



**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

March 11, 2016

The Honorable John Allen, Chair  
Joint Legislative Audit Committee

The Honorable Judy Burges, Vice Chair  
Joint Legislative Audit Committee

Dear Representative Allen and Senator Burges:

Our Office has recently completed a 24-month followup of the Arizona Game and Fish Commission, Department, and Director regarding the implementation status of the 50 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in December 2013 (Auditor General Report No. 13-15). As the attached grid indicates:

- 40 have been implemented, and
- 10 are in the process of being implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes our follow-up work on the Commission's efforts to implement the recommendations from the December 2013 performance audit report.

Sincerely,

Dale Chapman, Director  
Performance Audit Division

DC:kf  
Attachment

cc: Kurt R. Davis, Chair  
Arizona Game and Fish Commission

Larry D. Voyles, Director  
Arizona Game and Fish Department

# Arizona Game and Fish Commission, Department, and Director Auditor General Report No. 13-15 24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<b>Finding 1: Commission and Department should ensure prudent stewardship of public resources</b>	
1.1 The Department should immediately finalize and implement changes to its policies and procedures for its Special Operations Unit.	<b>Implemented at 12 months</b>
1.2 The Department should enhance its travel procedures by establishing additional guidelines for managerial decision-making about travel, such as how to determine which conferences, trainings, or other travel are deemed essential to the Department, how many department representatives should attend, and whether using state vehicles or reimbursing employees for miles driven is more cost-effective.	<b>Implemented at 24 months</b>
1.3 The Department should work with the Commission to regularly consider ways to help limit travel costs associated with its commission meetings.	<b>Implemented at 24 months</b>
1.4 The Department should enhance and implement its July 2013 wireless device policy. Specifically, the Department should:	
a. Ensure that all employees who are provided wireless devices sign user agreements as its July 2013 policy requires;	<b>Implemented at 12 months</b>
b. Implement its policy requiring supervisors to check bills for appropriate use. In doing so, the Department should establish a mechanism for supervisors to demonstrate that they have checked the appropriate use of the devices before the bill is paid;	<b>Implemented at 24 months</b>
c. Enhance its wireless device policy referencing the State's wireless devices policy to ensure employees are aware they must comply with the policy, and incorporating more of the State's wireless devices policy into its own policy by adding more detailed guidance and criteria for determining when a wireless device is in the best interest of the State, such as when the employee's job requires considerable time outside the office, and by adding a more thorough description of appropriate business use; and	<b>Implemented at 24 months</b>

Recommendation	Status/Additional Explanation
<p>d. Enhance its wireless device policy to include a written requirement for a more frequent assessment of unused cell phones and Internet access devices by adding this assessment into the policy's required monthly review of wireless plans.</p>	<p><b>Implemented at 24 months</b></p>
<p>1.5 Once the Department has added more detailed guidance and criteria for determining when a wireless device is in the best interest of the State, it should review all positions that have a wireless device to ensure wireless devices as distributed only to those individuals meeting the established criteria.</p>	<p><b>Implemented at 12 months</b></p>
<p>1.6 The Department should develop and implement a policy and procedure for employee recognition gifts, including retirement plaques. This policy and procedure should include guidance on how to determine and document the public purpose of employee gifts, and an explanation showing that the cost of such a gift does not outweigh the benefit to the public.</p>	<p><b>Implemented at 24 months</b></p>
<p>1.7 The Department should provide additional training. Specifically, the Department should train department staff and commissioners on:</p> <ul style="list-style-type: none"> <li>a. The importance of the Department's policies and procedures and strong control environment;</li> <li>b. Their responsibilities toward ensuring proper stewardship of public monies; and</li> <li>c. New or enhanced policies and procedures, such as those related to the Special Operations Unit, travel, wireless device usage and monitoring, and employee recognition gifts.</li> </ul>	<p><b>Implemented at 24 months</b></p> <p><b>Implemented at 24 months</b></p> <p><b>Implemented at 24 months</b></p>
<p>1.8 The Department should increase its oversight of expenditures by ensuring that its internal audit schedule regularly includes those areas most vulnerable to fraud or abuse, and where the Department has established new or enhanced procedures, including areas such as travel, wireless devices, and the Special Operations Unit's enhanced procedures.</p>	<p><b>Implemented at 24 months</b></p>
<p>1.9 The Department should develop a cost allocation policy and procedures for how to allocate general agency costs among its restricted funds.</p>	<p><b>Implementation in process</b> The Department has established a cost allocation method, but it still needs to revise its policies and procedures to reflect this method.</p>
<p>1.10 Once this cost allocation method is developed, the Department should train staff on this method.</p>	<p><b>Implementation in process</b> Although the Department indicated that it provided training to staff regarding the cost allocation method, it has yet to provide training on its cost allocation method policy and procedures because they have not yet been revised to reflect this method (see Rec. 1.9).</p>

