that is hosted by AzGeo Open Data Hub.

⁵⁹ The NFPA Firewise USA program is designed to support communities in improving the fire-resistance of buildings and reducing wildfire risk at a local level.

created and published to provide homeowners an Arizona specific guide on reducing wildfire risk to their homes.

- Responded to wildland fires**—The Department collaborated with federal, State, and local agencies, including local fire departments, the Bureau of Land Management, and the U.S. Forest Service, to respond to over 5,000 wildfires covering over 1.7 million acres of land between calendar years 2020 and 2022 (see Table 3 for additional information on wildfires in the State and Photo 3).⁶⁰ For example, according to the U.S. Forest Service, 707 local, Department, and federal personnel contributed to the suppression of the 2021 Backbone Fire in Coconino County, which burned more than 40,000 acres.⁶¹ Further, 430 local, Department, other State, and federal personnel contributed to the suppression of the 2022 Tunnel Fire, also in Coconino County, which burned more than 19,000 acres.⁶²

Photo 3
Department response to Copper Canyon wildfire in 2021



Source: Department-provided photograph.

Table 3
Total wildfires and acres affected by wildfires in Arizona between calendar years 2020 and 2022

	2020	2021	2022	Total
Wildfires	2,447	1,602	1,248	5,297
Acres affected by wildfire	980,308	595,135	145,422	1,720,865

Source: Auditor General staff review of data between years 2020 and 2022 from SWCC, 2023.

We also assessed whether the Department serves the entire State rather than special interests by reviewing its conflict-of-interest practices. The State’s conflict-of-interest requirements exist to remove or limit the possibility of personal influence from impacting a decision of a public agency employee or public officer. However, the Department did not comply with some State conflict-of-interest requirements and had not fully aligned its conflict-of-interest process with recommended practices, including not requiring all employees to complete required disclosure forms and not maintaining a special file for substantial interest disclosures. We recommended that the Department develop and implement comprehensive conflict-of-interest policies and procedures that align with State conflict-of-interest requirements and recommended practices, and that it provide periodic conflict-of-interest training. See Finding 3, pages 17 through 20, for additional information and recommendations.

⁶⁰ Southwest Coordination Center (SWCC). (2023). *SW historical fire and resource data: Fires & acres*. Retrieved 8/7/23 from https://gacc.nifc.gov/swcc/predictive/intelligence/Historical/Fire_and_Resource_Data/Historical_Fires_Acres.htm.

⁶¹ U.S. Forest Service. (2021). *Backbone fire*. Retrieved 5/31/2023 from <https://www.fs.usda.gov/detail/coconino/fire/?cid=FSEPRD1045705>.

⁶² U.S. Forest Service. (2022). *Tunnel fire*. Retrieved 5/31/23 from <https://www.fs.usda.gov/detail/coconino/fire/?cid=FSEPRD1045705>.

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

Our review of the Department's statutes and rules found that the Department has not developed some rules required by statute. Specifically:

- A.R.S. §37-1305(G) requires the Department to adopt rules for administering the wildland fire-suppression monies authorized by A.R.S. §37-1305, subject to approval of the governor.
- A.R.S. §37-1383(A)(4) requires the Department to adopt rules for the allocation of monies from the Arson Detection Reward Fund.
- A.R.S. §37-1422(A)(1) requires the Department to adopt rules to administer and enforce the requirements related to trampoline courts in the State, including their registration and renewal.

According to the Department, it has not adopted these required rules because of the former Governor's moratoriums on rulemaking. However, the Department initiated rulemaking as recently as December 2021 to update the State Fire Code to ensure the State meets national standards.⁶³

Recommendation

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

Department response: As outlined in its [response](#), the Department agrees with the finding and will implement the recommendation.

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.

