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Performance Audit and Sunset Review

Arizona State Board of Nursing

Board timely issued licenses/certificates in fiscal years 2023 and 2024, but continues to take more than 180 days to resolve complaints and its backlog of open complaints has grown, which may affect patient safety

Report 25-110
September 2025

Lindsey A. Perry
Auditor General

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ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

Melanie M. Chesney, Deputy Auditor General

September 25, 2025

Members of the Arizona Legislature

The Honorable Katie Hobbs, Governor

Executive Director Ridenour
Arizona State Board of Nursing

Transmitted herewith is a report of the Auditor General, *A Performance Audit and Sunset Review of the Arizona State Board of Nursing*. This report is in response to a November 21, 2022, resolution of the Joint Legislative Audit Committee. The performance audit and sunset review was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq. I am also transmitting within this report a copy of the Report Highlights to provide a quick summary for your convenience.

As outlined in its response, the Board agrees with all the findings and plans to implement all the recommendations. My Office will follow up with the Board in 6 months to assess its progress in implementing the recommendations. I express my appreciation to the Board's members, Executive Director Ridenour, and Board staff for their cooperation and assistance throughout the audit.

My staff and I will be pleased to discuss or clarify items in the report.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

cc: Arizona State Board of Nursing members

TABLE OF CONTENTS

FIGURES

TABLES

Arizona State Board of Nursing

Performance Audit and Sunset Review

Board timely issued licenses/certificates in fiscal years 2023 and 2024, but continues to take more than 180 days to resolve complaints and its backlog of open complaints has grown, which may affect patient safety

Audit purpose

To determine whether the Board issued and renewed licenses/certificates as required by statute and rule, resolved complaints timely and in accordance with its policy, and provided information to the public as statutorily required; and to respond to the 10 statutory sunset factors.[1]

Key findings

- Board timely issued licenses/certificates, issued initial licenses/certificates to qualified applicants for most applications we reviewed, and renewed licenses/certificates we reviewed to qualified applicants in fiscal years 2023 and 2024.
- Board did not resolve within 180 days 56% of complaints it closed between July 2024 and January 2025, including 28 high-risk complaints, despite 4 prior audit reports spanning 33 years recommending that it timely investigate and resolve complaints.
- Board has a backlog of 2,177 open complaints as of January 2025, 1,543 of which have been open and unresolved for more than 180 days, including 51 high-risk complaints. This backlog has increased by more than 86% since March 2023 and includes some unresolved complaints dating back more than 7 years.
- Board's failure to timely investigate and resolve complaints may negatively impact patient safety and lead to licensees and certificate holders being under investigation for lengthy periods of time. For example, the Board took 293 days to investigate and resolve a complaint involving a patient's death.

Key recommendations to the Board

- Investigate and resolve all complaints within 180 days.
- Establish time frames for investigating and resolving all complaints the Board receives, including time frames for completing key investigatory steps.
- Take steps to identify and address the causes of investigation delays.

[1] The Arizona Auditor General conducted this performance audit and sunset review of the Board pursuant to a November 21, 2022, resolution of the Joint Legislative Audit Committee. This audit was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq.

Arizona State Board of Nursing—September 2025

The Arizona State Board of Nursing (Board) regulates nursing practice in Arizona by issuing and renewing licenses and certificates to qualified applicants, investigating complaints, administering disciplinary actions against regulated parties who violate Board statutes and rules, and providing information to the public about licensees and certificate holders. Statute requires the Board to consist of 11 members appointed by the Governor for 5-year terms, and the Board reported that as of June 2025, all 11 positions were filled. The Board was appropriated 63 full-time equivalent (FTE) staff positions for fiscal year 2025 and received federal grant funding for an additional 12.5 FTE positions. The Board did not receive any State General Fund monies in fiscal years 2023 through 2025. Instead, the Board's revenues consisted primarily of licensing, certification, and related fees, a portion of which are appropriated to the Board for operations as part of the State budget process, and federal pandemic aid.

Active licenses and certificates as of December 2024: 174,865
Complaints received in calendar year 2024: 1,241

Audit results summary

Key regulatory areas reviewed

Initial licenses/certificates

Process initial license/certificate applications within 150 days or 270 days if the Board conducts an investigation. Key license/certificate qualifications include education, practice hours, passing an examination, lawful presence documentation, and/or passing a fingerprint based criminal history check.

Issued timely?	✓ **Yes**
Ensured qualifications met?	✗ **No**

License/certificate renewals

Process renewal license/certificate applications within 120 to 150 days depending on the license/certification type, or 270 days if the Board conducts an investigation. Licensees/certificate holders must attest on their signed application to completing practice hours, provide information about criminal activity, and provide evidence of continuing education, if applicable.

Issued timely?	✓ **Yes**
Ensured qualifications met?	✓ **Yes**

Complaint handling

Investigate complaints it receives and take action to address violations.

Resolved complaints within 180 days?	✗ No
Followed complaint-handling policies?	✗ No

Public Information

Provide specific complaint and licensee/certificate holder information to the public.

Provided accurate or sufficient information via phone?	✗ No
Provided disciplinary information on website consistent with 5-year statutory requirement?	✗ No

Other responsibilties reviewed

Fee setting

Ensure fees are based on costs of providing services and periodically review fees.

Established fee-setting policies and procedures?	✓ Yes

Conflicts of interest

Requirements and/or recommended practices include signing a disclosure form annually and maintaining a special file to document substantial interest disclosures.

Board members and staff signed annual disclosure form?	✗ No
Maintained special file to document substantial interest disclosures?	✓ Yes

Rulemaking and open meeting law

Requirements include involving the public in rulemaking and making meeting minutes or a recording of the meeting available within 5 business days.

Involved public in rulemaking?	✓ Yes
Meeting recordings available in 5 working days?	✓ Yes

The Arizona Auditor General has completed a performance audit and sunset review of the Arizona State Board of Nursing (Board). This performance audit and sunset review provides responses to the statutory sunset factors and determined whether the Board (1) issued and renewed licenses/certificates in accordance with statute and rule requirements, (2) resolved complaints in a timely manner and in accordance with Board policy, and (3) provided information to the public as required by statute.

Board's mission and responsibilities include ensuring regulated persons are competent to safely practice

The Board's mission is "to protect and promote the welfare of the public by ensuring that each person holding a nursing license or certificate is competent to practice safely." The Board regulates multiple types of licensees and certificate holders, including registered nurses, practical nurses, advanced practice registered nurses, and nursing assistants (see textbox for these professionals' scope of practice).

The Board is responsible for:

- **Issuing and renewing licenses and certificates to qualified applicants**

  As shown in Table 1, page 4, the Board issues multiple types of licenses and certificates. Applicants applying for or renewing their licensure or certification are required to meet various statute and rule requirements, such as:

  - Completing a Board-approved education program.
  - Passing a competency test/exam.
  - Passing a background or criminal history records check.
  - Being a U.S. citizen/having lawful presence.

Scope of practice

Registered nurse (RN): Assess healthcare needs, plan and implement nursing interventions to meet identified needs, and supervise licensed practical nurses and nursing assistants.

Advanced practice registered nurse (APRN): RNs with an expanded scope of practice based on a specialty area.[1] APRNs may order diagnostic tests, such as laboratory tests, or manage patient care.[2]

Licensed practical nurse (LPN): Perform nursing services under an RN's or physician's supervision, such as contributing to the healthcare-needs assessment and administering medications and treatments.

Licensed or certified nursing assistant (LNA or CNA): Provide or assist in nursing-related services, such as bathing, dressing, and feeding patients, under a licensed nurse's supervision.[3]

1 APRNs include registered nurse practitioners, certified nurse midwives, clinical nurse specialists, and certified registered nurse anesthetists.

2 APRNs may also be granted authority to prescribe and dispense drugs and devices within their scope of practice. Certified registered nurse anesthetists can be granted only prescribing authority.

3 The Board both licenses and certifies nursing assistants. LNAs and CNAs have the same scope of practice. However, LNAs are required to meet additional requirements for licensure, including submitting fingerprints for a criminal records check.

Source: Auditor General staff review of Arizona Revised Statutes (A.R.S.) §§32-1601 and 32-1645; Arizona Administrative Code (AAC) Title 4, Ch. 19; and information from the Board's website.

Table 1

Board issued approximately 175,000 licenses and certificates as of December 2024

(Unaudited)

Nursing professional type	Number of active licenses/certificates[1]
RN	**114,595**
CNA	**22,041**
APRN (must also hold an active RN license)	
Registered nurse practitioner (RNP)	16,769
Certified registered nurse anesthetist (CRNA)	1,466
Certified nurse midwife (CNW)	349
Clinical nurse specialist (CNS)	121
Total APRN licenses	**18,705**
LPN	**10,906**
LNA	**8,030**
Licensed health aide (LHA)	**417**
Certified medication assistant (CMA)	**171**
Total licenses and certificates issued	**174,865**

[1] The count of active licenses/certificates reflects the number of credentials issued as of December 2024 and not unique licensees or certificate holders because an individual can have more than 1 credential.

Source: Auditor General staff review of information from the Board's website.

Some license types have additional qualification requirements. For example, RNs and LPNs applying by endorsement (an application from an individual who is a licensed nurse in another U.S. state or territory) or for renewal must attest in their application to either having graduated from a post-licensure nursing program or practicing at the applicable license level for a minimum of 960 hours. See Appendix A, pages a-1 through a-3, for additional information about key licensure and certification requirements.

Approving prelicensure nursing education programs, advanced practice registered nursing (APRN) programs, and nursing assistant training programs

A.R.S. §32-1644 requires the Board to approve all new prelicensure nursing, nurse practitioner, and clinical nurse specialist programs in Arizona.[1] Specifically, any post-secondary educational institution and accredited school wishing to offer registered nursing, practical nursing, nurse practitioner, or clinical nurse specialist programs in Arizona is required to apply to the Board for approval and submit satisfactory proof that it is prepared to meet and maintain the minimum standards prescribed in statute and Board rules.[2,3] Statute and rule also require licensed and certified nursing assistant and certified medication assistant training programs to obtain and maintain Board approval or reapproval before advertising the program; accepting any tuition, fees, or other monies from prospective students; or enrolling students.[4] As shown in Table 2, as of May 2025, the Board has approved a total of 316 Arizona and distance-learning nursing education and training programs.

Table 2

Board has approved 316 nursing education programs as of May 2025[1]

(Unaudited)

Program type[2]	Number of approved programs
Prelicensure programs	
ADN, BSN, MSN, and PN	84
Advanced practice registered nurse programs	
APRN	80
CRNA	7
Nursing assistant programs	
CMA	23
CNA	122
Total	**316**

1 The Board approved education programs in Arizona and out-of-State programs providing distance-based instruction.

2 The Board also approves LHA and education refresher programs, which are not included in the table. As of May 2025, the Board had approved 13 LHA and 9 refresher programs.

Source: Auditor General staff review of information from the Board's website.

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1 Pursuant to AAC R4-19-217, the Board is also responsible for approving out-of-State nursing programs that are in good standing in another state and plan to provide distance-based instruction and on-site clinical instruction in Arizona.

2 A.R.S. §32-1644 and AAC R4-19-201 through R4-19-208. Examples of these standards include employing faculty members and an administrator who hold current Arizona or multistate licenses, providing progressive classroom and clinical instruction that meet licensing requirements, and maintaining at least an 80% passing rate for students taking the practical nurse or registered nurse National Council Licensure Examination for the first time.

3 The Board's Education Committee is responsible for reviewing program applications for completeness and making recommendations for approval to the Board (see textbox, page 8, for information about the Education Committee). The Board has the authority to vote on granting approval to nursing education programs.

4 A.R.S. §32-1650.01(B) and AAC R4-19-801.

- **Investigating complaints against licensees and certificate holders and administering disciplinary actions against regulated parties who have violated the Board's statutes or rules**

  The Board may conduct an investigation upon receiving information indicating that a licensee or certificate holder may have violated statutory requirements or Board rules.[5] Following its investigation, the Board may take disciplinary actions against licensees and certificate holders who have violated statutory requirements or Board rules. The Board has established standardized guidelines for taking disciplinary and nondisciplinary actions ranging from issuing letters of concern up to revoking a license, depending on the nature of the violation(s) and circumstances.

  According to the Board's data, it received 1,241 complaints against licensees or certificate holders in calendar year 2024. However, the Board has not investigated and resolved complaints timely, despite 4 prior audit reports spanning 33 years recommending that it do so. See Finding 1, pages 13 through 26, for issues we identified with the Board's complaint-handling timeliness and Sunset Factor 6, pages 45 through 48, for issues we identified with some complaint-handling processes.

- **Providing the public with access to licensees' and certificate holders' disciplinary and nondisciplinary histories**

  A.R.S. §32-3214 requires health regulatory entities, like the Board, to provide license and certificate holder disciplinary actions on the Board's website for no more than 5 years. Additionally, the Board shall include a statement on its website that any person may obtain additional public records related to any licensee or certificate holder, including complaint dismissals, letters of concern, and advisory letters, which shall not be on the website but should be available to the public upon request. See Sunset Factor 5, pages 42 and 43, for issues we identified with the Board's provision of information over the phone.

Arizona participates in Nurse Licensure Compact with 42 other states

A.R.S. §32-1660 et seq. establishes Arizona's participation in the Nurse Licensure Compact (Compact). The Compact has several purposes, including ensuring and encouraging cooperation and reducing redundancies in nursing licensure and regulation between participating states. A multistate license is recognized by each participating state and allows a nurse to practice in any Compact state. As of March 2025, Arizona and 42 other states have implemented the Compact.

The National Council of State Boards of Nursing (NCSBN) coordinates the Compact and also administers the National Council Licensure Examination (NCLEX), a standardized exam that new nursing graduates must pass in order to obtain either a multistate or single-state license. Additionally, NCSBN maintains the Nursys website, which is a national database for verifying nurse licensure, discipline, and practice privileges for nurses licensed by participating state nursing boards, including all 43 states that have implemented the Compact. Nursys also provides online license verification for nurses requesting to practice in another state.

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[5] A.R.S. §32-1606.

Board has Alternative to Discipline Program for licensees with or at-risk of certain substance abuse or mental health disorders

The Board is statutorily authorized to establish a confidential monitoring program for licensees who are chemically dependent.[6] According to the Board's website, it has established the Alternative to Discipline (ATD) program, which is a nondisciplinary, nonpublic monitoring program designed for RNs, LPNs, and APRNs with or at risk for certain conditions, such as substance use or mental health disorders. The purpose of the ATD program is to ensure public safety through early detection, treatment, and monitoring of nurses who have or are at risk for the listed conditions, and to provide the opportunity for rehabilitation for nurses who wish to obtain treatment while maintaining their license.

Nurses who are interested in the ATD program must voluntarily request entry. Additionally, nurses can be referred to the ATD program by the Board, their employer, legal/regulatory agencies, or other community referrals. Participants must comply with the terms of the ATD program stipulated agreements, which are most commonly 3 years in length, and meet all eligibility requirements, such as having no prior disciplinary action by the Board. Additionally, individuals must obtain an evaluation from a Board-approved evaluator or provide proof of a current condition or diagnosis to be eligible for the program.[7]

If the participant complies with the ATD program and completes it successfully, their program participation information will remain confidential (see Table 3 for ATD program participation and success rates in calendar years 2023 and 2024). However, if the participant is discharged from the ATD program for noncompliance, according to statute, the confidentiality requirements no longer apply and records are no longer confidential or exempt from the public records law.[8]

Table 3

Number of ATD participants and completion success rates

Calendar years 2023 and 2024
(Unaudited)

Calendar year	Total participants	Completion success rate
2023	221	81%
2024	191	70%

Source: Auditor General staff review of Board information.

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6 A.R.S. §32-1606.

7 According to the Board's documentation, Board-approved evaluators include licensed psychologists, psychiatrists, psychiatric nurse practitioners, and physicians.

