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OFFICE OF THE  
**AUDITOR GENERAL**

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DEPUTY AUDITOR GENERAL

November 10, 2009

The Honorable Thayer Verschoor, Chair  
Joint Legislative Audit Committee

The Honorable Judy Burges, Vice Chair  
Joint Legislative Audit Committee

Dear Senator Verschoor and Representative Burges:

Our Office has recently completed a 24-month followup of the Office of Pest Management (formerly the Arizona Structural Pest Control Commission) regarding the implementation status of the 28 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in August 2007 (Auditor General Report No. 07-05). As the attached grid indicates:

- 25 have been implemented;
- 1 is in the process of being implemented; and
- 2 are no longer applicable.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes our follow-up work on the Office of Pest Management's efforts to implement the recommendations from the August 2007 performance audit report.

Sincerely,

Melanie M. Chesney, Director  
Performance Audit Division

MMC:Mcv  
Attachment

cc: Ellis Jones, Acting Director  
Office of Pest Management

**OFFICE OF PEST MANAGEMENT**  
 (Formerly Arizona Structural Pest Control Commission)  
**Auditor General Report No. 07-05**  
**24-Month Follow-Up Report**

<b>Recommendation</b>	<b>Status/Additional Explanation</b>
<b>Finding 1: Commission should improve inquiry and complaint processing</b>	
1.1 The Commission should establish specific time frames for each phase of its investigative process.	<b>Implemented at 12 Months</b>
1.2 The Commission should establish a specific time frame within policy ensuring that the number of days from inquiry receipt to complaint adjudication is no longer than 180 days.	<b>Implemented at 24 months</b>
1.3 The Commission should improve the quality of the information in its inquiry and complaint databases by:	
a. Developing and implementing procedures directing staff to enter information on inquiry and complaint investigative activity in a timely and accurate manner and verifying the information's accuracy; and	<b>Implemented at 6 Months</b>
b. Adding fields to the existing data entry form to include key investigative activities, such as documenting the date the inspector receives documentation, interviews a client, performs an inspection, or collects samples, as well as other important dates, such as when supervisors review the investigative reports.	<b>Implemented at 6 Months</b>
1.4 The Commission's Executive Director should generate and review monthly management reports that track the progress of inquiry and complaint investigations and ensure that the internal time frames of the investigative processes are met.	<b>Implemented at 6 Months</b>
1.5 The Commission should ensure that it has sufficient staff resources to investigate complaints by reviewing the responsibilities assigned to its investigators and other staff and prioritizing these responsibilities among its staff accordingly.	<b>Implemented at 12 Months</b>

Recommendation	Status/Additional Explanation
1.6 After the Commission assesses its needs, it should determine whether it can meet its investigation and inspection responsibilities with existing staff or by taking other steps. If not, as appropriate, the Commission should seek legislative approval for additional staff.	<b>Implemented at 12 Months</b>
1.7 The Commission should establish and implement policies regarding: <ul style="list-style-type: none"> <li>a. The types of violations that would qualify as de minimis and therefore can be appropriately remedied by its staff, and those violations that are considered more serious and should be addressed by the Commission; and</li> <li>b. The definition of willful and repeated violations, including such criteria as the number and frequency of occurrence that would require staff to forward violations to the Commission.</li> </ul>	<b>Implemented at 12 Months</b>
1.8 The Commission should establish and implement procedures requiring staff to document actions taken to address violations, including such information as the nature of the violation, the statute or rule violated, an explanation of the corrective action required, and associated time frame for the licensee to comply.	<b>Implemented at 6 Months</b>
1.9 The Commission should ensure that the licensee's return to compliance is documented in the case file for any cases in which staff remediate violations.	<b>Implemented at 6 Months</b>
1.10 The Commission should retain a record of inquiries with substantiated violations, including documentation supporting the licensee's return to compliance.	<b>Implemented at 6 Months</b>

