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AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

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September 12, 2022

Members of the Arizona Legislature

The Honorable Doug Ducey, Governor
State of Arizona

Transmitted herewith is a report of the Arizona Auditor General, *State Board Member Per Diem Compensation and Expense Reimbursements*, for fiscal year 2021. This review was conducted pursuant to Arizona Revised Statutes §41-1279.03(A)(10).

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

State Board Member Per Diem Compensation and Expense Reimbursements

As required by law, we conducted a review of per diem compensation and expense reimbursement payments to members of State boards, commissions, councils, and advisory committees (collectively referred to as boards) for fiscal year 2021. The boards we reviewed paid per diem compensation and reimbursed expenses in accordance with State law and State or board policies and procedures. However, 1 board, the Arizona Game and Fish Commission (Commission), should improve its policies to better support per diem compensation and increase transparency.

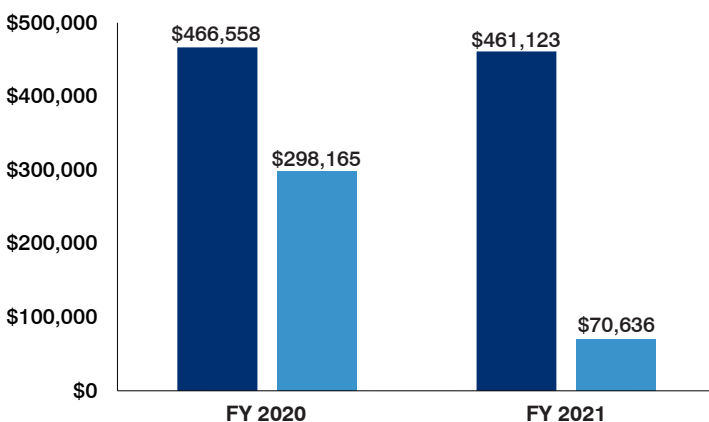
State board members may receive per diem compensation and expense reimbursements, but amounts vary

Arizona's boards are primarily authorized by statute or executive order, which usually includes whether board members are eligible for per diem compensation and/or expense reimbursements. Members of some boards may receive per diem compensation and/or be reimbursed expenses for each day engaged in service of the board, whereas members of other boards may not be permitted to receive any compensation (see Figure 1 for definitions). Per diem compensation ranges from \$30 to \$300 per day. Expense reimbursements are governed by Arizona Revised Statutes (A.R.S.) Title 38, Ch. 4, Art. 2, and the *State of Arizona Accounting Manual*, published by the Arizona Department of Administration's General Accounting Office.

Fiscal year 2021 per diem compensation remained steady, but expense reimbursements decreased compared to fiscal year 2020

As shown in Figure 1, fiscal year 2021 per diem compensation was almost identical to fiscal year 2020, a little over \$460,000. However, expense reimbursements fell substantially, decreasing almost \$230,000. The decrease was primarily due to board members traveling less during the COVID-19 pandemic. However, per diem compensation was not affected by the COVID-19 pandemic as board members were able to attend board meetings virtually or by phone.

Figure 1
 Per diem and expense reimbursement payments to Arizona board members
 Fiscal years 2020 and 2021



Per diem compensation

Compensation paid to board members for attendance at board meetings and/or for time engaged in the service of the board.

Total per diem compensation

Fiscal years 2020 and 2021: \$927,681

Expense reimbursements

Reimbursement of expenses incurred by board members while attending board meetings or performing board work, such as mileage, meals, lodging, airfare, and cell phones.

Total expense reimbursements

Fiscal years 2020 and 2021: \$368,801

Source: Auditor General staff analysis of the State's payroll system; A.R.S. §38-611; A.R.S. Title 38, Ch. 4, Art. 2; State policy; and the specific statutes relating to the compensation for each board. Reported amounts do not include board members who received salaries.

Game and Fish Department (Department) should enhance policies to better support per diem compensation claimed by commissioners and increase transparency

Commission oversees Department responsible for administering State wildlife laws, and commissioners can receive per diem compensation for performing Commission duties—According to State law, the Commission is charged with numerous responsibilities, including establishing policy and programs for the management, preservation, and harvest of wildlife; establishing hunting, trapping, and fishing rules; and enforcing laws for the protection of wildlife.¹ The Commission consists of 5 Governor-appointed commissioners who are eligible to receive \$30 per day engaged in service of the Commission.² According to Department policy, any day in which a commissioner spends at least 1 hour performing Commission duties constitutes a day for compensation purposes.³

To meet State documentation policies and ensure board member payments are appropriate, Department policy requires commissioners to complete Time and Travel reports that document the days commissioners spent in service of the Commission and a brief explanation of Commission-related duties performed.⁴ Time and Travel reports are required to be reviewed and approved by the Department’s Deputy Director or Executive Director prior to being processed in the State’s payroll system. We reviewed 23 of 42 Commissioner Time and Travel reports completed during fiscal year 2021 and determined that they were completed as required and reviewed and approved by the appropriate Department personnel.

