



Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov



Henry R. Darwin
Director

March 15, 2013

Debra K. Davenport
Auditor General
2910 N. 44th Street, Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

This letter provides the Arizona Department of Environmental Quality's response to the March 8, 2013 revised preliminary report draft of the Compliance Management performance audit. We appreciate the diligence and hard work of the Auditor General's staff in completing this performance audit and their consideration of our feedback on the previous draft.

1.1 The Department should request that the EPA collaborate with it to develop a framework for implementing a risk-based inspections approach to ensure that such an approach meets the terms of its EPA agreements. The framework may vary by environmental program.

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

1.2 For environmental programs where the Department and the EPA have developed a framework for implementing a risk-based inspections approach, and for those programs where there is no EPA oversight, the Department should:

a. Develop standard criteria for assessing individual facility risk, and average risk by facility type and environmental program;

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

b. Increase the inspection frequency of facilities identified as higher risk and decrease the inspection frequency of facilities identified as lower risk;

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

c. Develop and implement policies and procedures for assessing the effectiveness of the risk-based inspections approach, including developing and implementing performance measures, establishing baselines, tracking facility compliance performance against the measures over time, and modifying the risk-based inspections approach as needed.

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733

Printed on recycled paper

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

1.3 In order to enhance its implementation of a risk-based inspections approach, the Department should:

a. Conduct a small number of random inspections of facilities that have had inspection frequencies reduced or eliminated to continue to provide deterrence and monitor for possible violations among these facilities;

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

b. Use all available facility self-monitoring data to help assess the facilities' violations history;

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

c. Continue its efforts to fix or replace the Wastewater Compliance and Enforcement Tracking System database to ensure accurate violations reports based on self-monitoring data in the wastewater programs;

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

d. Develop standardized data reports from its compliance and enforcement data to assist department staff in assessing risk as well as measuring the impact of its inspections and enforcement activities.

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

2.1 The Department should continue to assess and expand the use of field issued enforcement for programs that do not require a detailed review of violations in order to issue enforcement actions in a timely manner. In addition, the Department should update its policies and procedures to ensure the process is effectively implemented.

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

2.2 The Department should develop and implement a corrective action plan that addresses the main barriers to providing effective assistance to noncompliant facilities, including reduced staff resources, and identifies the types of assistance it can provide to better assist noncompliant facilities return to compliance.

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

2.3 The Department should identify the root cause of violations for the small water systems, consult with other states that face similar issues to determine how they are addressing noncompliance and if it is working, and develop an effective plan to address the non-compliance.

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

2.4 The Department should make a determination as how to best handle escalation in Arizona and align its policies and procedures with that strategy. Further, the Department should then consistently adhere to its policies and procedures for escalated enforcement to help return facilities to compliance in a timely fashion and help ensure that public health and the environment are protected.

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

On behalf of ADEQ, we appreciate the opportunity to respond and look forward to continue working productively with the Auditor General's staff on completion of the Department's remaining performance audits.

Sincerely,

Henry R. Darwin
Director