## **FINDING 2: Commission needs to better monitor inspections**

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|---|---------------------------------|
| 2.1 To ensure implementation of its revised inspection plan, the Commission should: <ul style="list-style-type: none"> <li>a. Ensure that its supervisors follow supervisory review and monitoring procedures established in January 2007 to help ensure that the distribution of inspections performed is appropriate, including that each licensee receives at least one use, vehicle, and office inspection every 2 years;</li> <li>b. Establish procedures requiring its inspection supervisors to generate monthly management reports to track inspection activities; and</li> </ul> | <b>Implemented at 12 Months</b> |
|---|---------------------------------|

Recommendation	Status/Additional Explanation
<p>c. Periodically identify and make necessary changes to its inspection plan based on the results of inspections or to reflect changes in its population of licensees.</p>	<p><b>Implemented at 6 Months</b></p>
<p>2.2 To better guide its inspectors, the Commission should:</p> <p>a. Complete its revisions to its inspection manual, including incorporating revisions suggested from the planned training it held;</p> <p>b. Implement the revised forms, policies, and procedures once the inspection manual has been finalized; and</p> <p>c. Ensure that all inspectors and supervisors are fully trained on the inspection materials, including all policies and procedures.</p>	<p><b>Implemented at 6 Months</b></p> <p><b>Implemented at 6 Months</b></p> <p><b>Implemented at 6 Months</b></p>
<p>2.3 The Commission should monitor inspectors' compliance with the revised policies, procedures, and forms by requiring supervisors to periodically observe inspections and by frequently meeting with inspectors to ensure they understand the policies and procedures.</p>	<p><b>Implemented at 6 Months</b></p>
<p>2.4 The Commission should ensure that licensees take corrective actions to address violations or noncompliance items by:</p> <p>a. Ensuring that its inspectors follow procedures established in February 2007 that specify the types of violations that require a follow-up visit; and</p> <p>b. Requiring inspectors to randomly select submitted notices of correction for verification.</p>	<p><b>Implemented at 18 Months</b></p> <p><b>No Longer Applicable</b>  Since the Office of Pest Management (Office) has revised its policy to require that all corrections are verified, this recommendation is no longer applicable (see 2.4a).</p>

**FINDING 3: Commission should further improve its information management systems**

<p>3.1 Once the Commission obtains the additional IT resources appropriated for fiscal year 2008 to create sufficient documentation for commission databases, it should ensure that these documentation projects are completed in a timely manner.</p>	<p><b>Implemented at 18 Months</b></p>
<p>3.2 The Commission should plan to develop needed management reporting capabilities that do not require database integration by:</p>	

**Recommendation****Status/Additional Explanation**

- a. Monitoring the progress of the e-TAF and database integration projects and determining when resources would become available to begin developing management reporting capabilities, and
- b. Developing plans for creating needed reports and identifying and allocating the necessary resources for doing so.

**Implemented at 6 Months****Implemented at 6 Months**

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3.3 To ensure the accuracy of data in its databases, the Commission should:

- a. Develop and implement policies and procedures for data handling, including data entry, and for testing the data that currently resides in the databases;
- b. Compare database information to information contained in hard-copy files and make any necessary changes to the databases; and
- c. Concentrate on the information contained in the inquiry and complaint databases, since there are strong indications that some data in those databases is unreliable.

**Implemented at 12 Months****Implemented at 12 Months****No Longer Applicable**

In January 2008, the Office implemented a new inquiry and complaint database. Because of the unreliability of data in the old database, inquiry and complaint information from this database was not transferred to the new database. The Office reported that it relies on hard-copy file information for pre-January 2008 inquiries and complaints.

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3.4 Once the Commission has completely integrated the complaint database within its other databases and ensured that the complaint information is accurate, it should upgrade its Web site to allow public users to obtain complaint history information regarding licensed companies and individuals via the Internet.

**Implementation in Process**

According to an office official, the loss of an IT position and work on other higher priority IT projects, such as implementing and ensuring the integrity of its eTARF system and revising its Web site in accordance with Government Information Technology Agency requirements, has contributed to the delay in upgrading its Web site to include complaint history information. The Office reported that it anticipates implementing an online complaint history system by November 30, 2009.