



STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

February 28, 2007

The Honorable Robert Blendu, Chair
Joint Legislative Audit Committee

The Honorable John Nelson, Vice Chair
Joint Legislative Audit Committee

Dear Senator Blendu and Representative Nelson:

Our Office has recently completed a 24-month followup of the Board of Examiners of Nursing Care Institution Administrators and Assisted Living Facility Managers (Board) regarding the implementation status of the 40 audit recommendations (including sub-parts of the recommendations) presented in the performance audit and sunset review report released in December 2004 (Auditor General Report No. 04-12). As the attached grid indicates:

- 35 have been implemented;
- 1 has been partially implemented;
- 1 has been implemented in a different manner; and
- 3 are no longer applicable.

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work the Board's efforts to implement the recommendations resulting from the December 2004 report.

Sincerely,

Debbie Davenport
Auditor General

DD:Acm
Attachment

cc: Ken Kidder, President
Board of Examiners of Nursing Care Institution Administrators and Assisted Living Facility Managers
Allen Imig, Executive Director
Board of Examiners of Nursing Care Institution Administrators and Assisted Living Facility Managers
Committee of Reference Members

**BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS
AND ASSISTED LIVING FACILITY MANAGERS
24-Month Follow-Up Report To
Auditor General Report No. 04-12**

FINDING 1: Board should improve complaint processing

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Board should consider adding a full-time investigator either by contracting for additional investigator assistance or by requesting DOA approval to change the current business manager position back to an investigator position, at least until it completes the investigations for complaints received in fiscal years 2003 and 2004.	Implemented at 12 Months	
2. The Board should enhance its complaint policies and procedures by:		
a. Developing and establishing policies and procedures for categorizing and prioritizing complaints based on their severity, including timelines for investigating the most serious complaints;	Implemented at 12 Months	
b. Establishing time frames for each phase of its investigation process to help ensure that complaint investigations are conducted in a timely manner; and	Implemented at 18 Months	

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FINDING 1: Board should improve complaint processing (cont'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>c. Developing and implementing policies and procedures that guide its staff on the investigation of complaints received from DHS to help ensure that staff obtain all relevant complaint information from DHS, that adequately investigated complaints are immediately forwarded to the Board for consideration, and that any additional investigative activity addresses areas needing further investigation.</p>	<p>Implemented at 18 Months</p>	
<p>3. The Board should improve the quality of the information in its complaint database and use it to monitor complaint investigations by:</p>		
<p>a. Developing and implementing procedures directing staff to enter information on complaint and investigative activity in an accurate and timely manner and verifying the information's accuracy;</p>	<p>Implemented at 18 Months</p>	
<p>b. Defining key investigative activities and complaint information, such as received date, closed date, disciplinary actions, and type of complaint to help ensure the consistency of information entered into the database; and</p>	<p>Implemented at 18 Months</p>	

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FINDING 1: Board should improve complaint processing (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
c. Generating monthly management reports to help it track the progress of complaint investigations by ensuring that the internal time frames of the investigative process are met.	Implemented at 18 Months	
4. Once developed and implemented, the Board should ensure that its investigative staff are fully trained on the additional complaint investigation policies and procedures, and also ensure that all of its staff are trained on procedures for entering complaint information in its complaint database and its capability for generating management reports.	Implemented at 18 Months	
5. The Board should use letters of concern only when it is concerned about unsubstantiated allegations in a complaint. To help ensure the appropriate use of these letters, the Board should revise its procedures to first determine whether each allegation constitutes a statutory violation, and then take appropriate adjudicative action.	Implemented at 18 Months	
6. The Legislature should consider revising A.R.S. §32-3201 to provide the Board with the authority under A.R.S. §32-3202 to discipline administrators and managers whose licenses or certificates have expired.	Implemented at 6 Months	

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FINDING 2: Board practices restrict access to public information

