

STATE OF ARIZONA OFFICE OF THE AUDITOR GENERAL

WILLIAM THOMSON DEPUTY AUDITOR GENERAL

October 23, 2003

The Honorable Roberta L. Voss, Chair Joint Legislative Audit Committee

DEBRA K. DAVENPORT, CPA AUDITOR GENERAL

The Honorable Ken Bennett, Vice Chair Joint Legislative Audit Committee

Attachment

Dear Representative Voss and Senator Bennett:

Our Office has recently completed an 24-month followup of the Department of Agriculture—Commodity Development and Promotion Program regarding the implementation status of the seven audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in September 2000 (Auditor General Report No. 00-15). As the attached grid indicates:

■ 7 of the 7 recommendations have been implemented, or implementation is no longer necessary.

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the Agency's efforts to implement the recommendations resulting from the September 2000 performance audit.

Sincerely,

Debbie Davenport Auditor General

Mr. Sheldon R. Jones. Director **JLAC Members** CC: Department of Agriculture Senate Natural Resources, Agriculture House Natural Resources & & Environment Members **Agriculture Members** Ms. Kerri Morey Ms. Kathi Knox Senate Committee Analyst House Committee Analyst Ms. Nadine Sapien Ms. Tami Stowe Senate Research Analyst House Research Analyst

ARIZONA DEPARMENT OF AGRICULTURE Commodity Development and Promotion Program 18-Month Follow-Up Report to Auditor General Report No. 00-15

FINDING I: Refocusing Arizona Grown Activities Would Help Make It More Effective

Recommendation	Status of Impleme Recommendati	
1. The Department should develop a its agricultural promotional and, mental activities that include a facialty Arizona products and proceand target consumers most likely local products.	/or develop- ocus on spe- essed foods;	nonths
2. Within its joint venture application Department should establish addit for project consideration that reflect gies developed for Arizona Greational activities and seek to sup that meet this criteria.	tional criteria ect the strate- own promo-	nonths
3. The Department should require tional projects include provisions and measuring the project's results	for assessing Implemented at 6 m	nonths

ARIZONA DEPARMENT OF AGRICULTURE Commodity Development and Promotion Program 18-Month Follow-Up Report to Auditor General Report No. 00-15

FINDING I: Refocusing Arizona Grown Activities Would Help Make It More Effective (Cont'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
4. The Department should increase industry con- tributions to Arizona Grown by correctly matching and leveraging appropriated Arizona Grown monies. The Department should change its practice for matching industry con- tributions so that the industry contribution of \$0.50 for every \$1 from the Arizona Grown fund is considered as a minimum contribution rather than a fixed amount.	No longer applicable ¹	
a. To facilitate implementation of this recom- mendation, the Department should con- sider soliciting a formal opinion on the General Appropriations Act footnote gov- erning the expenditure of state monies for Arizona Grown promotional activities from the Attorney General's Office.	No longer applicable ²	

¹ As noted above, the Arizona Grown Appropriation has been eliminated for FY 2002. As a result, recommendation 4 is no longer pertinent.

² An Attorney General's Office Opinion is no longer necessary because the implementation of recommendation #4b clarifies the ratio of industry contributions.

ARIZONA DEPARMENT OF AGRICULTURE Commodity Development and Promotion Program 18-Month Follow-Up Report to Auditor General Report No. 00-15

FINDING I: Refocusing Arizona Grown Activities Would Help Make It More Effective (Concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
b. The Joint Legislative Budget Committee staff should consider revising the footnote to future appropriations bills to specify that the private sector contribute a <i>minimum</i> of \$0.50 for every dollar the Department spends.	Implemented at 6 months	
5. The Department should incorporate criteria into its joint venture application system that emphasize the selection of projects with larger industry contributions.	Implemented at 18 months	