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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

June 13, 2014

The Honorable John Allen, Chair
Joint Legislative Audit Committee

The Honorable Chester Crandell, Vice Chair
Joint Legislative Audit Committee

Dear Representative Allen and Senator Crandell:

Our Office has recently completed an initial followup of the Arizona State Board of Funeral Directors and Embalmers regarding the implementation status of the 14 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in September 2013 (Auditor General Report No. 13-11). As the attached grid indicates:

- 6 have been implemented, and
- 8 are in the process of being implemented.

Our Office will conduct an 18-month followup with the Department on the status of those recommendations that have not yet been fully implemented.

Sincerely,

Dale Chapman, Director
Performance Audit Division

DC:ss
Attachment

cc: Rodolfo Thomas, Executive Director
Arizona State Board of Funeral Directors and Embalmers

Arizona State Board of Funeral Directors and Embalmers

Auditor General Report No. 13-11

Initial Follow-Up Report

Recommendation	Status/Additional Explanation
<p>Licensing: Board ensured licensure applicants submitted required documents but should strengthen its license, registration, and endorsement application forms</p>	
<p>1. The Board should further revise its licensing, registration, and endorsement application forms so that they are consistent with all of its rule requirements.</p>	<p>Implemented at 6 months</p>
<p>2. The Board should develop and implement policies and procedures to ensure that all licensure, registration, and endorsement requirements, including any future revisions to the requirements, are accurately reflected in its policies and procedures.</p>	<p>Implementation in process The Board updated its procedures to reflect current statutory and rule requirements. However, board management has not yet developed policies and procedures for ensuring that the Board updates requirements when statute or rule changes.</p>
<p>3. To ensure that the Board has an appropriate process for collecting late fees and ensuring that licensees/registrants reapply as required, the Board should develop and implement policies and procedures to guide the renewal process and ensure staff receive adequate supervisory oversight.</p>	<p>Implementation in process The Board modified its database to monitor lapsed licenses and amended its renewal applications to advise licensees of the correct deadline, but it has not yet developed policies and procedures to guide the renewal process and ensure staff receive adequate supervisory oversight.</p>
<p>4. Where the information asked for in the Board's renewal applications differs from the information required by its administrative rules, the Board should determine whether to revise its renewal application forms or revise its rules. However, unless and until it revises its rules to change the renewal requirements, the Board should ensure its renewal application forms request all information required in rule.</p>	<p>Implemented at 6 months</p>
<p>5. To help ensure licensees/registrants meet the continuing education requirements, the Board should either follow up on a sample of renewal applications to verify that the licensee/registrant has completed the continuing education, or require all licensees/registrants to submit proof that they have completed the continuing education, such as a certificate of completion.</p>	<p>Implementation in process The Board has modified its renewal applications to include a form for applicants to report their continuing education activities. Board management reported that it will select a random sample of applicants to submit documentation to verify compliance. Auditors will review implementation of this recommendation for the 2014 renewal term during the 18-month followup.</p>

Recommendation**Status/Additional Explanation****Inspections: Board should improve its inspection process to better protect consumers**

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| 1. The Board should revise and implement its inspection policies and procedures to ensure that: | |
| a. All licensed facilities are inspected at least once every 5 years; | Implemented at 6 months |
| b. Staff track inspection progress and report compliance with the 5-year requirement to the Board; | Implementation in process
The Board implemented policies and procedures for tracking inspection progress. It has also developed a policy for updating the Board on the status of inspections on a quarterly basis. Although board staff updated the Board on the status of inspections in October 2013 and April 2014, they have not yet begun doing so on a quarterly basis. |
| c. Inspection checklists are fully completed and that there are no checklist items left unchecked without an explanation, and to require a periodic supervisory review of the inspector's checklists to ensure that checklists are clearly and accurately completed; | Implemented at 6 months |
| d. Board staff (1) conduct follow-up activities as required by AAC R4-12-120, including requesting written corrective action plans; (2) document whether and when corrective action is taken; and (3) obtain appropriate evidence to verify that deficiencies have been corrected; and | Implementation in process
The Board has developed policies and procedures to ensure board staff take appropriate corrective action and followed these procedures for the one inspection that has resulted in a violation since the audit. Auditors will review any additional instances during the 18-month followup. |
| e. The Board's Executive Director randomly reviews inspection files and associated database entries at a specified, regular interval to ensure required follow-up activities have been performed. | Implemented at 6 months |
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| 2. The Board should develop and implement policies and procedures that provide direction to its staff on appropriately identifying and informing the Board of deficiencies that meet the three serious deficiency criteria specified in AAC R4-12-120(G), and that provide guidance to the Board for taking appropriate disciplinary action to address serious deficiencies identified during an inspection. | Implementation in process
Although the Board has developed policies and procedures that define serious deficiencies and help to ensure that its staff appropriately identify and inform the Board of them, no establishments had committed serious violations since the policies and procedures were developed. Auditors will review any instances of serious deficiencies during the 18-month followup to further evaluate the Board's implementation of this recommendation. |
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Recommendation**Status/Additional Explanation****Public Information: Board should improve its provision of public information**

1. The Board should implement its revised policy and procedures designed to help prevent staff from making inaccurate computer entries, which prevent discipline records from being displayed on the Web site.

Implemented at 6 months

2. The Board should ensure that its staff follow its new written procedure it developed in January 2013 to ensure that the public is provided complete information regarding licensees and registrants over the phone.

Implementation in process

In two anonymous phone calls made by auditors, board staff followed the Board's new written procedure for one phone call, but did not follow the procedure for the other phone call. Auditors will further evaluate the implementation of this recommendation during the 18-month followup.

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

1. To ensure board staff continue engaging in appropriate processes, the Board should document its licensing, registration, and endorsement procedures.

Implementation in process

As stated previously, although the Board has begun updating its procedures, it has not developed policies and procedures to guide the renewal process and ensure that staff receive adequate supervisory oversight. In addition, the Board's revised procedures lack written guidance to ensure that staff track compliance with time frames for issuing these credentials and that facilities pay the correct renewal fees.
