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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

December 17, 2002

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 an 18-month follow up of the Commission on the Arts regarding the implementation status of the 6 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in June 2001 (Auditor General Report No. 01-11). As the attached grid indicates:

- 6 of the 6 recommendations have been implemented.

Since all of the audit recommendations have been implemented, and unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the Commission on the Arts.

Sincerely,

Debbie Davenport
Auditor General

Attachment

cc: Ms. Shelley Cohn Arizona Commission on the Arts	JLAC Members
Senate Commerce Members	House Commerce and Economic Development Members
Mr. Todd Madeksza Senate Committee Analyst	Ms. Diana O'Dell House Committee Analyst
Ms. Nadine Sapien Senate Research Analyst	Mr. Mike Huckins House Research Analyst

ARIZONA COMMISSION ON THE ARTS
18-Month Follow-Up Report To
Auditor General Report No. 01-11

FINDING I: The Commission Grants Provide Varied Benefits To Organizations and Projects Statewide

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
This finding provides information only. Therefore, no recommendations are presented.		

ARIZONA COMMISSION ON THE ARTS

18-Month Follow-Up Report To Auditor General Report No. 01-11

FINDING II: The Commission Needs To Improve Its Management of the Endowment Program

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. To ensure that the foundations under contract with the Commission to receive and invest private donations to ArtShare deduct the proper amount of administrative fees, and fully comply with the terms of the contract, the Commission should thoroughly review all quarterly reports provided by the foundations and immediately notify them of any problems that need to be corrected.	Implemented at 6 months	
2. The Commission should ensure that it expends investment income from private donations only in conjunction with interest earned from the Endowment Fund and in accordance with its own established policies for ArtShare monies.	Implemented at 6 months	
3. The Commission should revise its rule R2-2-102 related to counting donations to private arts endowment funds as matches to the Arizona Arts Endowment Fund because it is inconsistent with statute.	Implemented at 18 months	

ARIZONA COMMISSION ON THE ARTS
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FINDING II: The Commission Needs To Improve Its Management of the Endowment Program (Concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
4. The Commission should discontinue reporting donations to private endowments as matches to the Arizona Arts Endowment Fund.	Implemented at 12 months	

ARIZONA COMMISSION ON THE ARTS
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SUNSET FACTOR 4: The extent to which rules adopted by the Commission are consistent with the legislative mandate

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Commission needs to promulgate rules to govern its grants program as required by statute.	Implemented at 6 months	

ARIZONA COMMISSION ON THE ARTS
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Auditor General Report No. 01-11

SUNSET FACTOR 9: The extent to which changes are necessary in the laws of the Commission to adequately comply with the factors listed in the Sunset review statute

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Legislature should consider amending the Commission's statutes to establish the position and responsibilities of the Commission's executive director and to clarify the role of the Commission chairperson.	Implemented at 12 months	