**Recommendation****Status/Additional Explanation****Finding 2: Process for issuing big game hunting permits could be improved**

<p>2.1 The Department should continue its efforts to move toward an all-online application system. Specifically, the Department should:</p> <ul style="list-style-type: none"><li>a. Develop and implement ways to encourage applicants to apply for the draw online;</li><li>b. Develop and implement a plan to help applicants who cannot apply online;</li><li>c. Address past problems with the online application to ensure that it can fully support an all-online application; and</li><li>d. Seek commission approval, as necessary, to modify its administrative rules to specify the ways in which applicants can submit their applications for the draw.</li></ul>	<b>Implemented at 24 months</b>
<p>2.2 The Department should modify its online application system to require applicants to apply using a single department ID number and should provide a mechanism for applicants to retrieve their ID number or use an alternate number, such as their driver's license number, if they forgot their department ID number.</p>	<b>Implementation in process</b> The Department developed a new online customer portal where customers can buy a license or apply for a draw. Although this new portal allows customers to enter their department ID, it does not require them to do so. However, this new portal assists customers in retrieving their department ID by providing identifiers, such as last name, birth date, and zip code. The Department stated it is still in the process of migrating customers to the new portal, and it did not have an estimated date when this migration would be completed.
<p>2.3 The Department should increase its efforts to verify an applicant's residency and, as necessary, seek commission approval of its methods.</p>	<b>Implemented at 24 months</b>
<p>2.4 The Department should do more testing after the draw to better ensure that the draw functioned as intended and that the draw results comply with statutes and administrative rules. Specifically, the Department should enhance its testing guidelines to include:</p> <ul style="list-style-type: none"><li>a. Steps to verify that tags awarded in the first round went first to those applications with the most bonus points, as required by administrative rule; and</li><li>b. Steps to select and review a sample of applicants to test that the applications were successfully processed at each step of the draw process and that the draw results were what would be expected.</li></ul>	<b>Implemented at 12 months</b>
	<b>Implemented at 24 months</b>

**Recommendation****Status/Additional Explanation**

2.5 To identify patterns of problems and potential areas for improvement in the draw, the Department should:

- a. Develop and implement a mechanism to track complaints related to the draw that its customer service staff receive or that are submitted through its Web site or other sources, such as its ombudsman;
- b. Develop and implement a process for periodically assessing the draw complaints received by its customer service staff, or through its Web site or other sources, such as its ombudsman, to identify areas where the Department may need to make changes to ensure that the draw process is meeting requirements and operating as intended; and
- c. Train staff on this process.

**Implemented at 24 months**

**Implementation in process**

The Department developed and implemented a complaint-resolution database that allows the Department to track complaints related to the draw and identify issues. The Department indicated that it reviews customer complaints as they are received and attempts to address the issues immediately. However, the Department has not implemented a process for periodically assessing the draw complaints received to identify patterns of problems and potential areas for improvement in the draw over the long term.

**Implementation in process**

The Department trained its staff on its new complaint-resolution database, but because it has not developed a process for analyzing complaints over time (see Rec. 2.5b), staff have not yet been trained on that process.

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**Finding 3: Department should improve its information technology systems management processes**

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3.1 To improve systems development practices, the Department should develop and implement a formal SDLC methodology to help ensure all IT systems are developed and maintained consistent with IT standards and best practices. This methodology should include steps for IT system development including planning, analysis, selection, design, testing, implementation, and maintenance.

**Implemented at 24 months**

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## Recommendation

## Status/Additional Explanation

3.2 To strengthen change management practices, the Department should:

- a. Enhance its draft change management policy and develop change management procedures that are consistent with IT standards and best practices, by incorporating specific sequential steps, including testing and formal approval steps, and guidance on other areas such as roles and responsibilities of the person involved and how to classify and prioritize changes;
- b. Ensure changes to all key department systems, including systems that are not centrally managed, are tracked in its manual change management tracking mechanism, so that it is consistently tracking all changes;
- c. Require all changes to be adequately documented to include all necessary information such as prioritizations, approvals, testing plans, and implementation plans;
- d. Consistently maintain all documentation required for each change in a central location; and
- e. Develop a method, such as use of automated system change logs, to record all changes made directly to its systems and databases in order to enable monitoring of changes. In addition, the Department should regularly monitor its system change logs to identify unauthorized changes.

**Implemented at 24 months**

**Implementation in process**

The Department reported at 6 months that it had begun to track changes in the systems that its Information Systems (IS) branch managed. During this followup, the Department provided planning documents for new systems the IS branch will centrally manage. These new systems will replace systems the IS branch did not centrally manage. The Department plans to track changes for all newly developed systems that are moved under the IS branch's control.

**Implementation in process**

The Department has a process for tracking all changes, which includes appropriate information such as prioritizations, approvals, testing plans, and implementation plans. However, as indicated in Rec. 3.2b, it is not yet tracking changes in all department systems.