8 A.R.S. §§32-3223(C) and 32-1605.01(B)(7).

Board comprises 11 members supported by 75.5 staff positions

Board and committees

A.R.S. §32-1602 requires the Board to consist of 11 Governor-appointed members comprising 6 registered nurses, 1 nursing assistant or nursing assistant educator, 2 members of the public, and 2 LPNs. Members are appointed for a 5-year term to begin and end on June 30 and cannot serve more than 2 consecutive terms. The Board reported that as of June 2025, all 11 positions were filled.

Additionally, according to the Board's website, the Board has 2 active committees to help fulfill its mission (see textbox for information about these committees).[9] These committees' meetings are open to the public.

Board's active committees as of May 2025

Education Committee: Provides recommendations to the Board on matters related to nursing education. The committee has developed goals for the 2024-2027 period for making recommendations to the Board on matters related to nursing education and improved program educational outcomes, such as guiding nursing programs in Arizona to meet regulatory requirements of the Nurse Practice Act and to prepare graduates for safe nursing practice. This committee comprises academic and clinical partners; the academic partners are nursing faculty at prelicensure or APRN programs throughout Arizona and clinical partners are nursing representatives from healthcare systems throughout Arizona.

Scope of Practice Committee: Responds to questions regarding scope of practice as assigned by the Board or that arise when the Board has received questions from the public. This committee includes a diverse membership representing various healthcare settings throughout the State and has established goals, such as to respond to the changing health care environment by addressing scope of practice issues and developing advisory opinions for the Board when appropriate.

Source: Auditor General staff review of information from the Board's website.

Board staffing

According to the State's fiscal year 2025 appropriations report, the Board was approved for 63 full-time equivalent (FTE) staff positions for fiscal year 2025.[10] According to the Board, it also received federal grant monies for an additional 12.5 FTEs, 7 of which were funded by American Rescue Plan Act monies to administer the grant program established by A.R.S. §36-1803 (referred to as the 1803 Grant).[11] As shown in Table 4, page 9, as of May 2025, the Board had 2 vacancies and had filled 73.5 of its total 75.5 FTEs across 5 program areas.

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9 As of May 2025, the Board's website identifies 3 different committees; however, the Advanced Practice Committee has not met since May 2022, and the Board's website instructs the public that any advance practice concerns can be brought to the Scope of Practice Committee. As such, as of May 2025, the Board's active committees are the Education Committee and the Scope of Practice Committee. Additionally, each of these 2 active committees had a workgroup with meetings that were open to the public.

10 The Board requested 2 additional FTEs for legal secretaries in its fiscal year 2026 budget request. Per Laws 2025, Ch. 233, §63, the Board was appropriated 64 FTEs for fiscal year 2026, which is 1 more FTE position than what was approved in fiscal year 2025.

11 Pursuant to A.R.S. §§36-1801 and 36-1803, AHCCCS is responsible for developing a temporary grant program for expanding or creating clinical training placements for undergraduate nursing students and for licensed or certified nurses to transition to practice and increase specialty nursing skills. In September 2022, the Board and AHCCCS entered into an interagency service agreement in which the Board agreed to fulfill the requirements in A.R.S. §36-1803.

Table 4

Number of filled and vacant Board FTEs as of May 2025

(Unaudited)

Program	Number of filled FTEs	Number of vacant FTEs	Total FTEs
Administration	16.8	0	**16.8**
Licensing	13.0	0	**13.0**
Investigation	32.2	2	**34.2**
Education	4.5	0	**4.5**
1803 Grant	7.0	0	**7.0**
Total	**73.5**	**2**	**75.5**

Source: Auditor General staff review of Board-reported staffing information.

As of April 2025, the Board reported that it had 69 workstations available for in-office work; however, the majority of the Board's 74 staff members worked hybrid or remote schedules.[12] Specifically, as shown in Table 5, page 10, a total of 60 staff members—50 hybrid and 10 remote—or a total of 81%, worked remote or hybrid schedules. The specific days of the week that staff worked out of the office varied. State policy requires employees to complete a remote work training class and sign a remote work agreement and for their supervisors to establish productivity and quality standards and implement accountability measures.[13] Additionally, staff working remotely out-of-State are required to complete and obtain all necessary approvals on the *Request to Work Outside Arizona* State form.[14] See Sunset Factor 2, pages 34 and 35, for issues we identified with the Board's oversight of remote workers.

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[12] A remote schedule is when a staff member regularly conducts their work in a location other than the office, whereas a hybrid schedule is when an employee regularly works some days in the office and some days in an alternate location.

[13] Arizona State Personnel System policy ASPS/HRD-PA5.01.

[14] Pursuant to SAAM 5534, attention must be given to the location where an out-of-State staff member is performing work because various federal, State, and local laws apply to employment as it pertains to taxes, leave-accrual benefits, worker's compensation, unemployment, etc., and noncompliance with some of these laws could result in criminal charges and/or financial penalties. According to the SAAM, most of these laws are specific to where the staff member performs the work, not where they live, and can become effective as soon as the first day is worked in that location or after a defined period of time. As a result, according to the SAAM, the State is responsible for ensuring that it knows where all its staff members are performing their work on a daily basis and that they are complying with the applicable employment and payroll laws in the locations where work is performed.

Table 5

Number of days Board staff worked remotely per week, as of April 2025

(Unaudited)

Work status and minimum number of remote days worked per week	Number and percent of Board staff	
In-office staff		
0 days	14	
Total in-office staff	**14**	**19%**
Hybrid staff		
1 day	10	
2 days	22	
3 days	8	
4 days	4	
Varies[1]	6	
Total hybrid staff	**50**	**68%**
Remote staff		
All days remote	10	
Total remote staff	**10**	**13%**

[1] At least 3 of these Board staff worked 1 in-office day every 2 weeks, while the other 3 staff members had varying hybrid schedules.

Source: Auditor General staff summary of Board-reported staff work schedule information.

Board's revenues were primarily from regulated community and federal pandemic aid, and its expenditures were mostly for staffing and temporary grant program

As shown in Table 6, pages 11 and 12, the Board did not receive any State General Fund monies in fiscal years 2023 through 2025. Instead, the Board's revenues primarily consisted of licensing, certification, and related fees, a portion of which are appropriated to the Board for operations as part of the State budget process and federal pandemic aid. Specifically, in fiscal year 2025, the Board received an estimated $22.9 million in federal pandemic aid, most of which was Coronavirus State and Local Fiscal Recovery Fund monies transferred from AHCCCS for administering a temporary grant program.[15] Additionally, during fiscal year 2025, the Board collected an estimated $8.1 million in licensing, certification, and related fees, 15% of which was required to be remitted to the State General Fund pursuant to A.R.S. §32-1611.

In fiscal year 2025, most of the Board's expenditures included an estimated $22.8 million for professional and outside services, which primarily consisted of payments to consultants and hospitals for the temporary grant program, and an estimated $6.4 million for payroll and related benefits. The Board's fund balance in fiscal year 2024 decreased as a result of a $9.4 million transfer to the State General Fund for the purpose of providing adequate support and maintenance for State agencies. The Board's estimated fiscal year 2025 fund balance was approximately $4.9 million.

[15] See footnote 11, page 8, for additional information about this temporary grant program..

Table 6

Schedule of revenues, expenditures, and changes in Board fund balances

Fiscal years 2023 through 2025
(Unaudited)

	2023 (Actual)	2024 (Actual)	2025 (Estimate)
Beginning fund balance	**$11,524,538**	**$12,690,974**	**$4,554,081**
Revenues			
Licenses, fees, and permits	$7,890,711	$8,186,294	$8,144,095
Federal pandemic aid[1]	758,111	4,822,790	22,913,406
Federal aid[2]	209,700	209,700	205,000
Late fees and penalties	46,920	172,403	100,600
Other revenues[3]	150,049	146,282	60,934
Gross revenues	**$9,055,491**	**$13,537,469**	**$31,424,035**
Remittances to the State General Fund[4]	(771,626)	(944,383)	(1,243,623)
Total net revenues	**$8,283,865**	**$12,593,086**	**$30,180,412**
Expenditures and transfers			
Expenditures			
Payroll and related benefits	$5,537,851	$6,200,222	$6,431,334
Professional & outside services[5]	1,012,297	4,533,643	22,810,154
Other operating[6]	513,665	549,569	537,964
Equipment	28,801	17,267	27,827
Travel—in state	6,905	6,554	7,378
Travel—out of state	4,478	7,544	7,200
Total expenditures	**$7,103,997**	**$11,314,799**	**$29,821,857**
Transfers			
Transfers to Office of Administrative Hearings[7]	$13,432	$15,180	$21,312
State-mandated legislative sweep[8]	-	9,400,000	-
Total transfers	**$13,432**	**$9,415,180**	**$21,312**
Total expenditures and transfers	**$7,117,429**	**$20,729,979**	**$29,843,169**
Ending fund balance	**$12,690,974**	**$4,554,081**	**$4,891,324**
Net change in fund balance (Difference between revenues and expenditures and transfers)	**+ $1,166,436**	**- $8,136,893**	**+ $337,243**

Table 6 continued

[1] Federal pandemic aid primarily consists of State and Local Fiscal Recovery Fund monies transferred from AHCCCS to administer a temporary grant program. These monies are required to be used to develop a temporary grant program established by Laws 2022, Ch. 330, §2, to expand or create clinical training placements for undergraduate nursing students and licensed or certified nurses to transition to practice and increase specialty nursing skills. Although AHCCCS is responsible for administering this program, AHCCCS and the Board entered into an interagency service agreement expiring on June 30, 2026, in which the Board agreed to implement the statutory requirements in A.R.S. §36-1803. According to the Board, it estimates it will receive $34.4 million in fiscal year 2026. See footnote 5 for information on the Board's use of these monies.

[2] Federal aid comprises monies transferred from AHCCCS to administer a federal program that helps register, train, and evaluate nursing assistants in Arizona.

[3] Other revenues primarily consist of convenience fees charged to applicants who use credit cards to pay for licensing fees.

[4] In fiscal years 2023 and 2024, the Board was required to remit 10% of all fee monies received under A.R.S. §32-1643 to the State General Fund, such as initial and renewal application fees, duplicate licensing fees, and fingerprint card processing fees; it does not include federal revenues. In fiscal year 2025, Laws 2024, Ch. 222, §19, increased the amount required to be remitted to the State General Fund from 10% to 15%, effective September 14, 2024.

[5] Professional and outside services primarily consist of payments to consultants and hospitals for the temporary grant program described in footnote 1, including costs for training, retaining, and supervising nurse preceptors.

[6] Other operating expenditures consisted of various expenditures, including building rent, telecommunications, software support, and maintenance costs.

[7] These transfers consist of payments for services the Office of Administrative Hearings provides for hearings on complaints against licensees and certificate holders.

[8] Pursuant to Laws 2024, Ch. 209, §133, approximately $9.4 million of the Board's fund balance was transferred to the State General Fund for the purpose of providing adequate support and maintenance for State agencies.

Source: Auditor General staff analysis of the Arizona Financial Information System/AZ360 for fiscal years 2023 and 2024, the State of Arizona annual financial report for fiscal years 2023 and 2024, and Board-provided estimates for fiscal year 2025.

Despite 4 prior audit reports recommending that the Board investigate and resolve complaints in a timely manner, it still has not done so and has a growing backlog of open and unresolved complaints dating back more than 7 years, which may affect patient safety

Board is responsible for investigating and resolving complaints against licensees and certificate holders

As discussed in the Introduction, page 6, statute authorizes the Board to investigate and resolve complaints alleging violations of statute or rule by licensees and certificate holders.[1] We have determined that Arizona health regulatory boards should investigate and resolve complaints within 180 days of receiving them. Further, as shown in the textbox, the Board classifies its complaints into 3 priority levels, and according to Board policy, complaints categorized as priority 1, which are high-risk/high-harm complaints, should be investigated and presented to the Board within 180 days of receiving the complaint or reclassifying a complaint as priority 1.[2]

Board classifies complaints into 3 categories

Priority 1: High-risk/high-harm allegations that put the public in substantial danger and there is an imminent threat to the public, such as sexual misconduct with patients, stealing medication, and gross negligence or incompetence in patient care that poses an ongoing risk. These complaints shall be investigated and presented to the Board within 180 days.

Priority 2: Medium-risk/medium-harm allegations of potential harm to the public, such as medication or treatment errors without significant harm to the patient, unauthorized possession of a controlled substance, or an action in another state resulting in a license/certificate denial, revocation, suspension or restriction.[1] The Board has not established an investigation time frame for resolving priority 2 complaints.

Priority 3: Lower-risk/lower-harm allegations, such as minor documentation issues and dissatisfaction with care that does not involve misconduct or negligence. The Board has not established an investigation time frame for resolving priority 3 complaints.

[1] According to Board policy, if there is an imminent risk of harm to the patient or public health, the complaint should be evaluated for a priority 1 designation.

Source: Auditor General staff review of the Board's case priority and risk-assignment policy.

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[1] A.R.S. §32-1606(C). For this finding, we define complaints as allegations the Board received against a licensee or certificate holder and opened a complaint investigation after reviewing the allegations. We did not include investigations that the Board opened pertaining to background checks or other application concerns related to the licensure and/or certification processes because these were not the result of a public complaint against a licensee or certificate holder.

[2] Board policy clarifies that the priority level may change as Board staff conduct complaint investigations and obtain additional information.

Despite 4 audit reports spanning 33 years recommending that the Board investigate and resolve complaints timely, it still has not investigated and resolved complaints timely

Board has a long history of not timely investigating and resolving complaints

Board performance audits we conducted in 1988, 2001, 2011, and 2021 all found that the Board had not investigated and resolved complaints in a timely manner. Additionally, although the Board had made some improvements to address the recommendations we made in our prior audits, some improvements were not sustained.

Specifically:

- **1988 performance audit found the Board's lack of tracking and monitoring investigation progress and high staff turnover contributed to untimely complaint investigation and resolution**

  We found that more than half the fiscal years 1987 and 1988 closed investigations we reviewed took between 7 months and 1 year to complete and that nearly 40% of the investigations opened as of September 1989 were under investigation for more than 1 year.[3] Our key recommendations included that the Board develop time frames for conducting investigations, implement a more complete complaint-tracking system to determine whether investigations are completed timely, and consider hiring trained investigative staff to supplement the work performed by its investigators.[4]

- **2001 performance audit also found the Board's lack of tracking and monitoring investigation progress, high staff turnover, and growth in number of complaints received contributed to untimely complaint investigation and resolution**

  We found that the Board had excessive investigation time frames and many open investigations.[5] Our key recommendations included that the Board establish internal time frames for each phase of its complaint investigation process to resolve complaints within 180 days and that it resolve all priority 1 complaints within these time frames while working to clear its open investigations. Additionally, although the Board had a computer system to capture complaint-investigation data, it did not provide management with accurate and complete information on the status of complaint investigations. We recommended that the Board resolve its computer system issues to generate accurate reports for management to track the status of its open investigations. We found that the Board implemented all recommendations within 18 months (see page 21 for information about how the Board has not sustained its ability to track the status of its open complaints).

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3 See Arizona Auditor General report 88-8 *Board of Nursing—Performance Audit.*

4 We began following up on audits issued in 1998; as such, we did not follow up on the 1988 Board performance audit.

5 See Arizona Auditor General report 01-21 *Board of Nursing—Performance Audit.*

- **2011 performance audit found that despite the Board's efforts, complaint handling was still untimely, and missing and inconsistent data limited its ability to track and monitor investigation progress**

  We found that the Board had taken steps to improve complaint-investigation and resolution timeliness, but over half the complaints we reviewed took more than 180 days to resolve.[6] Our key recommendations included that the Board modify procedures and controls to address missing and inconsistent data in its database for tracking and monitoring timeliness; when resources permit, enhance its database to allow better tracking; and implement a process for reviewing inactive medium- and low-priority complaints to ensure these cases continue to progress. Our followup work found that the Board implemented most of these recommendations within 18 months.[7]

- **2021 performance audit and 30-month followup found the Board had not timely investigated and resolved complaints, potentially putting public safety at risk**

  Similar to our prior audits, our 2021 performance audit and our 30-month followup found that the Board did not timely investigate and resolve complaints.