The Department has encouraged input from the public before adopting rules and informed the public as to its actions and their expected impact. Specifically, as part of its most recent rulemaking in December 2021 related to the State Fire Code, the Department published notices of its proposed rulemakings in the Arizona Administrative Register and included a statement detailing the impact on the public. Additionally, the Department provided opportunities for public input by listing in the notices the name of the Department staff person who could be contacted to provide input about the proposed rulemaking, allowing the public to submit written comments on proposed rule changes for at least 30 days after it published the Notice of Proposed Rulemaking, and holding meetings where the public could provide input.⁶⁴

However, the Department did not comply with 1 open meeting law requirement. As indicated in the Introduction (see page 3), statute establishes the Arson Prevention Committee to provide rewards from the Arson Detection Reward Fund.⁶⁵ Although the Arson Prevention Committee did not meet during our audit, statute requires public bodies to post a statement on their websites indicating where all public meeting notices will be posted, but the Department's website did not include this required statement.⁶⁶

⁶³ The moratorium on rulemaking was last renewed by Executive Order 2022-01, which was signed by then-Governor Doug Ducey on January 19, 2022. This moratorium restricted rulemaking without the prior written approval of the Governor's Office and provided justification for exceptions to the rulemaking moratorium, such as complying with a State or federal statutory requirement or preventing a significant threat to the public health or safety.

⁶⁴ The Department received input from 3 public members who attended a public meeting and expressed their support of the proposed rulemaking.

⁶⁵ A.R.S. §37-1387(B). Per A.R.S. §37-1387(D), the Arson Detection Reward Fund consists of fines imposed by a court for an arson offense, monies from forfeiture of bail posted in connection with an arson offense, monies received from donations to the fund, and monies appropriated by the Legislature. A.R.S. §37-1387(E) requires monies from the fund be expended only for payment of rewards and promotion of public awareness of the fund.

⁶⁶ A.R.S. §38-431 contains the State's open meeting laws.

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: As outlined in its [response](#), the Department agrees with the finding and will implement the recommendation.

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

As indicated in Finding 4, pages 21 through 23, the Department had not developed complaint-handling processes, including a process to document and track complaints from the public, nor did the Department develop documented policies and procedures for handling complaints. Therefore, we made recommendations to establish complaint-handling policies, procedures, and processes to help ensure it receives, documents, monitors, and resolves all complaints in a timely manner.

Sunset factor 7: The extent to which the Attorney General or any other applicable agency of State government has the authority to prosecute actions under the enabling legislation.

According to A.R.S. §41-192, the Attorney General serves as the Department's legal advisor and provides legal services as the Department requires.

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

As indicated in the Introduction on page 3, statute establishes the State Fire Safety Committee to advise the Department in various areas related to fire code enforcement. However, according to the Department, the former Governor determined the State Fire Safety Committee was no longer needed and therefore had not appointed any members. The Department reported that it plans to evaluate whether it should propose a statutory change to eliminate the State Fire Safety Committee but had not yet established a time frame for doing so.

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: As outlined in its [response](#), the Department agrees with the finding and will implement the recommendation.

Sunset factor 9: The extent to which changes are necessary in the laws of the Department to adequately comply with the factors listed in this sunset law.

We did not identify any needed changes to the Department's statutes.

Sunset factor 10: The extent to which the termination of the Department would significantly affect the public health, safety, or welfare.

Terminating the Department would affect the public's health, safety, and welfare if its responsibilities were not transferred to another agency. Specifically, the Department provides land management, wildfire prevention, wildfire suppression, and fire code enforcement throughout the entire State, which helps to protect the public's health, safety, and welfare. For example, the Department conducts and monitors hazardous-fuels-reduction treatments, contributing to a reduced wildfire risk in the State. Additionally, wildfire prevention, education, and outreach activities contribute to the public's safety and welfare by explaining wildfire threats to communities and helping them prepare for wildfires. Further, the Department is responsible for conducting fire-safety inspections

in State- and county-owned buildings that can help reduce the risk of fire-related deaths, injuries, and property damage (see Finding 1, pages 6 through 11, for information on the Department not meeting this responsibility).

Sunset factor 11: The extent to which the level of regulation exercised by the Department compares to other states and is appropriate and whether less or more stringent levels of regulation would be appropriate.

