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STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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March 7, 2017

The Honorable Bob Worsley, Chair
Joint Legislative Audit Committee

The Honorable Anthony Kern, Vice Chair
Joint Legislative Audit Committee

Dear Senator Worsley and Representative Kern:

Our Office has recently completed a 48-month followup of the Arizona State Parks Board (Board) regarding the implementation status of the 14 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in September 2012 (Auditor General Report No. 12-04). As the attached grid indicates:

- 9 have been implemented;
- 1 has been substantially implemented; and
- 4 are in the process of being implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes our follow-up work on the Board's efforts to implement the recommendations from the September 2012 report.

Sincerely,

Dale Chapman, Director
Performance Audit Division

DC:ka
Attachment

cc: Kay Daggett, Chair
Arizona State Parks Board

Sue Black, Director
Arizona State Parks Board

Arizona State Parks Board

Auditor General Report No. 12-04

48-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<p>Finding 1: Actions to keep parks open in short term have generally succeeded but can be improved</p>	
<p>1.1 The Board should continue to maintain and expand partnerships.</p>	<p>Implemented at 36 months</p>
<p>1.2 The Board should assess the impact of its recent revenue-enhancement measures—including amenities added to increase revenue potential, implementation of its new reservation system, and implementation of its adjustable fee schedule—to evaluate the effectiveness of these measures and make modifications as needed based on the results.</p>	<p>Implemented at 36 months</p>
<p>1.3 The Board should continue the development of a new marketing plan and implement it when finalized.</p>	<p>Implemented at 24 months</p>
<p>1.4 The Board should implement the recommendations related to its cash-handling controls and asset inventories made in the Office of the Auditor General's June 2012 procedural review.</p>	<p>Substantially implemented at 48 months The Board has implemented system-wide policies and procedures related to cash-handling controls and asset inventories. The Board has also developed tools that board staff can use to report budget variances and perform cash-handling inspections at different parks. However, the Board has yet to develop and implement procedures around these processes. The Board anticipates developing these procedures as part of its effort to obtain accreditation through the Commission on Accreditation of Parks and Recreation Agencies.</p>
<p>1.5 The Board should continue its efforts to improve the accuracy of its visitor counts. Specifically, the Board should develop and implement procedures for standardizing methods for counting visitors across parks, as appropriate. The Board should ensure that the park staff who are responsible for making visitor counts are trained in these new procedures.</p>	<p>Implemented at 12 months</p>

Recommendation**Status/Additional Explanation****Finding 2: Board should take additional actions to address long-term financial sustainability of State Parks system**

2.1 The Board should assess its current strengths, weaknesses, opportunities, and threats related to its financial sustainability. This assessment should include conducting park-level assessments. In conducting its park-level assessments, the Board should at a minimum assess each park's strengths, weaknesses, opportunities, and threats, as it has done in the past. In addition, it should consider conducting a more information-driven assessment similar to Georgia's model, which would provide a more detailed picture of each park's operating situation and future prospects.	Implemented at 12 months
2.2 The Board should develop a specific definition of financial sustainability for Arizona's State Parks and establish criteria for assessing sustainability that can provide strategic direction to board staff.	Implemented at 36 months
2.3 To improve the long-term financial sustainability of the State Parks system, the Board should improve existing goals and objectives or develop new ones that directly address factors that affect financial sustainability. As recommended by the OSPB model-planning practices, the goals should describe the agency's desired results, and the objectives should be specific, measureable, aggressive, results-oriented, and time-bound. In addition, the Board should include park-level goals and objectives based on the individual conditions and opportunities at each park. Collectively, the Board's goals and objectives should address: <ul style="list-style-type: none">• Increasing visitors through improved marketing;• Maintaining and expanding partnerships, including partnerships related to operations, funding, concessions, programs, marketing, and other services;• Enhancing revenue-generating strategies, such as revenue-generating capital improvements, innovative programming and special events, and increased partnerships or concessions;• Managing park expenses through personnel assignments and adjusted operations or service levels; and• Seeking additional revenue sources.	Implementation in process The Board is working with Arizona State University to create a strategic plan that meets OSPB model planning practices and addresses the Board's financial stability. The Board reported that it intends to complete the strategic plan by the end of fiscal year 2017.

Recommendation**Status/Additional Explanation**

2.4 The Board should develop specific strategies through action plans, marketing plans, capital improvement plans, or other plans that guide staff to achieve agency-level and park-level goals and objectives. The Board's plans should identify who is responsible for achieving action steps, when steps should be completed, and the resources needed to complete them.

Implementation in process

As reported for Recommendation 2.3, the Board is in the process of creating an agency-wide strategic plan. Additionally, the Board reported that it plans to develop a marketing plan that reflects initiatives identified in the strategic plan. The Board reported that it expects to complete the marketing plan by winter 2017.

2.5 The Board should ensure that it has adequate performance measures to track its progress in meeting its revised and/or new goals and objectives. Specifically, the Board should:

a. Develop various measures to assess its performance, including input, output, outcome, efficiency, and quality measures as appropriate;

Implementation in process

The Board has developed performance measures through its work with the Arizona Management System, which is a state initiative to assist state agencies in improving productivity, quality, and service. The Board is working to incorporate these and other performance measures into its agency-wide strategic plan.

b. Determine baseline information in order to assess future progress; and

Implemented at 48 months

c. Ensure that it has reliable data for measuring progress.

Implemented at 48 months

2.6 Once its plans are developed, the Board should implement its plans and use its performance measures to monitor its progress toward achieving its financial sustainability goals and objectives.

Implementation in process

Through its work with the Arizona Management System, the Board has been monitoring its performance in key areas from month to month. The Board reported that, once the strategic plan is implemented, it can determine if there are any additional performance measures that it should monitor.

Sunset Factor #12: The extent to which the Board has used private contractors in the performance of its duties as compared to other states and how more effective use of private contractors could be accomplished

1 The Board should continue to contract with additional concessionaires where possible and cost-effective for the State and agency.

Implemented at 36 months