  Specifically, our:

  - **2021 performance audit found the Board had addressed some prior audit recommendations, but high investigative caseloads contributed to untimely complaint investigation and resolution**

    We found that the Board had implemented some recommendations from our 2001 and 2011 audits but still did not investigate and resolve complaints within 180 days.[8] For example, we found that the Board implemented an investigative guidelines policy that outlined time frames for various steps in the complaint-investigation process (see page 21 for information about how the Board has not sustained this policy). However, according to the Board, the increase in investigations resulted in above average caseloads, and the Board requested and received an additional 3.5 FTE investigative positions for fiscal year 2022. We recommended that the Board investigate and resolve complaints within 180 days, using its complaint-categorization priorities to focus its resources on its highest-risk complaints first. We also recommended that the Board assess the impact of the additional investigator positions on its complaint-investigation and resolution timeliness, and if it determines additional resources are needed, work with the Legislature to obtain them (see Appendix B, pages b-1 through b-5, for additional information on the Board's status in implementing recommendations from our 2021 performance audit).

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6 See Arizona Auditor General report 11-02 *Arizona State Board of Nursing—Performance Audit and Sunset Review*.

7 Our January 2013 followup report found that 1 recommendation was in process. Specifically, we recommended that the Board enhance its database to allow better tracking of historical information and status changes, and we found the Board was working with NCSBN to develop a new management system that would replace the Board's database and would be implemented by the end of calendar year 2013 or beginning of calendar year 2014.

8 See Arizona Auditor General report 21-111 *Arizona State Board of Nursing—Performance Audit and Sunset Review*.

- **30-month followup report found that the Board continued to take more than 180 days to resolve most complaints, and some of its practices may affect its ability to timely resolve complaints**

  We found that the Board worked with the Legislature to obtain additional staffing, but it still had not resolved and investigated complaints within 180 days. We also found additional issues with some Board practices, including failing to open complaint investigations because they were incorrectly triaged and combining multiple complaints it received involving a licensee into a single, ongoing investigation that affected its ability to timely resolve complaints (see Sunset factor 6, pages 45 through 48, for additional information about these practices and Appendix B, pages b-1 through b-5, for additional information on the Board's status in implementing recommendations from our 30-month followup).

Board has still not resolved most complaints within 180 days and has a growing backlog of open and unresolved complaints dating back more than 7 years

Similar to issues identified in the Board's 4 previous performance audits and our April 2024 30-month followup, the Board still has not resolved complaints within 180 days, and it also has a growing backlog of open and unresolved complaints.

Specifically, our review of the Board's complaint data from July 2024 to January 2025, found that the Board:

- **Did not timely resolve approximately 56% of complaints closed between July 2024 and January 2025, including 28 high-risk complaints**

  For all 540 complaints the Board closed between July 2024 and January 2025, it did not resolve 302, or approximately 56%, within 180 days, including 28 high-risk complaints. Some of these high-risk complaints involved serious allegations, including negligence (see page 19 for an example of a complaint we reviewed that involved a patient's death and took 293 days for the Board to investigate and resolve).[9] In comparison, our 30-month followup found that the Board had not resolved approximately 82% of complaints it closed between March 2022 and March 2023 within 180 days. Although the Board has increased the percentage of complaints it timely resolved, it continued to untimely resolve more than half of the complaints it closed during our review time frame, including complaints involving allegations of impairment, administering medication without a provider order, falsifying patient records, and negligence.

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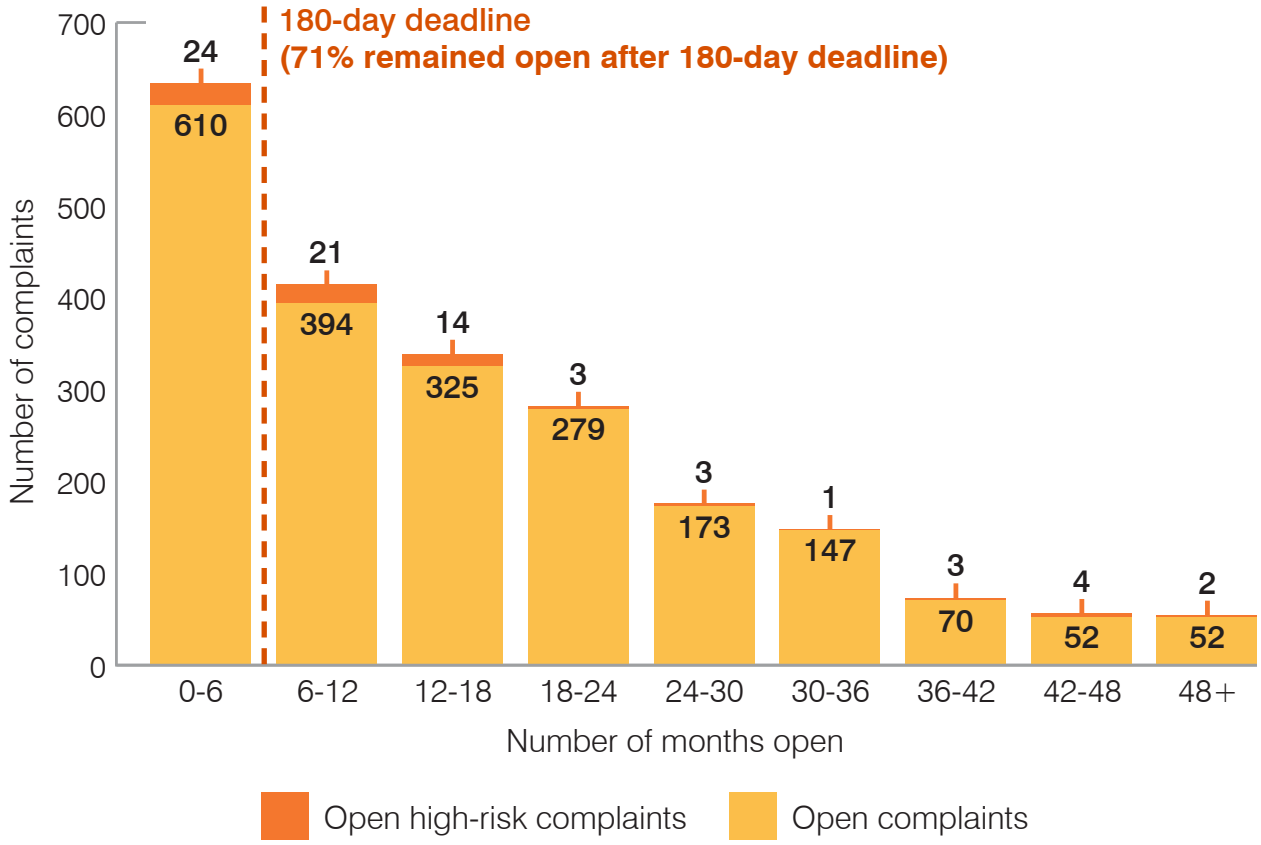
[9] To evaluate the Board's complaint investigation and resolution timeliness, we analyzed Board complaint data for all complaints closed between July 1, 2024 and January 31, 2025. Our analysis excluded investigations the Board opened related to licensing or background check concerns as well as complaints that the Board combined into an existing investigation (see Finding 1, pages 23 and 24, for more information about licensing investigations, and Sunset Factor 6, pages 47 and 48, for more information about complaints the Board combined into an existing investigation). See Appendix C, page c-1, for additional information about our analysis.

- **Has accumulated a backlog of more than 2,100 complaints, more than 1,500 of which have been open and unresolved for more than 180 days, including 51 high-risk complaints**

  Despite the Board increasing the percentage of complaints it resolved timely as of January 2025, the Board had 2,177 open complaints, and 1,543, or 71%, of these complaints had been open for more than 180 days, including 51 high-risk complaints (see Figure 1). This is a significant increase in the number of open and unresolved complaints since our April 2024 30-month followup. Specifically, the number of open and unresolved complaints increased from 1,167 in March 2023 to 2,177 as of January 2025, an increase of 86.5%. As of January 2025, these complaints had been open an average of 639 days, or approximately 21 months, without resolution. As shown in Table 7, page 18, at the end of calendar year 2024, some of these unresolved complaints dated back to calendar year 2017.

Figure 1

Board had not timely resolved approximately 71% of complaints that were open as of January 31, 2025, including 51 high-risk complaints



Source: Auditor General staff review of Board complaint data for open complaints as of January 31, 2025

Table 7

Board's backlog of open and unresolved complaints includes complaints dating back to calendar year 2017

Calendar year received	Number of open and unresolved complaints at end of calendar year					
	2019	2020	2021	2022	2023	2024
2017	153	51	9	2	2	2
2018	418	237	69	13	9	9
2019	637	421	245	52	26	24
2020		608	401	206	71	43
2021			727	469	226	124
2022				748	435	320
2023					1,066	654
2024						862
Total	**1,208**	**1,317**	**1,451**	**1,490**	**1,835**	**2,038**

Source: Auditor General staff review of Board's complaint data for calendar years 2019 through 2024.

Additionally, the Board's number of open and unresolved complaints has steadily increased since calendar year 2019. Specifically, as shown in Table 8, between calendar years 2019 and 2024, the Board received more complaints than it closed in each year. This, coupled with the already high number of open complaints at the end of calendar year 2018, has resulted in an increasing backlog of open and unresolved complaints. In calendar years 2019 and 2023, the Board saw the greatest increase in its backlog of open and unresolved complaints when its backlog increased by approximately 23% and 19%, respectively, in those 2 years.

Table 8

Board received more complaints than it closed between calendar years 2019 and 2024, resulting in a growing backlog of open and unresolved complaints

Calendar year	Number of complaints received	Number of complaints closed at year end	Number of complaints open at year end	Change in backlog
2018			929	
2019	1,393	1,112	1,208	23.1%
2020	1,393	1,284	1,317	8.3%
2021	1,440	1,306	1,451	9.2%
2022	1,565	1,526	1,490	2.6%
2023	1,550	1,205	1,835	18.8%
2024	1,241	1,038	2,038	10.0%

Source: Auditor General staff review of Board's complaint data for calendar years 2018 through 2024.

Board's failure to timely investigate and resolve complaints may negatively impact patient safety and lead to licensees and certificate holders being under investigation for lengthy periods of time

Untimely complaint investigation and resolution may negatively impact patient safety when delays allow licensees and certificate holders alleged to have violated Board statutes to continue practicing while under investigation even though they may be unfit to do so. For example, it took the Board 266 days to take its first action regarding a high-risk complaint that included a patient's death. Specifically, the Board received a complaint in May 2024 with allegations that a licensed practical nurse falsified patient documents, was negligent, overmedicated a patient, and failed to complete rounds to check for signs of life. The Board did not hear the case until January 31, 2025, 266 days after receiving the complaint, when it voted to offer a consent agreement for a Decree of Censure on the licensee—a disciplinary action consisting of a public reprimand that does not impose any conditions on the license—which was executed on February 27, 2025, or 293 days after receiving the complaint.

Additionally, delays may impede the Board's ability to substantiate allegations against licensees and certificate holders. For example, our review of 1 complaint with allegations that an RN had committed unprofessional conduct and scope of practice violations found that the Board took 557 days, or more than 18 months, to interview a witness related to the incident. According to the investigator's report, the witness vaguely remembered the incident. Ultimately, the Board did not substantiate these allegations and closed the complaint 702 days, or 23 months, after receiving the complaint.

Further, delays in investigations increase the risk that the public and other State boards may not have access to publicly available licensee disciplinary history when making decisions. Specifically, pursuant to A.R.S. §32-3214, the Board is required to make certain disciplinary history available on its website, but this information cannot be made available until the investigation is complete. As a result, delayed investigations can impede the public's and other State boards' access to licensee disciplinary information, which is useful information when making healthcare or licensing decisions.

Finally, even when the Board does not substantiate and dismisses complaints, untimely complaint handling exposes licensees to unproven allegations of unprofessional or harmful conduct for longer than necessary. Untimely complaint handling may also create an undue burden for licensees who are under investigation, as they may be required to be responsive to Board requests for information or documentation for a lengthy period of time.

Board lacks processes and time frames for systematically tracking and monitoring complaint progress, has not established time frames for all complaints, and prioritized licensing investigations

As shown in Figure 2, page 20, the Board's process for investigating complaints involves 3 phases and various investigation steps, including issuing, receiving, and reviewing subpoenaed documents; interviewing respondent, complainant, and witnesses; and drafting and finalizing investigative reports for presentation to the Board for resolution.

Figure 2

Board's investigation process consists of 3 phases and various steps ranging from complaint receipt to resolution

Phase 1

- Receive complaint and triage (assess Board jurisdiction and risk).
- Assign to investigator.
- Notify licensee (i.e., respondent) and request investigative questionnaire response.
- Issue initial subpoenas.

Phase 2

- Receive subpoenaed documents.
- Interview respondent.
- Interview complainant, victim, witnesses, supervisors, etc.
- Analyze information obtained in the above steps.

Phase 3

- Research and draft standards of care and scope of practice statements and findings of fact and statute/rule violations based on evidence gathered.
- Develop staff-recommended Board options.
- Submit written investigative report for peer review; incorporate revisions.
- Meet with respondent to review investigative findings, explain Board process and possible outcomes, and notify when the case is placed on the Board's agenda.
- Board issues final order, complaint closed (excludes complaints requiring a formal hearing).

Source: Auditor General staff review of the Board's Investigative Guidelines policy from March 2012.

However, the Board lacks processes and guidance for ensuring investigation timeliness.

Specifically, the Board:

- **Lacks a process for systematically and comprehensively tracking and monitoring complaint investigations, despite prior recommendations to do so**

  As discussed on pages 14 and 15, our 1988, 2001, and 2011 performance audits included recommendations to the Board to improve its ability to completely and accurately track the status of open complaint investigations to improve investigation timeliness.

  However, the Board:

  - **Has not sustained prior recommendations to track and monitor complaint-investigation progress because of system limitations and has not taken steps to address these limitations**

    In response to our prior performance audit recommendations, the Board implemented a March 2012 investigation guidelines policy that outlined its 3 complaint-investigation phases and time frames for completing those phases within 180 days. However, in March 2025, the Board reported it no longer follows its policy because the complaint-handling system it implemented in September 2018 does not have functionality for systematically tracking and reporting time frame data for completing the various complaint-investigation steps. Our review of the Board's system found that although Board staff can document their completion of various steps within the individual case files, they do not have access to any reports that would systematically capture the completion of specific complaint-investigation steps for all open investigations, which would help investigators manage their assigned cases, supervisors oversee investigative staff, and the Board track and monitor the status of open and unresolved complaints. Additionally, although the Board reported that it has a process for requesting additional functionality and/or reports from the complaint-handling system vendor, and it provided examples of working with the vendor in 2017 prior to implementation, the Board could not demonstrate that it had specifically requested any system changes and/or reports that would help it collect and analyze data for assessing complaint-handling timeliness.[10]

  - **Assigned investigators responsibility for ensuring timely complaint investigations but did not establish a consistent process for doing so**

    In September 2024, the Board established a policy that requires investigators to manage their assigned complaint investigations to ensure timely, accurate, and thorough investigations, including using the Board's whiteboard or case-management system to track and document investigative activities. In an effort to track and investigate activities, we found that some investigative staff have developed their own processes for tracking their assigned investigations, such as using a spreadsheet

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[10] In October 2017, when working with the vendor to implement its complaint-handling system, the Board identified various concerns and/or gaps between the system and its processes and requested changes to the system. However, the Board did not specifically request a process to systematically capture and report on the completion of specific complaint-investigation steps and/or management reports that would help it obtain a comprehensive overview of staff's complaint-investigation progress and the status of open complaints.

to record the date and status of some complaint-investigation steps. However, these tracking sheets are not consistent and further, do not provide a systematic and comprehensive method for the Board to track complaint data. For example, 1 spreadsheet we reviewed noted the dates investigative questionnaires were sent and received, dates of complainant and respondent interviews, and subpoena sent and due dates while another spreadsheet we reviewed lacked interview information and included only the dates that subpoenas and investigative questionnaires were sent out but not the dates received.

