

The September 2021 Arizona Department of Environmental Quality performance audit and sunset review found that the Department met its statutory objective and purpose in some areas we reviewed but had not complied with State conflict-of-interest requirements and did not fully implement some key information technology (IT) security policies and requirements. We made 16 recommendations to the Department, and its status in implementing the recommendations is as follows:

Status of 16 recommendations

Implemented	11
In process	5

We will conduct a 24-month followup with the Department on the status of the recommendations that have not yet been implemented.

Finding 1: Department did not comply with some conflict-of-interest requirements, increasing risk that employees and public officers had not disclosed substantial interests that might influence or could affect their official conduct

1. The Department should continue to implement its updated conflict-of-interest policies and procedures to help ensure it complies with State conflict-of-interest requirements and follows recommended practices, including:
 - a. Requiring all employees and public officers to complete a conflict-of-interest disclosure form upon hire and annually, including attesting that no conflicts exist, if applicable.
Implemented at 12 months
 - b. Using a conflict-of-interest disclosure form that addresses both financial and decision-making conflicts of interest.
Implemented at 12 months
 - c. Storing all substantial interest disclosures in a special file.
Implemented at 12 months
 - d. Establishing a process to review and remediate disclosed conflicts.
Implementation in process—The Department has developed policies and procedures for reviewing and remediating disclosed conflicts. We will assess the Department's implementation of these policies and procedures during our 24-month followup.
2. Continue to provide periodic training on its conflict-of-interest requirements, process, and form, including providing training to all employees and public officers on how the State's conflict-of-interest requirements relate to their unique program, function, or responsibilities.
Implemented at 12 months

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

3. The Department should create a written action plan that prioritizes the development and implementation of IT security policies and procedures required by ASET and recommended by credible industry standards. The action plan should include specific tasks and their estimated completion dates, as well as a process for regularly reviewing and updating the plan based on its progress.

Implemented at 12 months

4. Develop and implement IT security policies and procedures consistent with its action plan, ASET requirements, and credible industry standards.

Implementation in process—The Department developed and began implementing IT security policies and procedures consistent with its action plan, ASET requirements, and credible industry standards. For example, it has developed policies for data classification and began training staff on its IT security procedures. We will further assess the Department's implementation of its IT security policies and procedures during our 24-month followup.

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

5. The Department should work with its Assistant Attorney General to determine whether and when it can develop and adopt rules as required by statute.

Implementation in process—The Department has identified the rules it is required to develop and adopt, and it created a tracker to monitor its progress in adopting these rules. Additionally, although the Department has requested and received an exemption to the rulemaking moratorium to pursue rulemaking for some required rules, it has not yet requested and received an exemption for all required rules. The Department reported that it estimates requesting an exemption for all required rules by the end of calendar year 2023.

6. Contingent on receiving an exemption to the rule-making moratorium, adopt rules as required by statute.

Implementation in process—See explanation for Recommendation 5. We will further assess the Department's progress on adopting rules required by statute during our 24-month followup.

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.

7. The Department should continue to implement the revisions to its rulemaking policies and procedures to ensure the public receives the full 30 days to submit written comments after publishing the notice of a proposed rulemaking.

Implemented at 12 months

8. Make public meeting minutes, or a recording of these public meetings, available for public inspection within 3 working days following a meeting.

Implemented at 12 months

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.

9. The Department should respond to complainants within 5 business days of assigning the complaint to staff for investigation, as required by Department policy.

Implemented at 12 months

10. Investigate and resolve complaints within 180 days by developing and implementing policies and procedures for complaint investigation and resolution, including guidance for prioritizing complaints for investigation and time frames for completing the various steps in the complaint resolution process, such as assigning complaints to staff and completing complaint investigations.

Implemented at 12 months

11. Respond to comments regarding the VEIP within 2 business days, and ensure comments are closed within 2 business weeks, as required by Department policy.

Implemented at 12 months

12. Develop and implement guidance for referring VEIP comments to other agencies, including guidance on when supervisory review is required before comments are referred to other agencies.

Implementation in process—The Department has developed policies and procedures for receiving and responding to VEIP comments, as well as for escalating comments for supervisory review, such as for determining whether VEIP comments should be referred to other agencies. We will assess the Department’s implementation of these policies and procedures during our 24-month followup.

13. Continue to implement its new policy and procedure for reviewing and documenting its review of comments received by the VEIP contractor.

Implemented at 12 months