The Department has regulatory authority to enforce the State Fire Code in Arizona, similar to the regulatory authority of comparable agencies in 4 other states that we judgmentally selected and contacted—New Mexico, Utah, Colorado, and Texas. For example, all 4 states we contacted perform fire safety inspections to enforce fire code compliance. Additionally, according to the International Code Council, as of January 2023, 41 states, including Arizona and the 4 states we reviewed, have adopted the International Fire Code either at a local or state level. Although the level of regulation established in Arizona’s statutes and rules related to fire code enforcement appears consistent with practices in other states we reviewed, the Department has not regularly scheduled or timely performed fire safety inspections in the State. Therefore, we made recommendations to the Department to help ensure it can effectively enforce the State fire code (see Finding 1, pages 6 through 11).

Sunset factor 12: The extent to which the Department has used private contractors in the performance of its duties as compared to other states and how more effective use of private contractors could be accomplished.

The Department uses private contractors to assist with several of its mission-critical functions, including forestry and fuels treatment projects and wildfire suppression. For example, to implement its forestry and fuels treatment projects in 2022, the Department contracted for brush management, mulching, and tree-removal services. Additionally, as of May 2023, the Department had agreements with 129 fire departments and fire districts for firefighting services, and 60 agreements with local fire authorities to conduct fire safety inspections on behalf of the Department.

We compared the Department’s use of contracts and agreements to other forestry departments and fire inspection offices in Colorado, New Mexico, Texas, and Utah and found the Department uses contracts or agreements to a greater extent than these 4 states for the areas we reviewed (see Table 4).

We did not identify any additional areas where the Department should consider using private contractors.

Table 4
Types of services provided through contracts and agreements in Arizona, Colorado, New Mexico, Texas, and Utah
As of May 2023

	Arizona	Colorado	New Mexico	Texas	Utah
Fuels mitigation and reduction projects	✓	✓	✓	✓	✓
Wildfire suppression response ¹	✓	✗	✓	✗	✓
Fire safety inspections ²	✓	✓	✓	✗	✗

¹ Arizona, New Mexico, and Utah all reported having agreements with local fire authorities to support wildfire suppression response and do not use private contractors for this service.

² Arizona, Colorado, and New Mexico all have agreements with local fire authorities to conduct fire safety inspections and have the ability to use private contractors for this service but have not done so.

Source: Auditor General staff review of Arizona contracts and information provided by Arizona, Colorado, New Mexico, Texas, and Utah state forestry department staff and fire inspection office staff, as of May 2023.



SUMMARY OF RECOMMENDATIONS

Auditor General makes 17 recommendations to the Department

The Department should:

1. 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:
 - a. 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.
 - b. 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.
 - c. Identifying which buildings in its inventory are covered by agreements with local fire authorities to conduct fire safety inspections on its behalf.
 - d. 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.
 - e. Developing a regular fire safety inspection schedule using information gathered in the previous steps.
 - f. 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.
 - g. 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 (see Finding 1, pages 6 through 11, for more information).
2. 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 (see Finding 1, pages 6 through 11, for more information).
3. 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 (see Finding 1, pages 6 through 11, for more information).

4. 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 (see Finding 1, pages 6 through 11, for more information).
5. Fully implement the ERI assessment recommendations, including:
 - a. Updating the CWPP content requirements document to include intended purpose, audience, and use; wildfire-risk assessment and treatment-prioritization process; and strategies for implementation.
 - b. Establish CWPP guidance and resources for how communities can conduct wildfire-risk assessments, prioritize areas for hazardous-fuel-reduction treatments, and integrate CWPPs with existing county, State, and other federal planning documents relevant to reducing wildfire threat.
 - c. Establish CWPP accomplishment tracking and reporting requirements, such as information about completed hazardous-fuel-reduction treatments.
 - d. Establish CWPP update requirements, including how frequently CWPPs should be reviewed and updated (see Finding 2, pages 12 through 16, for more information).
6. 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 (see Finding 2, pages 12 through 16, for more information).
7. Develop and implement comprehensive conflict-of-interest policies and procedures that align with State conflict-of-interest requirements and recommended practices, including:
 - a. 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.
 - b. Reminding employees and committee members at least annually to update their form when their circumstances change, including attesting that no conflicts exist, if applicable.
 - c. Storing all substantial interest disclosures, including disclosure forms and meeting minutes, in a special file available for public inspection.
 - d. Establishing a process to review and remediate all disclosed conflicts (see Finding 3, pages 17 through 20, for more information).
8. 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 (see Finding 3, pages 17 through 20, for more information).
9. 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 (see Finding 3, pages 17 through 20, for more information).
10. Establish a method for the public to submit complaints through its website or by other easily accessible means (see Finding 4, pages 21 through 23, for more information).
11. Make complaint-handling information readily available on its website, including a description of the Department's complaint-handling process and forms (see Finding 4, pages 21 through 23, for more information).