- **Did not implement its supervisory oversight policies and procedures for monitoring investigators' workloads and progress**

  The Board's September 2024 policy requires supervisors to oversee investigative staff by monitoring investigator workloads and progress to ensure timely investigations, including developing and submitting a bimonthly report to the executive director or senior management that summarizes the investigative staff's performance, including case-completion rates and high-risk complaints exceeding the 180-day time frame. However, as of July 2025, the Board could not provide us with a copy of any bimonthly reports or other evidence demonstrating that these reports were submitted to the executive director or senior management, as required by its policy. Further, when we asked how the Board met the policy requirements, the Board reported it had been tracking some investigator information since 2022; however, the information the Board was tracking did not include all the information specified in its September 2024 policy. Additionally, see Sunset Factor 2, pages 36 and 37, for issues we identified with the Board not holding investigators accountable to complaint investigation performance metrics.

- **Lacks time frames for investigating medium- and low-priority complaints, despite prior recommendations to establish time frames**

  As discussed previously on pages 14 and 15, our 1988 performance audit included a recommendation to the Board to establish time frames for conducting investigations, and our 2011 performance audit included recommendations to track and monitor the timeliness of medium- and low-priority complaints to ensure those investigations progress. Although we found that the Board had previously implemented our recommendations, it has not sustained them. Specifically, according to the Board's policy, high-risk complaints shall be investigated and presented to the Board as soon as possible, but no later than 180 days from the date the complaint was received or reclassified as a high-risk complaint. However, the policy lacks time frames for investigating its medium- and low-risk complaints, which has likely contributed to its backlog of open and unresolved complaints. For example, as of January 31, 2025, 1,329 medium-risk and 17 low-risk complaints had been open and unresolved for an average of approximately 516 days, or 17 months, and 810 days, or 27 months, respectively. In July 2025, the Board reported that it planned to investigate and resolve all complaints, including medium- and low-priority complaints within 180 days; however, it has not established these time frames in the Board's policies, thereby increasing the risk that staff will not conduct or consistently conduct investigations within this reported time frame.

Prioritized licensing-related investigations by closing most of these investigations within 30 days, despite Board rules allowing 270 days

Investigators are responsible for investigating the high-, medium-, and low-priority complaints described on pages 16 through 18, as well as investigations it opens pertaining to background checks or other application concerns related to the licensing and certification process (hereinafter called licensing investigations).[11] Although the complaints described on pages 16 through 18 include allegations the Board received against a practicing licensee or certificate holder, Board data indicates that investigators have prioritized licensing-related investigations. Our review of Board complaint data from calendar years 2020 through 2024 found that investigators have prioritized licensing investigations by completing the majority of these investigations within 30 days, despite its rules providing 270 days to review and approve or deny licensing applications that require investigation (see Sunset Factor 2, page 29, for information on the Board's timeliness in approving/denying license applications).[12]

Specifically, as shown in Table 9, page 24, during the 5-year period between calendar years 2020 and 2024, the Board opened on average approximately 2,900 licensing investigations each year and closed an average of 77% within 30 days. However, because the Board completed most licensing investigations in 30 days, this could be an indication that investigative staff have been overallocated to investigating and resolving licensing investigations, thereby contributing to the complaint-investigation delays and the growing backlog of open and unresolved complaints filed against practicing licensees and certificate holders, as discussed on pages 16 through 18.

In August 2025, the Board reported it planned to pilot an investigation resource allocation project by assigning its investigators to specific investigation types. Specifically, the Board planned to dedicate 3 investigators to licensing investigations while the remaining estimated 26 investigators would be assigned to complaint and ATD program investigations in an effort to reduce complaint investigation time frames (see Introduction, page 7, for additional information about the ATD program).

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[11] As discussed on page 13, footnote 1, the complaints described on pages 16 through 18 include allegations the Board received against a licensee or certificate holder and do not include complaints the Board opened to investigate background checks or other application concerns related to the licensing and/or certification processes.

[12] AAC R4-19-102 outlines the time frame requirements for the Board to review and either approve or deny the various licenses it is responsible for issuing. The Board is required to review and approve or deny most licenses and certificates it issues within 150 days, or 270 days if the Board needs to conduct an investigation as part of its application review.

Table 9

Over a 5-year period spanning calendar years 2020 and 2024, investigators closed an average of 77% of licensing investigations in 30 days

Calendar year	Licensing investigations opened	Licensing investigations closed in 30 days	Percentage of licensing investigations closed in 30 days
2020	2,126	1,790	84%
2021	2,137	1,709	80%
2022	3,270	2,836	87%
2023	3,348	2,472	74%
2024	3,495	2,155	62%
5-year average	**2,875**	**2,192**	**77%**

Source: Auditor General staff review of Board complaint data for calendar years 2020 through 2024.

The Board has developed some potential strategies for addressing its untimeliness and reducing its backlog of open and unresolved complaints. However, absent comprehensive information to identify systemic delays in its complaint-handling processes, the Board is at risk that its strategies may not address the root causes of untimely complaint investigation and resolution.

For example, in March 2025, the Board identified:

- A 3-day time frame for triaging and assigning high-risk complaints to investigators. However, the Board lacked comprehensive information identifying how long it has taken to triage and assign high-risk complaints to investigators, and thus, it is unknown if this strategy would result in an improvement to its complaint-resolution timelines.

- Streamlining its complaint-investigation process to identify and remove bottlenecks or unnecessary steps in its complaint-handling process, including simplifying its subpoena processing steps. However, as discussed on pages 21 and 22, the Board lacked comprehensive information outlining how long it takes to complete its various complaint-investigations steps or identify the delays with the subpoena-processing steps.

Finally, during its 2021 performance audit and the associated 30-month followup, the Board reported it needed additional investigators to meet its complaint-investigation caseload goals. The Legislature approved appropriations for 8 additional FTEs in fiscal year 2025, and the Board reported that all 8 positions were filled as of April 2025, resulting in a total of 29 investigator FTE positions.[13] Additionally, as part of the potential strategies the Board identified in March 2025, the Board reported that it plans to continue assessing its investigator-to-case ratio to keep up with the volume of new complaints, which includes both the 2,038 open and unresolved complaints identified in Table 7 on page 18 and licensing investigations discussed on page 23 and shown in

[13] Laws 2024, Ch. 209, §70.

Table 9 on page 24. The Board also reported it plans to reduce turnover by improving investigator training and support. Further, the Board reported that although it has increased its investigative staffing levels to help expand investigation capacity, such as to address the backlog of open complaints, it would consider contracting for investigators or hiring temporary staff if it has available resources to do so, such as obtaining additional appropriations from the Legislature or using any available vacancy savings.

Recommendations to the Board

1. Investigate and resolve all complaints within 180 days.

2. Establish time frames for investigating and resolving all complaints the Board receives, including medium- and low-risk complaints.

3. Develop and implement policies and procedures for investigators to track and monitor complaint-investigation progress, including identifying time frames for completing investigation phases and key steps.

4. Request additional functionality and/or reports from the complaint-handling system vendor to help it collect and analyze data for assessing complaint-handling timeliness, including the time frames for and completion of its various complaint-investigation steps.

5. Until it can obtain the additional functionality outlined in recommendation 4, establish a consistent and comprehensive method, such as a spreadsheet template that captures the completion and status of investigation phases and key steps, and track and monitor the completion of investigation phases and key steps.

Revise and/or implement its September 2024 policy for supervisors to track and oversee investigation progress, including:

6. Assessing complaint timeliness by reviewing and submitting a bimonthly report to the executive director or senior management that summarizes investigative staffs' performance, including case-completion rates and complaints exceeding the 180-day time frame.

7. Requiring a regular analysis, at least monthly, of investigator caseloads, including steps in the investigation process where investigators are experiencing delays.

8. Developing targeted strategies to address investigation delays and the complaint backlog based on the analysis conducted in recommendation 7.

Continue to assess its allocation of investigation resources by investigation type to ensure timely completion of investigations, including:

9. Assessing the effectiveness of its pilot program for assigning investigators.

10. Assigning investigators to complaint investigations accordingly to help ensure they are investigated and resolved within 180 days.

11. Assigning investigators to licensing investigations accordingly to help ensure license applications that require an investigation are approved or denied within the 270-day time frame required by rule.

Continue identifying strategies for addressing its untimeliness and reducing its backlog by:

12. Reviewing a sample of untimely complaint investigations to identify what is causing investigation delays.

13. Developing and taking corrective actions to address the cause of investigation delays identified in the sample reviewed in recommendation 12, including documenting outcomes based on those actions.

14. Continue to assess investigator-to-case ratios to determine if additional investigators are needed to investigate and resolve complaints within 180 days and to reduce its growing backlog of open and unresolved complaints, including working with the Legislature as needed to hire and/or contract for additional investigators.

Board response: As outlined in its **response**, the Board agrees with the finding and will implement the recommendations.

Pursuant to A.R.S. §41-2954(D), the legislative committees of reference shall consider but not be limited to the following factors in determining the need for continuation or termination of the Board. The sunset factor analysis includes additional findings and recommendations not discussed earlier in the report.

Sunset factor 1: The key statutory objectives and purposes in establishing the Board.

The Board was established in 1921 to regulate the practice of nursing in Arizona.

The Board's key statutory responsibilities include:

- Issuing licenses and certificates to qualified individuals.
- Approving prelicensure nursing education programs, APRN programs, and nursing assistant training programs in the State and out-of-State programs in good standing in another state that plan to provide distance-based instruction and on-site clinical instruction in Arizona.
- Investigating complaints against licensees and certificate holders and administering disciplinary actions for those who have violated the Board's statutes or rules.
- Providing information to the public, including information on the disciplinary and nondisciplinary histories of licensees and certificate holders.

Sunset factor 2: The Board's effectiveness and efficiency in fulfilling its key statutory objectives and purposes.

The Board has developed processes and/or taken steps to fulfill several of its key statutory objectives and purposes.

Specifically, the Board:

- **Established processes for reviewing and approving nursing assistant training programs and prelicensure and APRN nursing education programs**

  The Board has established processes for reviewing and approving nursing education and nursing assistant training programs consistent with statutory and rule requirements.[1]

[1] A.R.S. §§32-1644 and 1606(B)(2) and AAC R4-19-201 through R4-19-217, R4-19-801, R4-19-802, and R4-19-804.

Specifically, the Board has processes in place for:

- **Reviewing and approving nursing assistant training programs**

  Our review of a random sample of 1 of 11 initial nursing assistant training program applications the Board approved in calendar year 2024 found that the Board approved the training program consistent with statute, rule, and its processes.[2] Specifically, Board staff reviewed the initial application to ensure it was complete and submitted within the required time frames prior to the nursing assistant training program's planned start date.

  For example, during its review, the Board found that some required information was missing, including the training program's course description, coordinator and instructor information, requirements for passing the course, and copies of contracts for the clinical site locations. As required by statute, the Board sent a deficiency notice to the applicant informing them of the incomplete application and a comprehensive list of the specific deficiencies. After receiving the outstanding information, Board staff conducted the required site visit and determined the applicant met applicable program requirements, such as providing a clean, comfortable, and distraction-free learning environment and equipment and supplies necessary to practice skills. Based on its review of the complete application and site visit, Board staff recommended, and the Board executive director approved the program in 24 days, well within the 120-day time frame allowed by rule.

- **Reviewing and approving prelicensure nursing education programs**

  The Board's prelicensure nursing education programs have 3 stages of approval: proposal approval, provisional approval, and full approval (see textbox, page 29, for additional information about these 3 stages of approval). Our review of the 1 program the Board fully approved in calendar year 2024 found that the Board approved the program consistent with its 3-stage approval process and applicable statutory and rule requirements.[3] Specifically, the Board's review of the proposal and provisional approval applications determined that the applicant had submitted information required by Board rules (see textbox, page 29, for examples of information the Board reviewed). The Board also confirmed that the applicant submitted a complete self-study and program outcome report 1 year after admitting the program's first nursing class, as required by AAC R4-19-207(G). Finally, our review of the Board's site visit reports found that the Board completed the required site visits during its provisional and full approval reviews, which included checking the program's compliance with Board rules, such as providing adequate physical and learning resources as well as maintaining accurate program records.[4]

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2 To assess the Board's process for approving nursing assistant training programs, we reviewed a random sample of 1 of 11 initial applications the Board approved in calendar year 2024.

3 To assess the Board's process for approving prelicensure and APRN nursing education programs, we obtained the Board's prelicensure program application data for calendar year 2024 and selected the only application with full approval that year. We then reviewed all 3 approval processes for this application, which ranged from January 2021, when the initial proposal approval application was received, to September 2024, when the Board granted the program full approval.

4 AAC R4-19-207(H) and R4-19-208(B) require site visits, and AAC R4-19-201 through R4-19-206 outline program requirements.

Prelicensure education programs undergo a 3-stage approval process

Proposal approval: At least 1 year before establishing a program, a parent institution must apply to the Board for proposal approval by submitting information required by Board rules, such as the anticipated student enrollment, curriculum-development documentation, and budgeted number of faculty positions.[1] Proposal approvals expire 1 year after issuance.

Provisional approval: At least 180 days before planned student enrollment, a parent institution with proposal approval may apply for provisional approval by submitting information required by Board rules, such as a self-study demonstrating the program meets all applicable rule requirements, plans for recruiting and hiring additional faculty, and descriptions of proposed physical facilities with dates of availability.[2] The Board is required to conduct site visits to determine whether the education program met statutory and rule requirements.[3] Upon determining all requirements have been met, the Board shall grant provisional approval, which expires after 2 years.[4]

Full approval: An institution with provisional approval may apply to the Board for full approval by submitting certain information, such as the program's date of graduation for its first class of nursing students and a self-study report demonstrating the program meets all applicable Board rules.[5] Thereafter, the Board is required to conduct an onsite evaluation and, if all applicable statutory and rule requirements are met and if approval is in the public's best interest, grant approval for either a maximum of 5 years or for the program's remaining accreditation period if the program is nationally accredited.

1 AAC R4-19-207(A).

2 AAC R4-19-207(D). The education program's self-study shall demonstrate compliance with AAC R4-19-201 through R4-19-206, examples of which include providing adequate fiscal and physical learning resources; sufficient human resources to recruit, employ, and retain a sufficient number of qualified faculty; ensuring the nursing administrator meets licensing and education requirements; providing progressive classroom and clinical instruction that meet licensing requirements, and maintaining at least an 80% passing rate for students taking the NCLEX PN or RN examination for the first time.

3 A.R.S. §32-1644(B) and R4-19-207.

4 Per AAC R4-19-207(G), 1 year after admitting its first nursing class, the program is required to report to the Board its status in implementing the education program, including any differences from the plan submitted for proposal and provisional approval and explanations for those differences.

5 AAC R4-19-208. Similar to its self-study for provisional approval, the education program's self-study to obtain full approval shall demonstrate compliance with AAC R4-19-201 through R4-19-206 (see footnote 2 for examples of these requirements).

Source: Auditor General staff review of AAC R4-19-201 through R4-19-208.

Timely issued initial and renewal licenses and certificates for applications it received in fiscal years 2023 and 2024

Our review of Board licensing data for fiscal years 2023 and 2024 found that the Board processed 99.95% of the approximately 110,400 licensing applications it received during those 2 fiscal years within the time frames required by rule.[5,6]

5 AAC R4-19-102 outlines the time frame requirements for the Board to review and either approve or deny the various licenses it is responsible for issuing or renewing. The Board is required to review and approve or deny most initial licenses and certificates it issues within 150 days and renew licenses and certificates within 120 or 150 days depending on the license/certification type, or 270 days if the Board needs to conduct an investigation as part of its application review. Our licensing timeliness analysis was based on these time frames.

6 Of the 0.05%, or 54, of applications that were untimely processed, most were applications that needed to be investigated, and the Board exceeded the extended time frame established in rule.

