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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

April 19, 2005

The Honorable Robert Blendu, Chair
Joint Legislative Audit Committee

The Honorable Laura Knaperek, Vice Chair
Joint Legislative Audit Committee

Dear Senator Blendu and Representative Knaperek:

Our Office has recently completed an 18-month followup of the Board of Appraisal regarding the implementation status of the 6 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in August 2003 (Auditor General Report No. 03-06). As the attached grid indicates:

- 5 recommendations have been implemented, and
- 1 recommendation has not been implemented.

Since the Board indicated that it does not plan to implement the remaining recommendation, and unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the Board's efforts to implement the recommendations resulting from the August 2003 performance audit report.

Sincerely,

Debbie Davenport
Auditor General

DD:jw
Attachment

cc: Deborah G. Pearson, Executive Director
Arizona Board of Appraisal

ARIZONA BOARD OF APPRAISAL

18-Month Follow-Up Report To Auditor General Report No. 03-06

FINDING I: Board needs to improve its complaint process and seek statutory authority to recover costs

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>1. The Board should revise its complaint-handling process to ensure that it remains fair and impartial by doing one of the following:</p> <p style="margin-left: 40px;">a. Requiring board members who review and present evidence on complaints to recuse themselves from voting on any adjudicatory decisions.</p> <p style="margin-left: 40px;">b. Referring all complaints to a contract investigator or in-house staff investigator for investigation before any board review.</p>	<p>Implemented differently at 6 months¹</p>	
<p>2. The Board should request statutory authority to recover investigative costs and the costs of hearings for complaints against appraisers that result in disciplinary action.</p>	<p>Not Implemented</p>	<p>On December 18, 2003, the Board voted not to implement the recommendation because the majority of comments collected from a stakeholders' meeting of appraisers on December 2, 2003, indicated opposition to this recommendation.</p>
<p>3. The Board should define the specific costs associated with complaint handling and track these costs by individual complaint.</p>	<p>Implemented at 6 months</p>	

¹ As indicated in the Board's response, it agreed with the finding, but chose a different method for dealing with the concern. Specifically, a board staff member reviews and summarizes each complaint for the Board rather than having board members review and summarize them.

ARIZONA BOARD OF APPRAISAL
18-Month Follow-Up Report To
Auditor General Report No. 03-06

FINDING II: Board needs to provide complete and accurate complaint information

Recommendation	Status of Implementing Recommendation	In-House Detailed Commentary
1. The Board should ensure all staff are fully trained on how to correctly provide complete and accurate complaint information to callers requesting information about appraisers' past performance.	Implemented at 12 months	
2. The Board should implement a method of classifying complaints that staff can use to provide complete and accurate information about the nature of complaints.	Implemented at 18 months	
3. The Board should inform the public about letters of remedial action. It could do so by developing two categories of dismissed complaints, one being dismissed but with a letter of remedial action sent to the appraiser.	Implemented at 6 months	