12. Develop and implement written policies and procedures for complaint handling that include:
 - a. 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.
 - b. Time frames for completing key complaint-handling steps and tasks and for resolving complaints.
 - c. Standards for prioritizing complaints based on the severity of allegations.
 - d. Complaint-screening protocols, including determining which complaints are within its jurisdiction.
 - e. 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 (see Finding 4, pages 21 through 23, for more information).
13. 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 (see Finding 4, pages 21 through 23, for more information).
14. Implement the recommendations made in our November 2016 procedural review and align its implementation of these recommendations with applicable SAAM requirements (see Sunset Factor 2, pages 24 through 27, for more information).
15. Adopt rules required by A.R.S. §§37-1305, 37-1383, and 37-1422 (see Sunset Factor 4, page 29, for more information).
16. Include a statement on its website indicating where public meeting notices will be posted, as required by statute (see Sunset Factor 5, pages 29 through 30, for more information).
17. 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 (see Sunset Factor 8, page 30, for more information).



Arizona communities' CWPPs

Table 5
Most Arizona communities' CWPPs are outdated
August 2023

County	CWPP area(s)	Scale ¹	Publication date	Up to date
Apache	Apache National Forest communities	Multiple communities	2004	✗
Cochise ²	Cochise County	County	2014	✗
Coconino	• Blue Ridge	Multiple communities	2010	✗
	• Flagstaff and surrounding communities	Multiple communities	2005	
	• Greater Williams area	Multiple communities	2005	
	• Tusayan community	Single community	2005	
Gila	• Northern Gila County	Multiple communities	2022	✓
	• Southern Gila County	Multiple communities	2022	
Graham	Graham County	County	2005	✗
Greenlee	Greenlee County	County	2005	✗
La Paz	La Paz County	County	2006	✗
Maricopa	Maricopa County	County	2020	✓
Mohave	Mohave County	County	2019	✓
Navajo	Sitgreaves communities	Multiple communities	2016	✓
Pima	Pima County	County	2013	✗
Pinal	Pinal County	County	2018	✓
Santa Cruz	Does not have a CWPP			✗
Yavapai	Yavapai County	County	2020	✓
Yuma	Yuma County	County	2021	✓

Table 5 continued

¹ Scale refers to the area(s) covered by a CWPP. For example, a CWPP can cover a large geographical area, including all communities within a county, or a small geographic area, such as a single community with 1 town.

² The Department considered Cochise County's CWPP to be outdated because within the next year, it will be 10 years since it was developed.

Source: Auditor General staff review of Department-provided information and Arizona communities' CWPPs.