- **Denied or closed license and certification applications we reviewed after determining the applicant did not meet licensing or certification requirements, consistent with statute and rule**

  Our review of a stratified random sample of 10 of 1,615 license and certification applications the Board received in fiscal years 2023 and 2024 found that all 10—7 denied and 3 closed—were denied or closed consistent with statutory and rule requirements. For example, for 1 denied LPN license application we reviewed, the Board denied the application after the applicant falsely reported on their application that they had not been charged with a criminal offense when they had, which is considered unprofessional conduct for which the Board may deny a license or certificate application.[7] Additionally, for the closed applications, the Board closed all 3 applications we reviewed after determining that the applicant had submitted the incorrect application or had not yet taken the required examination and did not submit missing information, such as required credentials, within the associated time frame specified in rule.[8]

- **Renewed licenses and certificates we reviewed to qualified applicants**

  Our review of stratified random sample of 10 of 72,980 license and certificate renewal applications the Board received in fiscal years 2023 and 2024 found that the Board renewed all 10 licenses and certificates to applicants who met applicable statutory and rule requirements for renewal.[9]

  Specifically:

  - RN and LPN renewal applicants must attest on their signed application to having practiced nursing for a minimum of 960 practice hours or completed a post-licensure nursing program within the 5 years prior to renewal, LNAs must attest on their application to completing 160 practice hours every 2 years since the date their last license or certificate was issued, and CNA applicants must attest to completing at least 8 practice hours within the past 24 consecutive months.[10] All 10 renewal applicants we reviewed attested on their application to meeting the practice hour requirement (see pages 32 and 33 for additional information about procedures the Board developed for assessing the reasonableness of practice hour attestations).

  - RN, LPN, and LNA renewal applicants must disclose investigations and/or disciplinary action taken against the applicant's license and to also provide information about criminal activity since initial issuance or last renewal of the license.[11] All 10 renewal applicants we reviewed met this requirement, reporting that they had nothing to disclose.

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7 Pursuant to A.R.S. §32-1601(27)(a), unprofessional conduct includes committing fraud or deceit in obtaining, attempting to obtain, or renewing a license or certificate, and A.R.S. §32-1663(A) permits the Board to deny applications from applicants who commit an act of unprofessional conduct.

8 Pursuant to AAC R4-19-102(D)(1), if an applicant fails to provide missing information within a specified time frame—between 60 and 270 days depending on the license/certification type—the Board is required to close the applicant's file.

9 Our review of 10 of 72,980 license and certificate renewal applications included 5 of 44,329 RN and LPN license renewal applications, 3 of 20,421 LNA and CNA certificate renewal applications, and 2 of 8,230 APRN license renewal applications.

10 AAC R4-19-305, R4-19-312, R4-19-809, and R4-19-810.

11 A.R.S. §32-1642(B) and AAC R4-19-305 and R4-19-809.

- Pursuant to A.R.S. §32-3248.02, health professionals who are authorized to prescribe controlled substances and have a valid U.S. Drug Enforcement Administration registration number must complete a minimum of 3 hours of opioid-related, substance-use disorder-related, or addiction-related continuing education each license renewal cycle. Our sample of 10 renewal applications included 2 APRNs with prescribing authority, and both met this continuing education requirement.

Additionally, we found that although the Board met its objectives and purposes in the following areas, it could improve some of its processes.

Specifically, the Board:

Issued initial licenses and certificates to qualified applicants for most applications we reviewed, except for 2 in which the Board could not demonstrate the applicants provided sufficient lawful presence documents prior to issuing the license/certificate

As shown in Table 10, page 32, our review of a stratified random sample of 23 of 35,404 initial license and certificate applications the Board received in fiscal years 2023 and 2024 found that the Board ensured all 23 applicants met education, examination, practice hour, and fingerprint background check requirements before issuing the license/certificate.[12] Additionally, although the Board ensured that 21 of 23 applicants provided sufficient lawful presence documentation prior to approving the licenses and certificates, 2 applicants provided expired driver licenses, which are not sufficient to demonstrate lawful presence; however, Board staff approved these 2 applications.[13] In February 2025, after we brought this issue to the Board's attention, Board staff obtained valid lawful presence documents from both applicants. Further, the Board developed training materials that instruct its staff to verify that documents submitted for lawful presence are not expired and to request an unexpired document if the applicant submitted an expired one. According to the Board, it provided this training to its staff in March 2025.

12 Our review of 23 of 35,404 license and certificate applications included 12 of 19,906 RN and LPN license applications, 6 of 10,351 CNA and LNA certificate applications, 3 of 4,975 APRN license applications, and 2 of 172 prescribing authority APRN applications.

13 A.R.S. §41-1080 requires State licensing entities, including the Board, to obtain documentation from applicants to verify lawful presence in the U.S., such as a birth certificate, a driver's license issued by a state that verifies lawful presence, an Arizona driver's license issued after 1996, a U.S. passport, or a foreign passport with a U.S. visa.

Table 10

Board verified applicants met key licensure and certification requirements for 21 of 23 applications we reviewed

License or certificate type	Licensing/certification requirements				
	Education	Examination	Practice requirement	Lawful presence	Fingerprint criminal history check
LPN/RN (12 reviewed)	All verified	All verified	All verified	All verified	All verified
APRN (3 reviewed)	All verified	All verified	All verified	All verified	All verified
CNA/LNA (6 reviewed)	All verified	All verified	All verified	**1 of 6 not verified**[1]	All verified
APRN with prescribing & dispensing privileges (2 reviewed)	All verified	All verified	All verified	**1 of 2 not verified**[1]	All verified

[1] In February 2025, after we brought these 2 deficiencies to the Board's attention, Board staff obtained valid U.S. driver licenses for both applicants missing lawful presence documentation.

Source: Auditor General staff review of 23 licensing or certification applications the Board received in fiscal years 2023 and 2024.

Developed procedures for assessing the reasonableness of applicants' practice-hour attestations when approving licensing applications, but has not documented this procedure in its written guidance

As previously discussed, RN and LPN renewal applicants must attest on their application to practicing nursing for a minimum of 960 hours or completing a post-licensure program in the 5 years before applying for an initial or renewal license. Additionally, the Board requires renewal applicants to report their employment history, including dates of employment and hours worked per week.

To help provide further assurance that RN and LPN renewal applicants have met the practice-hour requirement, the Board had developed an unwritten process for assessing the reasonableness of applicant practice-hour attestations. During our review of initial and renewal licensing applications the Board approved in fiscal years 2023 and 2024, we observed the Board's licensing staff using the applicant's employment history and hours worked per week to calculate estimated hours practiced in the previous 5 years and comparing that to the 960-practice-hour requirement, including requesting additional

information from the applicant when the estimated hours staff calculated were less than the required 960 practice-hours. Although we observed Board staff following this practice for helping to ensure renewal applicants have met the practice-hour requirement, it is not included in the Board's written guidance documentation, thereby increasing the risk that staff may not perform or consistently perform these steps, especially when the Board experiences staffing turnover.

- **Developed policy and procedures to periodically review its fees and plans to review its fees in July 2026**

  Our 2021 performance audit found that the Board had performed an analysis of its regulatory process costs compared to associated fees; however, its policies did not reflect this practice. In response to our 2021 performance audit, in July 2021, the Board developed policies and procedures requiring the Board to review the appropriateness of its fees every 5 years by analyzing the costs of its regulatory process, comparing these costs to the associated fees, determining the appropriate licensing fees, and then revising its fees as needed. The Board last reviewed its fees in January 2021 and is scheduled to conduct its next periodic review in calendar year 2026.

Finally, we also identified deficiencies in Board processes we reviewed.

Specifically, the Board:

- **Did not use purchasing card, employee travel card, and central travel accounts consistent with State and/or Board requirements**

  Our review of a stratified judgmental sample of 13 fiscal year 2024 Board purchasing card, employee travel card, and central travel account transactions totaling $10,346 found that 12 transactions—5 purchasing card, 2 employee travel card, and 5 central travel account—did not fully comply with the *State of Arizona Accounting Manual* (SAAM) and/or internal Board policy requirements.[14]

  Specifically:

  - **All 5 purchasing card transactions totaling $8,500 that we reviewed lacked required reviews**

    According to the Board's policy, monthly purchasing card transactions should be reviewed by the fiscal officer. Further, per SAAM Topic 45, Section 36, Policy 5.1.6.6, the agency's policy must address the supervisor's review and written certification of the monthly purchasing card statements, including the validity and appropriateness of all charges. However, our review of 5 purchasing card transactions, totaling approximately $8,500, found that while all 5 had been approved by the executive director, who is also the cardholder, they lacked documentation that the fiscal officer had reviewed or

[14] We reviewed a stratified judgmental sample of 13 of 89 Board fiscal year 2024 purchasing card, employee travel card, and central travel account transactions, where the sample selected comprised 5 purchasing card, 3 employee travel card, and 5 central travel account transactions totaling $10,346 and the population totaled $25,777. These transactions were judgmentally selected based on their risk of noncompliance with State and Board requirements and high risk of waste and abuse, such as transactions needing prior approval and unusual transaction amounts. For example, when reviewing the data, we found a transaction that was significantly higher in 1 month compared to amounts charged in other months.

certified the validity and appropriateness of these transactions. For example, our review of 1 of these 5 transactions totaling $1,343 for a monthly subscription for an email-delivery service used by the Board found that the transaction amount was much higher than amounts charged by this vendor in other months, which was $225 on average.[15] According to the Board, a staff error resulted in an increased volume of emails that exceeded its usual monthly billing plan and resulted in the Board spending $1,118 more than planned. Conducting the required review and written certification helps to timely identify discrepancies and correct errors.

- **7 travel-related transactions totaling $1,700 that we reviewed lacked required written approvals prior to Board staff traveling, and 1 of those central travel account transactions exceeded amounts allowed by State policy**

  Per SAAM Topic 50, Section 9, Policy 2.3, the agency head or designee should preapprove in writing out-of-State travel. However, our review of 8 travel-related transactions found that 7 transactions—5 central travel account and 2 employee travel card transactions—totaling approximately $1,700 lacked the required written approvals. Specifically, the Board lacked the required approval form for 2 transactions, and although 5 transactions had after-the-fact approval forms, they were signed in April 2025, after we asked for them, which was over 1 year after the travel occurred. Despite SAAM Topic 50, Section 51, Policy 14, requiring agencies like the Board to develop, maintain, and enforce Board-specific written policies and procedures for using and maintaining employee travel cards, the Board did not have Board-specific policies for the use of its employee travel cards, which likely contributed to these issues.

  Additionally, our review of 1 of the 5 central travel account transactions for lodging found that the amount exceeded State policy-allowed lodging amounts by $48. Specifically, according to SAAM Topic 50, Section 30, Policy 5, payment for lodging may not exceed maximum applicable lodging rates in the travel reimbursement tables outlined in SAAM. The allowable amount for this transaction at the time of travel was $131 per night, plus tax. However, the Board paid $179 per night, plus tax, which was an overpayment of approximately $48.

- **Did not ensure all remote and hybrid workers had completed required agreements and training**

  As discussed in the Introduction, page 9, as of April 2025, 60 of the Board's 74 staff members worked remote or hybrid schedules. State policy requires employees who work a remote or hybrid schedule to complete computer-based remote work training and sign a remote work agreement.[16] Additionally, staff working remotely out-of-State are required to complete and obtain all necessary approvals on the *Request to Work Outside Arizona* State form prior to beginning out-of-State work.[17]

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[15] The $225 average was determined by reviewing 5 different monthly invoices from the vendor.

[16] Arizona State Personnel System policy ASPS/HRD-PA5.01.

[17] SAAM, Topic 55, Section 34.

However, we found that:

- Although all 60 staff members with remote or hybrid schedules had completed an annual remote work agreement, 35 of the agreements were signed and dated after we requested the agreements on April 15, 2025.[18] According to the Board, it determined that while most staff had a prior remote work agreement, the Board did not consistently renew the agreements on an annual basis. However, it did not identify how many of these agreements were signed for the first time or how long the employees may have worked remotely without an agreement. Further, according to Arizona Department of Administration training records, only 30 of the 60 Board staff with remote or hybrid schedules had taken the required computer-based remote work training as of April 17, 2025.[19] According to the Board, it lacks formalized processes to monitor and document the completion of staff's annual agreements and remote work training classes. To correct the issues we identified, the Board plans to incorporate verification of remote work agreement renewals and completion of remote training classes as part of its annual staff performance review process beginning in July 2025.

- Although 4 staff members worked remotely out-of-State as of April 2025 and were required per the SAAM to complete and obtain necessary approvals on State form GAO-75, *Request to Work Outside Arizona,* prior to work being performed remotely, the Board provided a completed form for 3 of the 4 staff members.[20] The Board reported that the staff member who was missing the completed form was working intermittently out-of-State and had not yet established a consistent or permanent out-of-State work arrangement, so it did not initiate the GAO-75 form; however, this is not consistent with SAAM requirements.[21] To help ensure future compliance with SAAM requirements related to out-of-State work, the Board reported that in addition to notifying all staff that any remote work performed from an out-of-State location—regardless of duration—requires advance submission and approval of the GAO-75 form, the Board plans to appoint a new human resource officer in August 2025 who will conduct compliance reviews of all remote work arrangements to confirm that all required documentation has been properly completed and submitted.

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18 The remote work agreement requires the staff member to list the location, phone number(s), and specific days they will work remotely, and whether the schedule is fixed or variable. In addition, the staff member must acknowledge that they will comply with various requirements, such as having completed all assigned cybersecurity and agency-specific security training; have been provided with the necessary equipment to complete their job remotely; and will keep the equipment in good working order.

19 According to the Board's 2015 telecommuting and flex scheduling policy, Board staff could meet the remote work training requirement by viewing a video on telecommuting, completing a training workbook, and providing their completed responses to their supervisor or associate director. However, the Board was unable to provide documentation showing that any of the 30 staff met the remote work training requirement in this manner. In April 2025, the Board revised its policy and removed this option.

20 Per SAAM, Topic 55, Section 34, attention must be given to the location where an out-of-State staff member is performing work. Various federal, State, and local laws apply to employment as it pertains to taxes, leave accrual benefits, workers' compensation, unemployment, etc., and noncompliance with some of these laws could result in criminal charges and/or financial penalties. Most of these laws are specific to where the staff member performs the work, not where they live, and can become effective as soon as the first day is worked in that location or after a defined period of time. As a result, the State is responsible for ensuring that it knows where all of its staff members are performing their work on a daily basis and that they are complying with the applicable employment and payroll laws in the locations where work is performed.

21 Per SAAM, Topic 55, Section 34, employees performing work outside of the State of Arizona must complete and obtain all necessary approvals on a Form GAO-75, *Request to Work Outside of Arizona*. This approval must be obtained in writing from the agency director or deputy director prior to the work being performed.

Has not established oversight and accountability mechanisms for all Board staff, inconsistent with recommended practices and State requirements

Board statute assigns the executive director the authority to perform the Board's administrative duties and to employ staff necessary to carry out Board functions.[22] According to the U.S. Government Accountability Office internal control principles, although an entity's management should assign responsibility and delegate authority to achieve the entity's objectives, management retains responsibility for implementing internal controls, including establishing accountability mechanisms to ensure delegated responsibilities are performed as intended.[23] This includes monitoring that assigned duties are carried out in accordance with established requirements and within expected time frames. Additionally, the National State Auditors Association recommends that regulatory boards implement a systematic process to monitor staff performance, ensure compliance with policies and procedures, assess operational effectiveness, and adopt necessary improvements.[24] Further, State policy requires supervisors to establish productivity and quality standards and implement accountability measures for employees who work a remote or hybrid schedule.[25]

Although the Board established oversight and accountability mechanisms for its licensing staff, it has not done so for Board staff who are responsible for other key Board responsibilities. Specifically, the Board established performance metrics and task tracking to help ensure that Board licensing staff, including those working remote and hybrid schedules, remain productive and adhere to quality standards. For example, the Board tracks the average number of days to process various types of license applications, which is summarized in its Applications Timeframe Report. According to the report, the number of days for staff to process initial and renewal applications significantly decreased between 2022 and 2024, including a 74% decrease in the number of days to process RN/LPN endorsement applications. However, the Board did not provide productivity metrics for staff responsible for other key Board responsibilities, including nurse education program and training approvals and Alternative to Discipline Program participant monitoring.

