



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL
June 27, 2002

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

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

The Honorable Ken Bennett, Vice-Chair
Joint Legislative Audit Committee

Dear Representative Voss and Senator Bennett:

Our Office has recently completed a 24-month followup with the Arizona Department of Agriculture—Licensing Functions regarding the implementation status of the six audit recommendations (including subparts to the recommendations) presented in the performance audit report released in May 2000 (Auditor General Report No. 00-5). As the attached grid indicates:

- 5 of the 6 recommendations have been implemented; and
- 1 of the 6 recommendations is in the process of being implemented.

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

Sincerely,

Debbie Davenport
Auditor General

Attachment

cc: Mr. Sheldon R. Jones, Director
Arizona Department of Agriculture

JLAC Committee Members

Senate Natural Resources, Agriculture
and Environment Committee

House Natural Resources and
Agriculture Committee

Ms. Susan Anable
Senate Committee Analyst

Ms. Kathi Knox
House Committee Analyst

Ms. Nadine Sapien
Senate Research Analyst

Ms. Tami Stowe
House Research Analyst

ARIZONA DEPARTMENT OF AGRICULTURE
Licensing Functions
24-Month Follow-Up Report To
Auditor General Report No. 00-5

FINDING I: The Department’s Licensing Functions Should Be Centralized

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Department should centralize its license, permit, and certificate functions into a single function.	Implemented at 18 Months	
2. The Department should work with GITA to explore the feasibility of developing and implementing a single database to store and track all licensing data. The Department should also explore the possibility of adapting a single licensing database from another state agency.	Implemented at 6 Months	
3. The Department should develop a licensing policies and procedures manual that contains specific instructions on how to process and issue each type of license, permit, and certificate the Department is responsible for. The manual should also detail proper cash receipt controls, including segregating fee collection, processing, and depositing; restrictively endorsing checks and money orders immediately upon receipt; making daily deposits; and reconciling receipts to deposits.	Implemented at 24 Months	

ARIZONA DEPARTMENT OF AGRICULTURE
Licensing Functions
24-Month Follow-Up Report To
Auditor General Report No. 00-5

FINDING I: The Department’s Licensing Functions Should Be Centralized (Concl’d)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
4. The Department should adopt appropriate cash-processing controls for the licensing fees it receives regardless of its efforts to centralize its licensing functions.	Implemented at 12 months	
5. The Department should train its licensing staff on the licensing policies and procedures, when developed.	Implemented at 18 months	
6. The Department should consider developing a renewal method that would provide for an even licensing workload throughout the year, while not burdening customers.	Implementation In Process	