Department’s use of legislatively appropriated wildfire emergency response and wildfire mitigation monies

Table 6

Department’s use of wildfire emergency response monies
As of January 2023

	FY 2021	FY 2022	FY 2023 ¹
Wildfire emergency response appropriation	\$75,000,000		\$65,000,000
Purposes specified by Laws 2021, 1st S.S., Ch. 1			
Fire suppression and repositioning of fire support equipment and staff²			
	4,507,337	11,595,043	7,480,633
Capital expenditures and equipment associated with fire-suppression and repositioning activities for fire suppression³			
	-	6,194,106	886,990
Mitigation projects to address postfire flooding and other damage that may occur as a result of fires or fire-suppression activities⁴			
	-	8,776,477	12,836,136
A State or local government agency’s emergency liabilities related to emergency sheltering, wraparound services, and support activities⁵			
	-	-	-
Financial assistance to public and private landowners for emergency repairs for infrastructure damage resulting from fires or fire-suppression activities⁶			
	-	247,947	2,974,181
Reimbursement to a State agency or political subdivision for their costshare of eligible claims from an emergency declared pursuant to A.R.S. §35-192, or a federal declaration of emergency or major disaster⁷			
	-	-	-
Total wildfire emergency response expenditures	4,507,337	26,813,573	24,177,940
Ending appropriation balance	\$70,492,663	\$43,679,091	\$84,501,150

Table 6 continued

- ¹ Our review of the Department's fiscal year 2023 expenditures and transfers was limited to those made as of January 2023.
- ² Monies were primarily used for the payment of invoices from the U.S. Forest Service for its assistance with wildfire suppression on nonfederal land and for payroll and related benefits for Department staff.
- ³ Monies were primarily used to purchase new telecommunications equipment, computer software, and vehicles, including crew carriers for transporting firefighting crew and fire engines.
- ⁴ Monies were primarily provided to Arizona counties, State and local governments, fire districts, and other organizations to address postfire flooding and other damage resulting from fires or fire-suppression activities. For example, the Department provided approximately \$43,000 to Coconino County for traffic control equipment needed for areas experiencing postfire flooding as result of the San Rafael Fire.
- ⁵ As of January 2023, the Department did not use any monies for State or local government agencies' emergency liabilities.
- ⁶ Aid to organizations and individuals consisted of grant monies the Department provided to Arizona counties and other organizations for emergency repairs to infrastructure that was damaged from fires or fire-suppression activities. A private landowner can apply for infrastructure repair grants by working with State and local government agencies, nonprofits, or tribal agencies who will submit applications for infrastructure repair grants on the landowner's behalf.
- ⁷ As of January 2023, the Department had not made any transactions for emergency services or cost share reimbursement purposes.

Source: Auditor General staff summary of Laws 2021, 1st S.S., Ch. 1, and analysis of the Arizona Financial Information System *Accounting Event Transaction File* for fiscal years 2021, 2022, and 2023 as of January 2023 and Department-provided information.

Table 7
Department's use of wildfire mitigation monies
As of January 2023

	FY 2021 ¹	FY 2022	FY 2023 ²
Wildfire mitigation appropriation	\$24,541,800.00		\$38,837,300.00
Purposes specified by Laws 2021, 1st S.S., Ch. 1			
Personnel and operating³			
	-	4,976,053	2,879,697
Vehicle purchases and vehicle operating costs⁴			
	-	3,840,344	2,879,697
Hazardous vegetation removal contracts and grants⁵			
	-	76,772	515,588
Total expenditures	-	8,893,168	6,274,981
Ending appropriation balance	\$24,541,800	\$15,648,632	\$48,210,950

¹ In fiscal year 2021, the Department did not have any wildfire-mitigation transactions.

² Our review of the Department's fiscal year 2023 expenditures and transfers was limited to those made as of January 2023.

³ Personnel and operating expenditures consisted of payroll and related benefits for Department staff, office and other operating supplies, information technology and software support, and payments for contracted State inmate labor.

⁴ Vehicle purchases and vehicle operating expenditures included vehicle purchases, such as vehicles to transport crews to and from work sites.

⁵ Hazardous vegetation removal contracts and grants expenditures consisted of monies the Department provided to Arizona counties, local governments, fire districts, and other organizations for hazardous fuel mitigation projects.

Source: Auditor General staff summary of Laws 2021, 1st S.S., Ch. 1, and analysis of the Arizona Financial Information System *Accounting Event Transaction File* for fiscal years 2021, 2022, and 2023 as of January 2023 and Department-provided information.