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Board should establish written public information policies and procedures that detail the information that will be made available to the public, including:		
a. The number of open, closed, and dismissed complaints;	Implemented at 12 Months	
b. The nature of closed complaints that resulted in board action;	Implemented at 12 Months	
c. The type of disciplinary action taken; and	Implemented at 12 Months	
d. The public's ability to view complaint and licensing files.	Implemented at 12 Months	
2. The Board should ensure that staff is fully trained on how to properly respond to the public information requests.	Implemented at 18 Months	
3. The Board should ensure that its Web site information is accurate.	Implemented at 18 Months	
4. As resources permit, the Board should expand the information it provides on its Web site, including:		
a. Board meeting minutes;	Implemented at 12 Months	

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FINDING 2: Board practices restrict access to public information (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
b. The number of open, closed, and dismissed complaints against an individual;	Implemented in a different manner at 24 Months¹	
c. The nature of closed complaints that resulted in board action; and	Implemented at 18 Months	
d. The type of disciplinary action taken.	Implemented at 18 Months	

¹ While the Board does not have the financial resources to add this information to its Web site, it publishes a newsletter on its Web site that provides statistical data on the number of opened, closed, and dismissed complaints. The public can call the board office to obtain this information for a licensed individual.

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FINDING 3: Board should improve oversight of operations

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Board should take the following actions concerning its financial situation:		
a. Develop realistic revenue and expenditure projections based on anticipated licensing activity;	Implemented at 12 Months	
b. Review expenditures and determine if they can be reduced;	Implemented at 12 Months	
c. Consider whether a statutory change to allow the Board to further increase fees is necessary; and	Implemented at 12 Months	
d. If so, request that the Legislature increase statutory limits on its fees.	Implemented at 12 Months	
2. In conjunction with recommendation 3 in Finding 1, the Board should improve the quality of the information in its complaint and licensing database.	Implemented at 18 Months	
3. Board staff should ensure that they schedule complaints for formal hearings as directed by the Board.	Implemented at 18 Months	

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FINDING 3: Board should improve oversight of operations (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
4. The Board should improve its oversight of operations by requiring that the executive director provide it with a written report at least every other month. The Board should use the reports to review board operations and activity and provide direction to staff. The report should include:		
a. Information on the number of complaints received;	Implemented at 12 Months	
b. The status of open complaints and hearings;	Implemented at 12 Months	
c. The number of license and certificate applications received;	Implemented at 12 Months	
d. Staffing issues; and	Implemented at 12 Months	
e. Revenues and expenditures.	Implemented at 12 Months	

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FINDING 4: State requirements are not always followed

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Board should strengthen its cash-handling procedures to ensure that they are consistent with the <i>State of Arizona Accounting Manual</i> and to help ensure that its cash receipts are properly safeguarded. These procedures should include:		
a. Depositing receipts once they total \$500 or more or on a daily basis;	No Longer Applicable ¹	
b. Performing an independent reconciliation of monies received by the administrative assistant to licenses issued or renewed; and	No Longer Applicable ¹	
c. Performing an independent reconciliation of monies received as reflected on the cash log to the prepared deposit.	No Longer Applicable ¹	
2. Consistent with the GAO's recommendation, the Board should recover any overpayments made to its members and staff for travel expenses. The Board should work with its Assistant Attorney General on this matter as needed.	Partially Implemented	The Board has submitted the collections to the Attorney General's Office.

¹ The Board entered into an interagency service agreement with the Department of Administration's State Board's Office to provide financial and payroll services. Therefore, it is no longer directly responsible for these duties.

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FINDING 4: State requirements are not always followed (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
3. The Board should ensure that it follows all state requirements, policies, and procedures for procurements and travel. In order to do this, the Board should:		
a. Ensure that its executive director and appropriate staff attend DOA's travel policy and procurement training classes; and	Implemented at 24 Months	
b. Develop and implement procurement and travel policies and procedures based on the State's requirements.	Implemented at 24 Months	

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SUNSET FACTORS

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Legislature should consider revising A.R.S. §36-446.02(B) to eliminate the requirement that the lay members represent consumers of nursing care or assisted living services.	Implemented at 6 Months	
2. The Board should work with the Governor’s Office to ensure that board positions are appropriately filled by statutorily designated consumer representatives.	Implemented at 12 Months	
3. The Board needs to adopt a new rule that defines the work experience it will accept to satisfy the certification requirement for managers.	Implemented at 24 Months	