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AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

February 18, 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 an 18-month followup of the Arizona Automobile Theft Authority regarding the implementation status of the ten audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in July 2001 (Auditor General Report No. 01-14). As the attached grid indicates:

- 9 of the 10 recommendations have been implemented; and
- 1 legislative recommendation has not been implemented.

The only recommendation not implemented is a legislative recommendation that the agency said it is not going to address until the 2004 legislative session. Therefore, unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the Arizona Automobile Theft Authority.

Sincerely,

Debbie Davenport  
Auditor General

Attachment

cc: Mr. Mikel Longman, Executive Director  
Arizona Automobile Theft Authority

**ARIZONA AUTOMOBILE THEFT AUTHORITY**  
**18-Month Follow-Up Report To**  
**Auditor General Report No. 01-14**

**FINDING I: The Authority Needs To Improve Its Management Information and Operating Procedures**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Explanation for Recommendations That Have Not Been Implemented</b>
<p>1. The Legislature should consider providing the Authority with rule-making powers so that the Authority can establish formal procedures, such as grant guidelines, in rules.</p>	<p>Not Implemented</p>	<p>No legislation has been introduced so far. The agency plans to seek rule-making authority in the 2004 legislative session. The agency has been advised not to approach the Legislature about this issue in the 2003 session.</p>
<p>2. To analyze and demonstrate the value of its programs, the Authority should expand its performance measures to include program outcome, efficiency, and quality measures. The Authority should then gather needed data and use this information to help determine which programs should be funded.</p>	<p><b>Implemented at 12 months</b></p>	

**ARIZONA AUTOMOBILE THEFT AUTHORITY**  
**18-Month Follow-Up Report To**  
**Auditor General Report No. 01-14**

**FINDING I: The Authority Needs To Improve Its Management Information and Operating Procedures (Cont'd)**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Explanation for Recommendations That Have Not Been Implemented</b>
<p>3. The Authority should establish written grant award guidelines that include processes for:</p> <ul style="list-style-type: none"> <li>a. Advertising the amount of grant funding available,</li> <li>b. Soliciting grants from law enforcement agencies on a statewide basis,</li> <li>c. Explaining which expenditures are acceptable, and the criteria under which applications will be evaluated, and</li> <li>d. Monitoring grantee reports for financial compliance and adherence to program goals.</li> </ul>	<p style="text-align: center;"><b>Implemented at 12 months</b></p> <p style="text-align: center;"><b>Implemented at 12 months</b></p> <p style="text-align: center;"><b>Implemented at 12 months</b></p> <p style="text-align: center;"><b>Implemented at 12 months</b></p>	
<p>4. The Authority should cease granting funds to the Arizona Automobile Theft Investigators Association since it has no current statutory authority to provide monies to private entities.</p>	<p style="text-align: center;"><b>Implemented at 6 months</b></p>	

**ARIZONA AUTOMOBILE THEFT AUTHORITY**  
**18-Month Follow-Up Report To**  
**Auditor General Report No. 01-14**

**FINDING I: The Authority Needs To Improve Its Management Information and Operating Procedures (Concl'd)**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Explanation for Recommendations That Have Not Been Implemented</b>
5. To ensure that resources are safeguarded, the Authority should complete its written policy and procedure manual that outlines the internal control structure, including how it will process cash receipts and its methods for performing all office functions and programs.	<b>Implemented at 12 months</b>	
6. To assist in achieving its objectives, the Authority should develop an operational plan as required by A.R.S. §41-3451.	<b>Implemented at 12 months</b>	

**ARIZONA AUTOMOBILE THEFT AUTHORITY**  
**18-Month Follow-Up Report To**  
**Auditor General Report No. 01-14**

**SUNSET FACTOR 5: The Extent To Which the Agency Has Encouraged Input from the Public Before Promulgating Its Rules and Regulations, and the Extent To Which It Has Informed the Public As To Its Actions and Their Expected Impact on the Public**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Explanation for Recommendations That Have Not Been Implemented</b>
1. The Authority needs to fully comply with posting requirements for meeting notification.	Implemented at 6 months	