Objectives, scope, and methodology

The Arizona Auditor General has conducted a performance audit and sunset review of the Department pursuant to a December 17, 2020, resolution of the Joint Legislative Audit Committee. This audit was conducted as part of the sunset review process prescribed in A.R.S. §41-2951.

We used various methods to address the audit's objectives. These methods included interviewing Department staff and reviewing federal statutes; State statutes and administrative rules; and the Department's website, policies and procedures, budget requests, and legislative appropriations. We also used the following specific methods to meet the audit objectives:

- To determine whether the Fire Marshal's Office had established a regularly scheduled fire safety inspection program, we reviewed the IFC; NFPA information and standards; the Department's fire safety inspection information systems; and Department fire safety inspection reports. We also reviewed performance audits involving the Fire Marshal's Office from 1988, 1999, 2001, and 2011.⁶⁷
- To determine whether the Department implemented recommendations to assist Arizona communities with wildfire planning, we reviewed the 2019 ERI assessment, federal laws, and Department documentation related to CWPPs.⁶⁸ Additionally, we reviewed Northern Gila County's CWPP and information from the National Parks Service and U.S. Forest Service.^{69,70}
- To determine whether the Department complied with State conflict-of-interest requirements and aligned its conflict-of-interest processes with recommended practices, we reviewed statute, State requirements, and recommended practices related to conflicts of interest.^{71,72} We also reviewed conflict-of-interest disclosure forms for a random sample of 20 of 186 Department staff employed as of November 2022.

⁶⁷ See Arizona Auditor General reports 88-4 *Department of Building and Fire Safety*, 99-16 *Department of Building and Fire Safety*, 01-23 *Department of Building and Fire Safety*, and 11-13 *Department of Fire, Building and Life Safety*.

⁶⁸ Ecological Restoration Institute. (2019). *Assessment of community wildfire protection plans (CWPP) in Arizona and communities-at-risk throughout the west project report*. Flagstaff, AZ. Retrieved on 2/9/2023 from <https://cdm17192.contentdm.oclc.org/digital/collection/p17192coll1/id/1018/rec/1>, 16 USC 6511, 16 USC 6501, and 16 USC 6592.

⁶⁹ Gila County Emergency Management Division. (2022). *Northern Gila County—Community wildfire protection plan (CWPP)*. Globe, AZ. Retrieved 6/8/2023 from https://cms3.revize.com/revize/gilaaz/government/health_and_emergency_services/gilaem_eoc/docs/2022NoGilaCountyCWPP_Final_032322.pdf.

⁷⁰ National Park Service. (2017). *Wildland fire: What is hazard fuel reduction?* Retrieved 6/13/2023 from <https://www.nps.gov/articles/what-is-hazard-fuel-reduction.htm>.

⁷¹ Recommended practices we reviewed included: Organization for Economic Cooperation and Development (OECD). (2022). *Recommendation of the Council on OECD Guidelines for Managing Conflict of Interest in the Public Service*. Paris, France. Retrieved 1/26/2023 from <https://legalinstruments.oecd.org/public/doc/130/130.en.pdf>; Ethics & Compliance Initiative (ECI). (2016). *Conflicts of interest: An ECI benchmarking group resource*. Arlington, VA. Retrieved 1/26/2023 from <https://www.ethics.org/wp-content/uploads/2021-ECI-WP-Conflicts-of-Interest-Defining-Preventing-Identifying-Addressing.pdf>; Controller and Auditor General of New Zealand. (2020). *Managing conflicts of interest: A guide for the public sector*. Wellington, New Zealand. Retrieved 1/26/2023 from <https://oag.parliament.nz/2020/conflicts/docs/conflicts-of-interest.pdf>.

⁷² In response to conflict-of-interest noncompliance and violations investigated in the course of our work, we have recommended several practices and actions to various school districts, State agencies, and other public entities. Our recommendations are based on guidelines developed by public agencies to manage conflicts of interest in government and are designed to help ensure compliance with State conflict-of-interest requirements. See, for example, Auditor General reports 21-402 *Higley Unified School District—Criminal indictment—Conspiracy, procurement fraud, fraudulent schemes, misuse of public monies, false return, and conflict of interest*, *Misuse of Public Monies, False Return, and Conflict of Interest*, 19-105 *Arizona School Facilities Board—Building Renewal Grant fund*, and 17-405 *Pine-Strawberry Water Improvement District—Theft and misuse of public monies*.