Commissioners claimed 1,018 days of per diem compensation totaling \$30,540 during fiscal year 2021 but did not always clearly document activity performed in service of the Commission—As shown in Table 1, during fiscal year 2021, commissioners claimed a total of 1,018 days of per diem compensation,

Table 1
Per diem compensation claimed by commissioners
Fiscal year 2021

Commissioner	Days claimed	Amount
Commissioner A	360	\$10,800
Commissioner B	288	8,640
Commissioner C	221	6,630
Commissioner D ¹	109	3,270
Commissioner E	40	1,200
Total	1,018	\$30,540

ranging from 40 days for Commissioner E to 360 days for Commissioner A, for a total of \$30,540. Our review of the Time and Travel reports for Commissioners A and B—which included 648 of the 1,018 days claimed—found that a brief explanation was included for each day. However, the explanations did not always include sufficient information to support the activity performed. For example, in January 2021, Commissioner A cited “game cameras” as the Commission-related activity for 30 days. Nine of those days included additional activities or information that increased verifiability, such as the name of the person Commissioner A met with to discuss the game camera issue; however, for 21 days, Commissioner A cited just “game cameras.” Providing additional information for these 21 days would have increased verifiability of the per diem compensation claimed and increased transparency.

¹ During fiscal year 2021, 1 commissioner’s term expired and a new commissioner was appointed. We reported activity for both of these commissioners as Commissioner D.

Source: Auditor General staff analysis of the State’s payroll system.

¹ A.R.S. §17-231.

² A.R.S. §§17-201(C) and 38-611(C).

³ *Arizona Game and Fish Department Operating Manual*, A1.2: Commission Compensation and Expense Reimbursements.

⁴ *State of Arizona Accounting Manual* Section 0020 (1) General Information, Documentation.

Also, according to the Executive Director and commissioners we spoke with, all 5 commissioners have similar responsibilities, but each is also designated to assist the Department on specific areas. For example:

- All commissioners are responsible to prepare for and attend monthly Commission meetings. According to the commissioners we spoke to and review of Time and Travel reports, commissioners spend as many as 8 days, often 3 to 4 hours each day, preparing for Commission meetings.
- During fiscal year 2021, Commissioner A was designated to assist the Department with wildlife management issues, which include rulemaking, hunt guidelines, and hunt and fish orders. Commissioners B and C were designated to assist with habitat and landowner/lessee relations, which include the Habitat Partnership Committee, wildlife habitat projects, recreational access issues, and landowner partnerships. The amount of time required to assist with these areas varies, and the responsibilities could change from year to year.

In addition, commissioners do not always claim each day spent in service of the Commission. For example, Commissioner E stated that he believes he has worked over 300 days per year in service of the Commission on average during his time as a commissioner. However, his personal business often coincides with Commission business. Therefore, according to Commissioner E, he did not claim any day in which the legitimacy of his Commission business could be questioned or confused with his personal business.

Recommendation

1. The Department should enhance its policies for per diem compensation claimed by commissioners to be better supported and more transparent, such as by requiring the activities performed in service of the Commission to be clearly documented with details and verifiable information.

Arizona Auditor General website report link

This and the previous State Board Member Per Diem Compensation and Expense Reimbursements reports are available at this [link](#).

BOARD RESPONSE



August 25, 2022

Lindsey A. Perry
Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018-7271

Dear Ms. Perry:

This letter provides the Arizona Game and Fish Department's (Department) response to the Arizona Auditor General Report 22-302. We appreciate the diligence and hard work of the Auditor General's staff in completing this report and their consideration of our feedback.

The auditors identified 1 recommendation for improvement, specifically: Game and Fish Department (Department) should enhance policies to better support per diem compensation claimed by commissioners and increase transparency.

Recommendation 1: The Department should enhance its policies for per diem compensation claimed by commissioners to be better supported and more transparent, such as by requiring the activities performed in service of the Commission to be clearly documented with details and verifiable information.

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

Response explanation: The Department agrees and is in the process of updating the commissioner time and travel reporting policy and procedures to better support per diem compensation claims.

On behalf of the Commission and the Department, we appreciate having had this opportunity to respond to the above recommendation. Moreover, we appreciate the professionalism and cooperation of your audit team, Adam Tillard and Marcia Schweers, demonstrated in working with us throughout the review process.

Sincerely,

A handwritten signature in black ink, appearing to read "Ty E. Gray".

Ty E. Gray
Director