Additionally, although the Board established performance metrics for complaint investigators, it could not demonstrate it had accountability measures in place for overseeing investigators. Specifically, the Board established productivity goals for investigators, which it revised in June 2025 to consider the investigators' role and tenure. For example, experienced investigators are expected to complete 96 investigations annually, whereas entry-level nurse investigator consultants are expected to complete 60 investigations annually. Further, the Board tracks the number of investigations closed or presented to the Board during the calendar year with the average time to complete the investigations by each investigator. However, despite having established productivity

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22 A.R.S. §32-1605.01.

23 U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government* (GAO-14-704G). Retrieved 7/31/2025, from https://www.gao.gov/assets/gao-14-704g.pdf

24 National State Auditors Association. (2004). *Carrying out a state regulatory program: A best practices document.* Retrieved 7/31/2025, from https://www.nasact.org/files/News_and_Publications/White_Papers_Reports/NSAA%20Best%20Practices%20Documents/2004_Carrying_Out_a_State_Regulatory_Program.pdf

25 Arizona State Personnel System policy ASPS/HRD-PA5.01.

goals and tracking some information, it could not demonstrate how Board supervisors held the investigators accountable to these metrics, as required by the State policy and inconsistent with recommended practices.

Recommendations to the Board

15. Issue licenses and certificates only to applicants who provide valid, unexpired, lawful presence documents.

16. Train upon hire, and as needed thereafter, all staff who are responsible for reviewing lawful presence documentation when approving license and certificate applications.

Develop and implement written procedures and/or guidance outlining its process for assessing the reasonableness of license applicants' practice requirement attestations, including guidance for:

17. Calculating an applicant's estimated practice hours using their employment history and hours worked per week.

18. Comparing the estimate to the 960-practice-hour requirement.

19. Requesting additional information from the applicant when the estimated practice hours are less than the required practice hours.

20. Continue to implement its policies and procedures for reviewing the appropriateness of its fees every 5 years, including conducting its review planned for July 2026.

Implement all SAAM requirements for purchasing card, employee travel card, and central travel account transactions, including:

21. Ensuring all purchasing card transactions include written certifications of the supervisor's review of monthly purchasing card statements.

22. Reviewing and, if appropriate, approving in writing on the required form all out-of-State travel prior to staff members traveling.

23. Developing and implementing Board-specific policies for the use of employee travel cards.

24. Approving only those lodging transactions that meet State policy requirements outlined in SAAM, Topic 50, Section 30.

25. Verify that staff who request to work remote and hybrid schedules have completed a remote work agreement and the required training prior to approving them to work remote and hybrid schedules.

26. Verify that remote staff have completed annual renewals of remote work agreements as part of its annual performance review process beginning in July 2025 for those staff working remote and hybrid schedules.

27. Conduct compliance reviews of all remote work arrangements to confirm that all required remote work documentation has been properly completed and submitted.

28. Develop productivity and quality standards and implement accountability measures for all Board staff, including those working remote and hybrid schedules, who perform key Board responsibilities such as complaint investigations, nurse education program and training approvals, and Alternative to Discipline program participant monitoring.

Board response: As outlined in its **response**, the Board agrees with the finding and will implement the recommendations.

Sunset factor 3: The extent to which the Board's key statutory objectives and purposes duplicate the objectives and purposes of other governmental agencies or private enterprises.

Our review did not identify any other governmental entities or private enterprises that duplicate the Board's key statutory objectives and purposes, although some entities may provide similar services.

For example:

- The Arizona Board of Regents is responsible for establishing curricula and designating courses offered at the 3 State universities that in its judgment will best serve the interests of this State, which may include curriculum and courses that are a part of prelicensure nursing education programs. However, the prelicensure nursing education programs offered at the 3 State universities still require Board approval.

- The Arizona State Board for Private Postsecondary Education is responsible for licensing private degree-granting and vocational institutions to operate, including those institutions offering nursing programs.[26] However, the institutions planning to offer nursing education programs must have their education program approved by the Board (see Sunset Factor 2, pages 28 and 29, for additional information about the Board's education program approval process).[27]

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[26] AAC R4-39-102(A),(B).

[27] As discussed on pages 28 and 29, the Board's rules outline various requirements for prelicensure nursing education programs and nursing assistant training programs. According to AAC R4-19-201(A)(2), prelicensure nursing education programs need approval from the Arizona State Board for Private Postsecondary Education for applicable programs. Additionally, per AAC R4-19-802, a nursing assistant training program may be offered by an education institution licensed by the Arizona State Board for Private Postsecondary Education.

Sunset factor 4: The extent to which rules adopted by the Board are consistent with the legislative mandate.

Our review of the Board's statutes and rules found that it has adopted rules when statutorily required to do so, with 1 exception. Specifically, A.R.S. §32-1650.01 requires the Board to adopt rules establishing medication training assistant program requirements, including application requirements and an application fee. Although the Board has adopted rules for the medication assistant training program, the rules do not outline an application fee. According to the Board, it did not adopt rules outlining a fee for this program because it does not charge fees for any other training program applications it offers and reported that doing so for the medical assistant training program would be inconsistent and create a disparity with its other training program requirements. The Board reported that it planned to begin working with the Legislature later in calendar year 2025 in preparation for the 2026 legislative session to eliminate the requirement to establish a training assistant program applications fee in rule.

Recommendation to the Board

29. Work with the Legislature to revise A.R.S. §32-1650.01 to remove the requirement to adopt rules prescribing fees for medication assistant training program applications or adopt the rules required by statute.

Board response: As outlined in its **response**, the Board agrees with the finding and will implement the recommendation.

Sunset factor 5: The extent to which the Board has provided appropriate public access to records, meetings, and rulemakings, including soliciting public input in making rules and decisions.

The Board provided public access to rulemakings as required by statute, including soliciting public input when making rules, but could improve some of its processes for public meetings, responding to public records requests, and providing information on licensees' disciplinary histories to the public.

Specifically, the Board:

- **Involved the public in adopting rules**

  The Board provided public access to its rulemaking by informing the public and providing public input opportunities as part of the rulemaking it finalized in December 2024. Specifically, the Board published notices of proposed rulemakings in the Arizona Administrative Register and provided opportunities for public input by listing in the notices the name of Board staff to contact to provide input about the proposed rulemaking, allowing the public to submit written comments on proposed rule changes for at least 30

days after it published the Notice of Proposed Rulemaking, and holding meetings where the public could provide input. The Board also advertised the date, time, and address of the oral proceeding for the most recent rulemaking on its website.[28]

- **Complied with open meeting law requirements we reviewed and implemented a new process to improve transparency of its Board meetings**

We found that the Board complied with open meeting law requirements we reviewed.[29] For example, A.R.S. §38-431.02(A)(1)(a) requires State boards to post a statement on their website stating where all public notices of their meetings will be posted, including the physical and electronic locations, and as of November 21, 2022, we found that the Board had posted such statement. Additionally, our review of a sample of 4 of 8 public Board, committee, and workgroup meetings held between November 2024 and February 2025 found that the Board and its committees complied with the open meeting law requirements we reviewed.[30] For example, for all 4 meetings, the Board posted a meeting notice and agenda on its website and in its lobby at least 24 hours before the meetings, and its notice and agenda included statutorily required information, such as date, time, and location of the meeting, and specific matters to be discussed and considered during the meeting. Additionally, the Board recorded the meetings and made the recordings available on its website within 5 business days, as required by A.R.S. §32-3222.

In May 2025, the Board also implemented a new process to improve the transparency of its recordings to include information about absent Board members and vacancies in response to issues we identified during the audit. Specifically, A.R.S. §38-431.01(C)(2) requires meeting minutes or recordings to include the members of the public body who were present or absent. Our review of the November 2024 and January 2025 Board meeting recordings found that although the Board identified members present when establishing voting order, it did not identify absent members or Board member vacancies. As such, a member of the public would have to wait until the written meeting minutes are posted to determine which Board members were absent from the meeting. After we brought this to the Board's attention, it implemented a new process to help the public distinguish between absences and vacancies. Specifically, in its May 2025 meeting, the Board took a roll call of its present members and then announced absences and vacancies.

- **Established some practices to help it comply with public records law and recommended practices, but has not revised its written policies and procedures to reflect these practices and could not demonstrate it met public records law requirements for at least 2 public records requests the Board reported it received in fiscal year 2024**

Our review of the Board's compliance with the State's public records law found that it generally complied with statutory requirements and implemented some recommended

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[28] The Board did not receive any public comments on the rulemaking it finalized in December 2024.

[29] A.R.S. §38-431.02(C),(G),(H).

[30] Between November 2024 and February 2025, the Board and its committees and workgroups had a total of 8 meetings—2 Board meetings, 2 Scope of Practice Committee meetings, 3 Scope of Practice workgroup meetings, and 1 Education Committee meeting. We attended all Board and Education Committee meetings held during this time frame and the February 2025 Scope of Practice committee meeting.

practices for some requests we reviewed and has taken steps to address inconsistent tracking of public records requests, but it has not outlined some of its public records request processes in its written policies and procedures. For example, in fiscal year 2024, the Board did not have a uniform system for tracking public records requests and instead was using different methods for receiving and responding to public records requests, including emails and Google folders. In response to our audit, the Board compiled a list of requests it received in fiscal year 2024, and our review identified 8 requests that may not have been fulfilled because they lacked a fulfillment explanation. Our review of a judgmental sample of the oldest 3 of these 8 requests found that the Board had not fulfilled 2 of 3 requests, which had been received and unfulfilled for 13 and 15 months, respectively, at the time of our review in November 2024.[31] In September 2024, the Board developed a log to track the receipt and fulfillment of public records requests; however, the Board failed to update its written policies and procedures to require the use of this log. By not updating its policies and procedures, the Board increases the risk of inconsistent handling of public records requests and potential statutory noncompliance with public records laws, including continued issues with not fulfilling public records requests.[32,33]

Our review of a sample of 8 of 49 public record requests the Board received between September 12, 2024 and November 5, 2024, after it developed the log, found that the Board followed public records laws and Board polices for all 8 requests we reviewed.[34] For example, we found that 2 requests included requests for documents that included confidential information, and the Board appropriately redacted confidential information prior to providing documents to the requestor, consistent with its policy and recommended practices for both requests. Further, we found that the Board's process for handling public records requests included practices that were consistent with other statutory requirements and recommended practices. However, we found that the Board's practices were not outlined in its written policies and procedures, as follows:

- Consistent with A.R.S. §39-171(B), the Board sent a receipt to requestors acknowledging public records requests, which we assessed by sending a request to the email posted on its website. However, this practice is not reflected in its written policies and procedures.

- Consistent with recommended practices, the Board has established an informal process for notifying requestors that it will fulfill standard requests within 7 to 10 business days. Our review of the 8 public records requests found that 6 were standard requests and the Board met these time frames for all 6 requests; however, this time

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31 In January 2025, the Board reached out to the 2 requestors asking if they still needed the requested documentation; however, the Board reported it had not received a response to its January 2025 emails, and it formally closed the requests on July 16, 2025, in response to our audit.

32 A.R.S. §§39-101 through 39-171.

33 The tracking log the Board established in September 2024 includes fields for recording and tracking the request receipt date, subject, requestor's name, requests sent from the Board to the requestor to obtain additional information to facilitate fulfillment of the request, status, and the date the Board fulfilled the request.

34 We sampled 8 from a total population of 49 public records requests the Board received between September 12, 2024 and November 7, 2024. Our sample included a judgmental selection of the 3 oldest of 7 total open requests, and a stratified random sample of 2 of 13 closed requests in which the Board indicated it could not provide requested records due to the Board's retention policies and 3 of the remaining 29 closed requests.

frame is not included in its written policies.

- Our review of the 8 public records requests found that 2 were complex requests that included requests for numerous documents spanning several years and documents and/or information that was not readily available to Board staff. We found that the Board took various actions to respond to those requests, including notifying the requestor that due to the nature of the request, it would provide records as they became available and periodically checking in with the requestor to provide updates on the time frame for fulfilling the request, which is consistent with recommended practices. However, these practices are not included in the Board's written policies and procedures.

Requiring the use of its public records requests tracking log and including its other processes in its written policies could help the Board's continued compliance with statutory requirements and alignment with recommended practices, especially if it experiences turnover among staff responsible for handling public records requests.

Provided some licensee and certificate holder disciplinary information on its website inconsistent with statutory requirements and did not provide statutorily required information in response to anonymous phone calls we made, despite prior recommendations to do so

Statute requires the Board to publish certain information pertaining to licensee/certificate holder disciplinary histories on its website for no longer than 5 years and prohibits the Board from posting complaint dismissals, letters of concern, and advisory letters on its website, but indicates these items are available to the public upon request.[35]

Our review of a stratified random sample of 15 of 768 complaints the Board closed between March 2023 and January 2025—10 that that resulted in a dismissal or letter of concern and 5 that resulted in disciplinary actions—found:

- None of the 10 complaints that resulted in dismissals or letters of concern were posted on the website, consistent with statute.

- All 5 complaints with disciplinary actions were available on the Board's website, consistent with statute. Specifically, the Board's website includes a link to the Nursys website, where copies of Board orders are available for public inspection.

However, our review of the Board's website in February 2025 found disciplinary actions posted from January 2019 through September 2024, some of which were approximately 6 years old, inconsistent with the statutory requirement to post this information for no longer than 5 years.[36] We identified that the Board's public records policy did not include this statutory requirement, which may have contributed to this issue. When we brought this to the Board's attention in March 2025, it updated its website by removing disciplinary actions older than 5 years, but it did not revise its public records policy to include this requirement.

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[35] A.R.S. §32-3214.

[36] A.R.S. §32-3214.

Further, the Board did not provide information as required by statute and Board policy in response to 3 anonymous phone calls we made in February 2025 requesting licensee information, despite our prior recommendations to do so.[37,38]

Specifically:

- When we asked if a nurse with a revoked license had ever been in trouble with the Board, the Board staff member stated that all they could disclose was the nurse's license status. A.R.S. §32-3214 and the Board's policy state that staff shall provide callers with information about publicly available licensee disciplinary actions, including revocations, which the Board staff member failed to do.

- Board staff did not provide publicly available information about a Letter of Concern issued to a licensee we asked about, and instead directed us to the Board's website for license status verification, which is inconsistent with the Board's policy stating that information regarding Letters of Concern can be provided over the phone.[39] Further, A.R.S. §32-3214 prohibits Letters of Concern from being posted on the website; therefore, the Board staff member should not have directed us to obtain the letters from the Board's website but instead, should have provided them as requested.

- When we asked about the license status and disciplinary history for a nurse with an open investigation and who had a previous Summary Letter of Concern, Board staff directed us to the Board's website. However, this action was inconsistent with A.R.S. §32-3214 and the Board's policy, which state that Board staff shall release available information related to publicly available application and licensing information over the phone, including license status. Further, because Letters of Concern should not be available on the Board's website, the Board staff member should have provided information about the licensee's Letter of Concern over the phone, as required by its policy and A.R.S. §32-3214(B).

Although the Board had developed public information policies and procedures in response to our prior audit, Board staff did not follow these policies when answering our anonymous phone calls. According to the Board, as of April 2025, the staff member who was responsible for answering the phone calls is no longer working at the Board. We called again in May of 2025, and when we asked about a licensee whose license had been revoked, the Board staff member provided us with all license information as required and allowed by statute, including the license status.

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[37] A.R.S. §32-3214 requires the Board to provide public records related to any licensee or certificate holder, including dismissed complaints and nondisciplinary actions, when contacted directly by a member of the public, such as contacting the Board by phone.

[38] See Arizona Auditor General report 21-111 *Arizona State Board of Nursing—Performance Audit and Sunset Review* for our previous finding and recommendation related to this issue.

[39] The Board's policy is consistent with A.R.S. §32-3214(B), which states that copies of Letters of Concern and advisory letters are available to the public and shall be provided upon request.

Recommendations to the Board

30. Continue to implement its process for taking roll call at its Board meetings, including identifying Board members present, absent, and vacancies.

Revise and implement its public records and information policies and procedures to help it comply with the State's public records law and recommended practices, including requirements for:

31. Sending a receipt acknowledging public records requests.

32. Responding to standard requests within 7-10 business days, including notifying requestors of delays if requests are not fulfilled within this time frame.