- To assess the Department's complaint-handling process, we reviewed the Department's website, interviewed Department staff, and compared Department-reported information to recommended practices.⁷³
- To assess whether the Department used monies appropriated for wildfire emergency response and wildfire mitigation consistent with purposes outlined in Laws 2021, 1st S.S., Ch. 1, and the Department's fiscal years 2022 and 2023 legislative appropriations, we selected and reviewed information for a sample of 17 of 458 wildfire emergency response transactions that were greater than \$10,000, and 12 of 243 wildfire-mitigation transactions that were greater than \$10,000, as of January 2023.⁷⁴ Additionally, we reviewed the *AFIS Accounting Event Transaction File* for fiscal years 2021 and 2022, and fiscal year 2023 as of August 2023.
- To obtain additional information for the Sunset Factors, including to determine the extent to which the Department served the entire State and the extent to which the termination of the Department would affect public health, safety, and welfare, we reviewed information from the U.S. Forest Service on wildfire suppression in Arizona and Department-provided information about its completed forestry treatments, wildfire-prevention outreach efforts, wildfire-suppression activities, and fire safety inspections.⁷⁵ Additionally, to assess whether the Department developed rules required by statute and encouraged input from the public before adopting its rules, we reviewed the Department's statutes, rules, and information related to its December 2021 rulemaking. Finally, to assess how the Department's level of regulation and use of contracts and agreements compared to other states, we judgmentally selected and contacted forestry and fire code enforcement agencies in 4 other states—Colorado, New Mexico, Texas, and Utah.
- To obtain information for the Introduction, we reviewed Department-provided staffing information and compiled and analyzed unaudited information from the *AFIS Accounting Event Transaction File* for fiscal years 2021 and 2022, and Department-prepared estimates for fiscal year 2023.

Our work on internal controls included reviewing the Department's policies, procedures, and processes for fire safety inspections, financial reporting, capital assets, complying with the State's conflict-of-interest and open meeting laws, and where applicable, testing the Department's compliance with statute, rule, and the SAAM. We reported our conclusions on internal control deficiencies in Findings 1, 3, and 4, and in the Sunset Factors.

We selected our audit samples to provide sufficient evidence to support our findings, conclusions, and recommendations. Unless otherwise noted, the results of our testing using these samples were not intended to be projected to the entire population.

We conducted this performance audit and sunset review of the Department in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We express our appreciation to the Department Director and staff for their cooperation and assistance throughout the audit.

⁷³ National State Auditors Association. (2004). *Carrying out a state regulatory program: A National State Auditors Association best practices document*. Lexington, KY. Retrieved 8/16/2023 from https://www.nasact.org/files/News_and_Publications/White_Papers_Reports/NSAA%20Best%20Practices%20Documents/2004_Carrying_Out_a_State_Regulatory_Program.pdf.

⁷⁴ Of the 17 wildfire emergency response transactions we reviewed, 2 were judgmentally selected and 15 were randomly sampled. Additionally, of the 12 wildfire-mitigation transactions we reviewed, 2 were judgmentally selected and 10 were randomly sampled. Transactions were judgmentally selected because they lacked sufficient information in the Accounting Event Transaction Files to determine the purpose of the transactions.

⁷⁵ U.S. Forest Service. (2021). *Backbone fire*. Retrieved 5/31/2023 from <https://www.fs.usda.gov/detail/coconino/fire/?cid=fseprd1040196>; U.S. Forest Service. (2022). *Tunnel fire*. Retrieved 7/13/2023 from <https://www.fs.usda.gov/detail/coconino/fire/?cid=fseprd1045705>.

DEPARTMENT RESPONSE



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 3rd 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.

