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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

June 25, 2003

The Honorable Robert Blendu, Chair
Joint Legislative Audit Committee

The Honorable John Huppenthal, Vice Chair
Joint Legislative Audit Committee

Dear Senator Blendu and Representative Huppenthal:

Our Office has recently completed a 24-month followup of the Department of Public Safety—Licensing Bureau regarding the implementation status of the 20 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in May of 2001 (Auditor General Report No. 01-10). As the attached grid indicates:

- 10 of the 20 recommendations have been implemented;
- 2 of the 20 recommendations are in the process of being implemented; and
- 8 recommendations are no longer applicable.

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 2001 performance audit.

Sincerely,

Debbie Davenport
Auditor General

Attachment

cc: Colonel Dennis Garrett, Director
Department of Public Safety

DEPARTMENT OF PUBLIC SAFETY
Licensing Bureau
24-Month Follow-Up Report To
Auditor General Report No. 01-10

FINDING I: Arizona Could Save \$650,000 Annually by Allowing FBI To Conduct Background Checks

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. To save the State about \$650,000 annually, the Legislature should consider transferring the responsibility of conducting firearm background checks to the FBI. This change would require repealing A.R.S. §13-3114 and coordination with the FBI.	Implemented at 18 months	
2. If the Legislature decides that DPS should retain this responsibility, it should consider providing DPS the statutory authority to recover its operating costs by assessing a nominal fee.	Not Applicable ¹	
3. If the Legislature provides DPS the statutory authority to establish a fee, it should also consider providing DPS with the authority to establish a separate fund to account for the fees remitted to the program, and to be used to cover the program's operating expenditures.	Not Applicable ¹	

¹ DPS transferred the responsibility for conducting firearm background checks to the FBI on August 22, 2002. However, in 2003 the Department was mandated to reestablish the Firearms Clearance Center by the passage of House Bill 2002 in the first special session. The Department was appropriated \$300,000 to establish the Center but did not receive funding for continued operation. Subsequently, Laws 2003, Chapter 263, section 81 transfers the firearm background check responsibility back to the FBI. Further, Laws 2003, Chapter 262, Section 81 requires the Department to monitor the performance of the FBI's national instant criminal background check system in fiscal years 2004 and 2005 and submit a report to the Joint Legislative Budget Committee.

DEPARTMENT OF PUBLIC SAFETY
Licensing Bureau
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FINDING I: Arizona Could Save \$650,000 Annually by Allowing FBI To Conduct Background Checks (Concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
4. If the Legislature provides DPS the statutory authority to assess a fee for performing background checks, DPS should develop policies and procedures for collecting fees from licensed firearm dealers.	Not Applicable ¹	

¹ Responsibility for conducting firearm background checks has been transferred to the FBI.

DEPARTMENT OF PUBLIC SAFETY
Licensing Bureau
24-Month Follow-Up Report To
Auditor General Report No. 01-10

FINDING II: DPS Should Take Steps To Ensure That Only Eligible Individuals Can Buy Guns

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. DPS should continue to allocate some of its existing staff positions to perform research as their primary responsibility on cases where DPS cannot immediately determine whether a person is eligible to purchase a gun.	Implemented at 6 months	
2. DPS should begin research immediately or as soon as practical on cases that require additional research to determine whether an individual is eligible to purchase a gun.	Implemented at 6 months	
3. DPS should use its files on previously denied cases to help it more efficiently complete its research.	Implemented at 6 months	
4. DPS should make a change to its computer system so that it will automatically notify staff when a prospective buyer was previously denied.	Not Applicable ¹	

¹ Responsibility for conducting firearm background checks has been transferred to the FBI.

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FINDING II: DPS Should Take Steps To Ensure That Only Eligible Individuals Can Buy Guns (Concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
5. DPS should seek legislative authority to allow it to delay the sale of a firearm from 3 to 30 days, and to indicate how it will resolve the cases that it cannot determine eligibility for within 30 days.	Not Applicable ¹	
6. DPS should develop procedures specifying a time frame for contacting firearms dealers when research is complete, and documenting that the contacts have been made.	Implemented at 6 months	
7. DPS should develop procedures for promptly notifying ATF when information indicates that an ineligible individual was sold a gun.	Implemented at 6 months	
8. DPS should establish administrative rules for responding to delayed and denied gun buyers' inquiries and appeals.	Not Applicable ¹	

¹ Responsibility for conducting firearm background checks has been transferred to the FBI.

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24-Month Follow-Up Report To
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FINDING III: DPS Could Streamline Its Security Guard and Private Investigator Application Process

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. To increase its efficiency, DPS should change to a primarily mail-in application process for security guard and private investigator employees.	Implemented at 24 months	
2. DPS should place a hold on future requests for additional staff until it has revised its process and reassessed its staffing needs.	Implemented at 6 months	
3. DPS should use some of the resources freed by a more efficient licensing process to enhance its oversight role by performing tasks such as conducting regular site compliance visits and responding to complaints.	Implementation in Process	

DEPARTMENT OF PUBLIC SAFETY
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24-Month Follow-Up Report To
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FINDING IV: DPS Could Improve Its Security Guard Regulation Practices

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>1. DPS should seek legislative authority to amend Title 32, Chapter 26, to:</p> <ul style="list-style-type: none"> a. Require security guard applicants to receive training before they receive a provisional certificate; b. Establish the minimum amount of training required; and c. Include continuing education requirements for security guards. 	<p style="text-align: center;">Not Applicable¹</p> <p style="text-align: center;">Implemented at 12 months</p> <p style="text-align: center;">Implemented at 12 months</p>	
<p>2. DPS should complete state criminal history background checks before it provides provisional security guard certificates, pursuant to the authority granted under A.R.S. §41-1713.</p>	<p style="text-align: center;">Not Applicable¹</p>	
<p>3. DPS should complete state criminal history background checks on security guards at least annually during the 3-year certificate period, pursuant to the authority granted under A.R.S. §41-1713.</p>	<p style="text-align: center;">Implementation in Process</p>	

¹ Provisional certificates were eliminated as of January 3, 2003.