33. Notifying requestors with complex requests, such as requests for numerous documents and/or information that is not readily available, that the request will not be fulfilled within the standard request time frame and providing an estimated time for fulfilling the request.

34. Tracking and monitoring the receipt and fulfillment of public records requests, including logging the request receipt date, subject, requestor's name, requests from the Board to obtain additional information from the requestor to facilitate fulfillment of the requests, status, and the date the request was fulfilled.

35. Perform a risk-based review of the list of fiscal year 2024 public record requests compiled during the audit to determine if the Board failed to respond to any public record requests and fulfill them, including all 8 we identified at risk of not being fulfilled.

36. Revise its public records policy to include the statutory requirement to post disciplinary actions on its website for no more than 5 years.

37. Continue to implement its public information policies and procedures, including ensuring that staff responsible for answering the phones have been trained on the use of the policies and procedures.

Board response: As outlined in its **response**, the Board agrees with the finding and will implement the recommendations.

Sunset factor 6: The extent to which the Board timely investigated and resolved complaints that are within its jurisdiction.

As discussed in the Introduction, page 6, statute authorizes the Board to investigate and resolve complaints alleging violations of statute or rule by licensees and certificate holders.[40] The Board's complaint handling involves various steps ranging from triaging the complaints—to determine if the Board has jurisdiction, the complaint meets the requirements for a complaint investigation, and assigning an investigation priority level—to presenting the investigative findings to the Board so that it may decide whether disciplinary action is appropriate, and if so, what action should be taken. See textbox for key steps in the Board's complaint-handling process.

Key steps in Board complaint handling

Triage complaints to determine if they are within the Board's jurisdiction and meet criteria for investigation, assess complaint's initial risk-level, and assign the complaint to an investigator.

Notify licensee/certificate holder (i.e., respondent) that a complaint was made against them and an investigation will be initiated; request that the respondent provide information related to the alleged event, their employment history, and criminal history.

Subpoena and review documentation relevant to the investigation, including employment records, medical records, police/court records, and patient records.

Conduct interviews with the respondent, complainant, witnesses, and supervisors.

Discuss investigative findings with respondent and describe the Board's disciplinary process and possible outcomes.

Prepare investigative report, including identifying findings of fact and statute/rule violations and staff-recommended Board options for complaint resolution.

Notify the respondent of the Board meeting at which their complaint will be heard and the respondent's or respondent's attorney's ability to speak during the meeting.

Present investigative findings to Board, including staff recommendation(s) for resolution.

Source: Auditor General staff review of Board documentation.

[40] A.R.S. §32-1606(C).

However, we identified issues with some of the Board's complaint-handling practices.

Specifically, the Board:

- **Conducted a risk-based review of complaints that staff determined not to investigate and identified 18 complaints that were incorrectly triaged and should have been investigated; however, it had only reopened 11 of these complaints and investigated and resolved 2**

  Our 30-month followup of our 2021 performance audit of the Board found that the Board did not appropriately triage complaints when it failed to investigate complaints with allegations of unprofessional conduct, including allegations of stolen medication. According to the Board, this was the result of a former Board employee who failed to follow Board policies and procedures. We recommended that the Board perform a risk-based review of complaints staff failed to investigate to determine if Board policies and procedures require the allegations to be investigated, and complete complaint investigations for any complaints it identifies that should have been investigated.

  In March 2025, the Board reported it conducted a risk-based review that included all 135 complaints triaged by the former employee between January and April 2023—the 4-month period prior to the former employer being placed on administrative leave—and determined that 18 of these complaints should have been investigated and thus needed to be reopened for investigation. However, as of July 17, 2025, the Board had only reopened 11 of these 18 complaints for investigation; 7 had not been reopened because they were not clearly marked on the Board's tracking sheet as needing to be investigated. After we brought this to the Board's attention, staff reopened the remaining 7 investigations on July 21, 2025. Further, as of July 2025, the Board had resolved 2 investigations by dismissing the complaints against 2 licensees.

- **Revised its triage policy to require a supervisory review for serious complaint allegations that staff determine not to investigate but lacked a process to ensure these reviews were performed**

  Our 30-month followup found that the Board's policies and procedures did not require a secondary review of staff determinations to not investigate complaints, which may have contributed to the Board failing to investigate complaints with allegations of unprofessional conduct as previously discussed. We recommended the Board revise and implement its complaint triage policies and procedures to require a supervisory review of complaints that are initially determined not to require an investigation to help ensure the appropriateness of complaint triage decisions. In March 2024, during our 30-month followup, the Board took steps toward implementing the recommendation in a different manner, by revising its policies and procedures to require the executive director to review complaints with specific allegations that staff determined not to investigate, including allegations involving sexual misconduct, violence, abuse, impairment at work, or other conduct that could impair one's ability to practice safely. In July 2025, the Board shared an example where staff consulted with the executive director when triaging a case in May 2024 when Board staff determined that an anonymous complaint with allegations of alcoholism should not be investigated because there was a lack of sufficient information to investigate. However,

the Board lacks a process to track, monitor, and ensure that complaints with allegations specified in its policy receive a secondary review, increasing the risk that allegations that should be investigated are instead inappropriately closed without an investigation, which continues to put public safety at risk. For example, as discussed on page 46, the Board identified complaints that were inappropriately closed, some of which included allegations of neglect, abuse, and patient abandonment.

Established a policy for merging new complaints into existing investigations, but it does not consider status of existing investigation, and Board has not fully implemented its policy

Our 30-month followup also found that its complaint-merging practice—where it combines multiple complaints involving a licensee into a single, ongoing investigation—affected its ability to timely resolve complaints. For example, the Board received a complaint in August 2017 that alleged verbal abuse toward a patient, including statements that could be perceived as a threat. The Board offered a consent agreement to the licensee to address substantiated allegations of patient abuse. However, 6 months later, the Board received a second complaint against this licensee alleging patient abuse, withdrew the unsigned consent agreement, and combined this second complaint into its investigation of the licensee, despite the fact it had substantiated the original allegations of patient abuse. As a result, the Board further delayed resolution of the initial complaint.[41] Although the Board reported that its practice of merging multiple complaints into an existing investigation may improve complaint-handling efficiencies, it did not have any guidance or policies to guide staff decisions when merging new complaints into existing investigations.

In September 2024, the Board established a policy for merging new complaints into existing investigations.

According to the policy, new complaints should be merged with existing investigations against a licensee if 1 or more of the following applies:

- The new complaint involves similar allegations or conduct to the allegations/conduct in the existing investigation.
- The new complaint provides additional evidence related to the existing investigation.
- Merging would lead to a more efficient use of resources.

The Board's policy also requires its triage coordinator to document the rationale for merging a new complaint with an existing investigation in the Board's files. However, the policy does not require staff to consider the status of existing investigations, such as if the Board has already substantiated allegations in the existing complaints and how merging a new complaint into the exiting investigation could delay resolution of the earlier complaint, which is what occurred in the previously discussed example.

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[41] At the time of our 30-month followup, the initial and second complaint against this licensee had been open and unresolved for approximately 6.5 years and 3 years, respectively.

Further, we found that the Board has not fully implemented its revised policy. Specifically, our review of a sample of 6 of 76 new complaints the Board merged into an existing investigation between November 2024 and January 2025 found that 5 of 6 complaints lacked a documented explanation and rationale detailing the triage coordinator's decision to merge the complaints, as required by its policy.[42] According to the Board, it primarily relies on the experience of its triage coordinator to merge new complaints into existing investigations.

Finally, as discussed in Finding 1, pages 13 through 26, despite 4 prior audit reports spanning 33 years recommending that the Board investigate and resolve complaints timely, it still has not investigated and resolved most complaints it receives in a timely manner, putting patient safety at risk. Specifically, our review of 540 complaints the Board closed between July 2024 and January 2025 found that 56% were untimely. Further, the Board has accumulated a backlog of more than 2,100 open and unresolved complaints as of January 31, 2025, some dating back more than 7 years. See Finding 1, pages 13 through 26, for more information about the issues we identified with the Board's complaint-investigation timeliness.

Recommendations to the Board

38. Investigate and resolve the 16 complaints the Board determined were incorrectly triaged between January and April 2023.

39. Develop and implement a process to identify all complaints requiring a secondary review as specified in its March 2024 policy and ensure that those complaints receive a secondary review to ensure the appropriateness of the complaint triage decision.

40. Revise its policy for merging new complaints into existing investigations to require consideration of the status of existing complaints and if merging a new complaint into an existing investigation would delay the resolution of the prior investigation.

41. Require staff to document their explanation and rationale for merging new complaints into an existing investigation as required by Board policy.

42. Once its policy for merging new complaints into existing investigations has been revised, provide training to all Board staff responsible for triaging new complaints.

Board response: As outlined in its **response**, the Board agrees with the finding and will implement the recommendations.

[42] We reviewed a judgmental sample of 6 of 76 complaints the Board merged between November 2024 and January 2025, which is after the Board established its merging policy. We judgmentally selected the 6 complaints most recently merged after the Board established the policy on October 31, 2024.

Sunset factor 7: The extent to which the level of regulation exercised by the Board is appropriate as compared to other states or best practices, or both.

We reviewed information from the National Council of State Boards of Nursing (NCSBN)'s 2024 Member Board Profiles surveys and found that like Arizona, 54 jurisdictions from at least 47 other states and the District of Columbia have state agencies, boards, and/or other jurisdictions responsible for regulating the nursing profession.[43,44] Additionally, our review of the NCSBN profile surveys on licensing, investigations/discipline, and education found that the Board's level of nursing regulation was generally similar to jurisdictions in other states for those areas we reviewed.

For example:

- The Board and 48 other jurisdictions require applicants to complete a Board-approved nursing program to obtain a nursing license. Additionally, like Arizona, most jurisdictions require an applicant to complete a fingerprint-based criminal history background check prior to issuing an initial license by examination or a license by endorsement.

- Similar to other jurisdictions, the Board is responsible for investigating complaints against licensees and certificate holders and administering appropriate disciplinary actions. Specifically, the Board can order various disciplinary actions based on the results of the investigation, including revocation, like 54 other jurisdictions; suspension, like 53 other jurisdictions; and probation, like 52 other jurisdictions.

- Similar to most other jurisdictions, the Board is responsible for approving education programs. Specifically, the Board and 46 other jurisdictions are responsible for approving prelicensure RN programs. Additionally, the Board and 47 other jurisdictions are responsible for approving practical nursing programs for licensing. Further, like the Board, 51 other jurisdictions reported conducting regular reviews of nursing education programs for ongoing approval.

Additionally, we identified 1 area where the Board's level of regulation differed from most other jurisdictions. Specifically, the Board is statutorily authorized to administer an in-house confidential monitoring program for nurses with substance use disorder. Our review found that less than half, or only 21 other jurisdictions, reported administering a similar program.

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[43] National Council of State Boards of Nursing, Inc. (2024). *Member board profiles reporting tool.* Retrieved 5/12/2025 from https://mbprofiles.ncsbn.org/CreateReport.aspx To generate these reports, we selected the licensing, discipline, and education surveys for 2024 and selected all available states/jurisdictions and reviewed the responses to the survey questions.

[44] Our analysis was based on survey responses provided by Arizona and at least 47 other U.S. states and the District of Columbia. New Jersey did not participate in the 2024 licensing or investigation/discipline surveys, and New York and Utah did not participate in the education survey. Additionally, California, Louisiana, Nebraska, and West Virginia each have 2 boards that regulate different licensure types; as such, the surveys include results from between 53 and 54 jurisdictions.

Sunset factor 8: The extent to which the Board has established safeguards against possible conflicts of interest.

The Board complied with State conflict-of-interest statutory requirements we reviewed but has not implemented one of its conflict-of-interest policy requirements and could further align its conflict-of-interest disclosure form with recommended practices.

The State's conflict-of-interest requirements exist to remove or limit the possibility of personal influence from impacting a decision of a public agency employee or public officer. Specifically, statute requires employees of public agencies and public officers, including Board members, to avoid conflicts of interest that might influence or affect their official conduct.[45] These laws require employees/public officers to disclose substantial financial or decision-making interests in a public agency's official records, either through a signed document or the agency's official minutes. Statute further requires that employees/public officers who have disclosed conflicts refrain from participating in matters related to the disclosed interests.

To help ensure compliance with these requirements, the Arizona Department of Administration's (ADOA) State Personnel System employee handbook and conflict-of-interest disclosure form (ADOA disclosure form) require State employees to disclose if they have any business or decision-making interests, secondary employment, and relatives employed by the State at the time of initial hire and anytime there is a change.[46] The ADOA disclosure form also requires State employees to attest that they do not have any of these potential conflicts, if applicable, also known as an "affirmative no." Finally, A.R.S. §38-509 requires public agencies to maintain a special file of all documents necessary to memorialize all disclosures of substantial interest and to make this file available for public inspection.

Additionally, in response to conflict-of-interest noncompliance and violations investigated in the course of our work, such as employees/public officers failing to disclose substantial interests and participating in matters related to these interests, we have recommended several practices and actions to various school districts, State agencies, and other public entities.[47] Our recommendations are based on recommended practices for managing conflicts of interest in government and are designed to help ensure compliance with State conflict-of-interest requirements by reminding employees/public officers of the importance of complying with the State's conflict-of-interest laws.[48]

Specifically, conflict-of-interest recommended practices indicate that all public agency employees and public officers complete, or be reminded to update, a disclosure form annually.

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[45] A.R.S. §38-503; Arizona Office of the Attorney General (AAG). (2018). *Arizona agency handbook.* Retrieved 3/11/2025 from https://www.azag.gov/office/publications/agency-handbook

[46] Arizona Department of Administration. (2024). *State personnel system employee handbook*. Retrieved 3/18/2025 from https://drive.google.com/file/d/12uumNZLSBkfp33AaL9uHym0K9e6l9_II/view

[47] See, for example, Auditor General reports 24-211 *Concho Elementary School District*, 21-404 *Wickenburg Unified School District—Criminal indictment—Conflict of interest, fraudulent schemes, and forgery*, 19-105 *Arizona School Facilities Board—Building Renewal Grant Fund*, and 17-405 *Pine-Strawberry Water Improvement District—Theft and misuse of public monies*.

[48] Recommended practices we reviewed included: The World Bank, Organization for Economic Cooperation and Development, & United Nations Office on Drugs and Crime. (2020). *Preventing and managing conflicts of interest in the public sector: Good practices guide.* Retrieved 3/11/2025 from https://www.unodc.org/documents/corruption/Publications/2020/Preventing-and-Managing-Conflicts-of-Interest-in-the-Public-Sector-Good-Practices-Guide.pdf; Ethics & Compliance Initiative. (2021). *Conflicts of interest: An ECI benchmarking group resource.* Retrieved 3/11/2025 from https://www.ethics.org/wp-content/uploads/mdocs/2021-ECI-WP-Conflicts-of-Interest-Defining-Preventing-Identifying-Addressing.pdf; and New York State Authorities Budget Office. (n.d.). *Conflict of interest policy for public authorities.* Retrieved 3/11/2025 from https://www.abo.ny.gov/recommendedpractices/ConflictofInterestPolicy.pdf_

Recommended practices also indicate that the form include a field for the individual to provide an "affirmative no," if applicable.[49] These recommended practices also indicate that agencies develop a formal remediation process and provide periodic training to ensure that identified conflicts are appropriately addressed and help ensure conflict-of-interest requirements are met. Finally, recommended practices indicate that publicly disclosing board members' interest as the reason for refraining from participating in decisions is important for fully disclosing and memorializing the disclosure of interest as they relate to those decisions.

Our review found that the Board's conflict-of-interest practices complied with most State conflict-of-interest requirements or were aligned with recommended practices.

Specifically:

- In line with State requirements, the Board requires Board members and staff to use its disclosure form to document their disclosures of substantial interests (see textbox for description of the Board's conflict-of-interest acknowledgement and disclosure forms). Between January 2022 and December 2024, Board members disclosed interests in 33 disclosure forms and refrained from participating and making decisions related to their disclosed interests. We also found that the Board maintained the completed disclosure forms in a special file, as required by statute.

- In line with recommended practices, the Board's conflict-of-interest policy outlines a remediation process and requires that all Board members and staff be sent an annual reminder to update their acknowledgement form.