**Implemented at 24 months**

**Implementation in process**

The Department has yet to implement an automated change log system or other method to record all changes made directly to its systems and databases for the purposes of monitoring. The Department reported that as of August 2015, it was evaluating costs, methods, and tools to identify options for this area.

3.3 To ensure its IT contracts include important elements and that contracted service providers perform as required, the Department should develop and implement formal written policies and procedures for developing IT service provider contracts and overseeing IT service providers. These policies and procedures should require the following:

- a. IT service provider contracts or agreements include clearly defined roles, responsibilities, and requirements of both the service provider and Department, such as who is responsible for managing and monitoring access to the Department's systems and data;

**Implemented at 12 months**

Recommendation	Status/Additional Explanation
<ul style="list-style-type: none"> <li>b. Continual monitoring and oversight processes be performed by either the Department or an independent source; and</li> <li>c. Before participating in state-wide contracts, the Department should determine whether these contracts cover all of its critical requirements, such as providing for the security of its systems and data. Specifically, the policies and procedures the Department develops and implements should require it to review state-wide contracts, and obtain and document additional clarification from the contractor as necessary to ensure all of its critical requirements will be met.</li> </ul>	<p><b>Implemented at 24 months</b></p> <p><b>Implemented at 24 months</b></p>
<p>3.4 The Department should develop and implement formal written policies and procedures for backing up its systems and data according to state policy. Its policies and procedures should require the Department to:</p> <ul style="list-style-type: none"> <li>a. Back up its system and data periodically using a defined cycle based on the criticality of its business processes;</li> <li>b. Further protect confidential information by using encryption technologies that would make the data unreadable to unauthorized users; and</li> <li>c. Test backups regularly to ensure successful recovery of the data.</li> </ul>	<p><b>Implementation in process</b> The Department has enhanced its data backup and recovery policy and procedure to include critical systems and frequency of backup processes. However, the Department lacks detailed procedures to direct staff in the various backup processes.</p> <p><b>Implementation in process</b> The Department reported that it is taking steps to encrypt data within some databases, including backups, and plans to mask sensitive data in others. The Department anticipates that data encryption efforts will be completed by May 2016.</p> <p><b>Implemented at 24 months</b></p>
<p>3.5 The Department should develop and implement a formalized disaster recovery plan consistent with IT standards and best practices. This plan should:</p> <ul style="list-style-type: none"> <li>a. Require the periodic review and update of the plan as necessary;</li> <li>b. Encompass all system and infrastructure components for which it is responsible, and address important elements such as regulatory and contractual requirements, and the Department's overall business-continuity needs;</li> <li>c. Require that the disaster recovery plan be tested on a regular basis so the Department can discover its strengths and weaknesses and update the plan based on the test's results;</li> </ul>	<p><b>Implemented at 24 months</b></p> <p><b>Implemented at 24 months</b></p> <p><b>Implemented at 24 months</b></p>

Recommendation	Status/Additional Explanation
<p>d. Explicitly state who is involved in the disaster recovery team and what their roles and responsibilities are, what systems are most critical, the order in which to recover systems, and any other pertinent information required to bring the infrastructure back up as quickly as possible; and</p>	<p><b>Implemented at 24 months</b></p>
<p>e. Require copies of its disaster recovery plan be in both digital and physical form that are also stored off-site.</p>	<p><b>Implemented at 12 months</b></p>
<p>3.6 The Department should continue its efforts to identify and develop IT policies and procedures around all critical IT areas.</p>	<p><b>Implemented at 24 months</b></p>
<p>3.7 The Department should ensure that its formalized IT systems management and other IT policies and procedures are disseminated and communicated to necessary staff and that staff are adequately trained on these policies and procedures.</p>	<p><b>Implemented at 24 months</b></p>
<p><b>Finding 4: Commission improving compliance with open meeting law</b></p>	
<p>4.1 The Department should continue its efforts to help ensure the Commission complies with the State's open meeting law by posting notices of commission meetings in the front counter areas of its Phoenix office and all of the regional offices.</p>	<p><b>Implemented at 12 months</b></p>
<p>4.2 The Department should develop and implement comprehensive procedures to help ensure the Commission's continued compliance with the State's open meeting law. These procedures should include who at the Department is responsible for overseeing compliance as well as for performing the various open meeting law tasks, such as:</p> <p>a. Posting an appropriate disclosure statement online;</p> <p>b. Posting electronic and hard copies of commission meeting notices and agendas 24 hours in advance;</p> <p>c. Posting approved, written commission meeting minutes on the department Web site; and</p> <p>d. Including all required elements in commission meeting minutes.</p>	<p><b>Implemented at 12 months</b></p> <p><b>Implemented at 24 months</b></p> <p><b>Implemented at 24 months</b></p> <p><b>Implemented at 24 months</b></p>