Board's conflict-of-interest forms

Acknowledgement form: Required to be completed annually by Board members and staff to acknowledge they have reviewed the Arizona Agency Handbook chapter on conflict-of-interest, will declare any personal conflicts and obtain guidance from a supervisor or Board counsel on conflict-related questions, and will recuse themselves from Board discussions and decisions related to personal conflicts.

Disclosure form: Required to be completed as needed by Board members and staff to disclose a substantial conflict of interest by documenting a Board investigative case or other matter that they have a conflict with and the specific nature of the conflict. This form is placed in the special file.

Source: Auditor General staff review of Board's conflict-of-interest policy, procedures, and conflict-of-interest forms.

However, the Board did not ensure forms are updated annually and its form does not include an "affirmative no."

Specifically:

- Consistent with recommended practices, the Board's conflict-of-interest policy requires Board members and staff to complete the Board acknowledgement form upon hire and every January thereafter; however, it has not consistently implemented this policy requirement. Our review of the calendar years 2022, 2023, and 2024 acknowledgement

[49] As previously discussed, the ADOA disclosure includes a field for the individual to provide an "affirmative no."

forms found that 5 of the 9 Board members and 2 out of 11 sampled Board staff members were missing acknowledgment forms.[50] Although the Board had a document to track the completion of acknowledgment forms in 2022, it was incomplete. Additionally, the Board lacked a document for tracking the receipt of acknowledgment forms in 2023 or 2024; during our audit, in February 2025, the Board was tracking the completion of acknowledgement forms. Further, the Board's conflict-of-interest policy does not include requirements for tracking completion of the acknowledgement forms or steps to follow up with individuals who have neglected to complete the annually required form.

- The Board's annual acknowledgement form does not align with requirements included in the ADOA State Personnel System employee handbook and the ADOA disclosure form. ADOA's handbook and disclosure form require State employees to disclose if they have any business or decision-making interests, secondary employment, and relatives employed by the State; and to attest that they do not have any of these potential conflicts, if applicable, also known as an "affirmative no" at the time of initial hire and anytime there is a change. In May 2025, the Board reported that it was recently made aware of the requirements and that it would look into potentially replacing its acknowledgement form with the ADOA disclosure form. In July 2025, the Board reported that it would continue using its existing conflict-of-interest form because it is consistent with the form in the Attorney General's handbook; however as previously discussed, it does not include the recommended practices included in the ADOA disclosure form.

Recommendations to the Board

43. Revise and implement its conflict-of-interest policy to require tracking and monitoring the completion of its acknowledgment forms annually by all Board members and staff, including following up with Board members and staff who do not sign and return the acknowledgement form in a timely manner.

44. Revise its acknowledgement form to require Board member and staff to disclose any business or decision-making interests, secondary employment, and relatives employed by the State; and to attest to an "affirmative no," if applicable, consistent with the ADOA disclosure form.

Board response: As outlined in its **response**, the Board agrees with the finding and will implement the recommendations.

[50] We reviewed acknowledgement forms from all 9 Board members appointed as of October 29, 2024. Additionally, we reviewed a judgmental sample of 5 and a random sample of 6 for a total sample of 11 of 65 Board staff members employed as of October 29, 2024. Our judgmental sample of 5 staff were selected because of their position, decision-making capabilities, and risk level.

Sunset factor 9: The extent to which changes are necessary for the Board to more efficiently and effectively fulfill its key statutory objectives and purposes or to eliminate statutory responsibilities that are no longer necessary.

As discussed in Sunset factor 4, page 39, the Board reported it had identified a change related to its statutory responsibility to adopt rules outlining fees for applicants seeking Board approval for medication assistant training programs. Specifically, the Board has not adopted the rules outlining fees for this program because doing so would be inconsistent and create disparity with other programs. As such, the Board reported it planned to work with the Legislature to make necessary changes to A.R.S. §32-1650.01(B)(1) to remove a fee requirement (see Sunset Factor 4, page 39, where we recommended the Board continue to work with the Legislature). Our review did not find any other necessary changes to the Board's statutes.

Sunset factor 10: The extent to which the termination of the Board would significantly affect the public health, safety, or welfare.

Terminating the Board would affect the public's health, safety, and welfare if its regulatory responsibilities were not transferred to another entity. According to the Board, the public relies on nurses for a broad range of critical services requiring professional judgment and complex, technical skills that, if performed incompetently, could cause harm or death. The Board's regulations are intended to help protect the public by licensing and certifying qualified nursing professionals and reviewing and approving related educational and training programs to help ensure nursing professionals receive sufficient training. Additionally, the Board is responsible for receiving and investigating complaints against licensed and certified nursing professionals, educational and training programs, and taking appropriate disciplinary action upon substantiating complaints to help protect public health and safety. For example, between July and September 2024, the Board revoked 2 and suspended 15 licenses or certificates and denied licenses for 10 unqualified applicants. Finally, federal law requires states to establish a registry of nursing assistants that includes information such as the individual's name and details of any substantiated complaints, and the Board is responsible for meeting the federal requirements for the State.[51]

[51] A.R.S. §32-1606(B)(11), 42 CFR 483.156.

The Arizona Auditor General makes 44 recommendations to the Board

Click on a finding, recommendation, or its page number to the right to go directly to that finding or recommendation in the report.

Recommendations to the Board

FINDING 1 13

1. Investigate and resolve all complaints within 180 days. 25

2. Establish time frames for investigating and resolving all complaints the Board receives, including medium- and low-risk complaints. 25

3. Develop and implement policies and procedures for investigators to track and monitor complaint-investigation progress, including identifying time frames for completing investigation phases and key steps. 25

4. Request additional functionality and/or reports from the complaint-handling system vendor to help it collect and analyze data for assessing complaint-handling timeliness, including the time frames for and completion of its various complaint-investigation steps. 25

5. Until it can obtain the additional functionality outlined in recommendation 4, establish a consistent and comprehensive method, such as a spreadsheet template that captures the completion and status of investigation phases and key steps, and track and monitor the completion of investigation phases and key steps. 25

Revise and/or implement its September 2024 policy for supervisors to track and oversee investigation progress, including:

6. Assessing complaint timeliness by reviewing and submitting a bimonthly report to the executive director or senior management that summarizes investigative staffs' performance, including case-completion rates and complaints exceeding the 180-day time frame. 25

7. Requiring a regular analysis, at least monthly, of investigator caseloads, including steps in the investigation process where investigators are experiencing delays. 25

Develop and implement written procedures and/or guidance outlining its process for assessing the reasonableness of license applicants' practice requirement attestations, including guidance for:

17. Calculating an applicant's estimated practice hours using their employment history and hours worked per week. **37**

18. Comparing the estimate to the 960-practice-hour requirement. **37**

19. Requesting additional information from the applicant when the estimated practice hours are less than the required practice hours. **37**

20. Continue to implement its policies and procedures for reviewing the appropriateness of its fees every 5 years, including conducting its review planned for July 2026. **37**

Implement all SAAM requirements for purchasing card, employee travel card, and central travel account transactions, including:

21. Ensuring all purchasing card transactions include written certifications of the supervisor's review of monthly purchasing card statements. **37**

22. Reviewing and, if appropriate, approving in writing on the required form all out-of-State travel prior to staff members traveling. **37**

23. Developing and implementing Board-specific policies for the use of employee travel cards. **37**

24. Approving only those lodging transactions that meet State policy requirements outlined in SAAM, Topic 50, Section 30. **37**

25. Verify that staff who request to work remote and hybrid schedules have completed a remote work agreement and the required training prior to approving them to work remote and hybrid schedules. **37**

26. Verify that remote staff have completed annual renewals of remote work agreements as part of its annual performance review process beginning in July 2025 for those staff working remote and hybrid schedules. **38**

27. Conduct compliance reviews of all remote work arrangements to confirm that all required remote work documentation has been properly completed and submitted. **38**

28. Develop productivity and quality standards and implement accountability measures for all Board staff, including those working remote and hybrid schedules, who perform key Board responsibilities such as complaint investigations, nurse education program and training approvals, and Alternative to Discipline program participant monitoring. **38**

29. Work with the Legislature to revise A.R.S. §32-1650.01 to remove the requirement to adopt rules prescribing fees for medication assistant training program applications or adopt the rules required by statute. **39**

30. Continue to implement its process for taking roll call at its Board meetings, including identifying Board members present, absent, and vacancies. **44**

Revise and implement its public records and information policies and procedures to help it comply with the State's public records law and recommended practices, including requirements for:

31. Sending a receipt acknowledging public records requests. **44**

32. Responding to standard requests within 7-10 business days, including notifying requestors of delays if requests are not fulfilled within this time frame. **44**

33. Notifying requestors with complex requests, such as requests for numerous documents and/or information that is not readily available, that the request will not be fulfilled within the standard request time frame and providing an estimated time for fulfilling the request. **44**

34. Tracking and monitoring the receipt and fulfillment of public records requests, including logging the request receipt date, subject, requestor's name, requests from the Board to obtain additional information from the requestor to facilitate fulfillment of the requests, status, and the date the request was fulfilled. **44**

35. Perform a risk-based review of the list of fiscal year 2024 public record requests compiled during the audit to determine if the Board failed to respond to any public record requests and fulfill them, including all 8 we identified at risk of not being fulfilled. **44**

36. Revise its public records policy to include the statutory requirement to post disciplinary actions on its website for no more than 5 years. **44**

37. Continue to implement its public information policies and procedures, including ensuring that staff responsible for answering the phones have been trained on the use of the policies and procedures. **44**

38. Investigate and resolve the 16 complaints the Board determined were incorrectly triaged between January and April 2023. **48**

39. Develop and implement a process to identify all complaints requiring a secondary review as specified in its March 2024 policy and ensure that those complaints receive a secondary review to ensure the appropriateness of the complaint triage decision. **48**

40. Revise its policy for merging new complaints into existing investigations to require consideration of the status of existing complaints and if merging a new complaint into an existing investigation would delay the resolution of the prior investigation. **48**

41. Require staff to document their explanation and rationale for merging new complaints into an existing investigation as required by Board policy. **48**

42. Once its policy for merging new complaints into existing investigations has been revised, provide training to all Board staff responsible for triaging new complaints. **48**

43. Revise and implement its conflict-of-interest policy to require tracking and monitoring the completion of its acknowledgment forms annually by all Board members and staff, including following up with Board members and staff who do not sign and return the acknowledgement form in a timely manner. **52**

44. Revise its acknowledgement form to require Board member and staff to disclose any business or decision-making interests, secondary employment, and relatives employed by the State; and to attest to an "affirmative no," if applicable, consistent with the ADOA disclosure form. **52**

Key licensure and certification requirements

The Board issues multiple types of licenses and certificates. Applicants must meet key requirements in statute or rule as shown in Table 11.

Table 11

Key statute and rule requirements by license and certificate type

License/Certificate	Key requirements	Legal reference
Registered nurse (RN)	▶ Graduate from a Board-approved prelicensure nursing education program. ▶ Pass national NCLEX examination. ▶ Provide evidence satisfying experience requirement (endorsement applicants). ▶ Submit fingerprints for a criminal history records check. ▶ Provide documentation to verify graduation from an international nursing program that met standards equivalent to and approved U.S. program and evidence of English language proficiency (applicants with international education).	A.R.S. §32-1601 A.R.S. §32-1632 A.R.S. §32-1633 A.R.S. §32-1634.01 A.R.S. §32-1634.02 A.R.S. §41-1080 AAC R4-19-301 AAC R4-19-302 AAC R4-19-312
Licensed practical nurse (LPN)	▶ Graduate from a Board-approved prelicensure nursing education program. ▶ Pass national NCLEX examination. ▶ Provide evidence satisfying experience requirement (endorsement applicants). ▶ Submit fingerprints for a criminal history records check. ▶ Provide lawful presence documentation. ▶ Provide documentation to verify graduation from an international nursing program that met standards equivalent to and approved U.S. program and evidence of English language proficiency (applicants with international education).	A.R.S. §32-1637 A.R.S. §32-1638 A.R.S. §32-1639.01 A.R.S. §32-1639.02 A.R.S. §41-1080 AAC R4-19-301 AAC R4-19-302 AAC R4-19-312

Table 11 continued

License/Certificate	Key requirements	Legal reference
Licensed nursing assistant (LNA)	▶ Complete Board-approved nursing assistant training program. ▶ Pass Board-approved written and manual skills competency examinations. ▶ Provide evidence satisfying experience requirement (endorsement applicants). ▶ Submit fingerprints for a criminal history records check. ▶ Provide lawful presence documentation.	A.R.S. §32-1645 A.R.S. §32-1647 A.R.S. §41-1080 AAC R4-19-806 AAC R4-19-807
Certified nursing assistant (CNA)	▶ Complete Board-approved nursing assistant training program. ▶ Pass Board-approved written and manual skills competency examinations. ▶ Submit evidence of being listed on another state's nursing assistant registry (endorsement applicants). Provide lawful presence documentation.	A.R.S. §32-1645 A.R.S. §32-1647 A.R.S. §41-1080 AAC R4-19-810
Advanced practice registered nurse (APRN)	▶ Hold an active RN license in good standing. ▶ Complete a Board-approved graduate program in role and population focus. Provide documentation to verify graduation from an international graduate nursing or APRN program that met standards equivalent to U.S. programs (applicants with international education). ▶ Evidence of national certification in the role and population focus. ▶ Submit fingerprints for a criminal history records check.	A.R.S. §32-1601 A.R.S. §32-1634.03 AAC R4-19-505

Table 11 continued

License/Certificate	Key requirements	Legal reference
Registered Nurse Practitioner (RNP)[1]	▶ Be certified by the Board and a national certifying body recognized by the Board as an RNP. ▶ Complete a nurse practitioner education program approved or recognized by the Board. ▶ Apply for prescribing and dispensing privileges on the RNP application. ▶ Submit evidence of completing a minimum of 45 contact education hours in the topics of pharmacology and/or clinical management of drug therapy.	A.R.S. §32-1601(23)(a-c) AAC R4-19-511
Certified Nurse Specialist (CNS)[1]	▶ Be certified by the Board and nationally as a CNS. ▶ Hold a graduate degree with a major in nursing. ▶ Apply for prescribing and dispensing privileges on the CNS application. ▶ Submit evidence of completing a minimum of 45 contact education hours in the topics of pharmacology and/or clinical management of drug therapy.	A.R.S. §32-1651 A.R.S. §32-1601(9)(a-c) AAC R4-19-511
Certified Nurse Midwife (CNM)[1]	▶ Complete a nurse midwife education program approved or recognized by the Board. ▶ Be certified by the Board and nationally as a CNM. ▶ Apply for prescribing and dispensing privileges on the CNM application. ▶ Submit evidence of completing a minimum of 45 contact education hours in the topics of pharmacology and/or clinical management of drug therapy.	AAC R4-19-511 A.R.S. §32-1601(5)(a-c)

[1] These licensees/certificate holders have prescribing and dispensing authority.

Source: Auditor General staff review of statutes and rules.

Prior recommendations

Board has implemented 2 of 8 outstanding recommendations from our 2021 performance audit and 30-month followup

Our September 2021 performance audit found that the Board did not resolve some complaints in a timely manner, remit all required revenues to the State General Fund, or provide sufficient public information. We made 11 recommendations to the Board to address these issues, 7 of which the Board had implemented or implemented in a different manner at the time of our initial followup. However, during our 30-month followup, issued in April 2024, we found that the Board had not implemented our recommendation to resolve public complaints within 180 days, and we identified additional deficiencies in its processes. Specifically, we found that Board staff closed 200 public complaints without recording a closure date, and the Board did not initially investigate some public complaints that alleged licensees engaged in unprofessional conduct. As a result, we made 4 additional recommendations to address these newfound deficiencies. In total, at the time of our 30-month followup, the Board had 8 outstanding recommendations.

During this audit, we followed up on the 8 outstanding recommendations the Board had not fully implemented, and the Board's status in implementing these 8 recommendations is as follows:

Board's status in implementing 8 recommendations

Implementation status	Number of recommendations
✓ Implemented	2 recommendations
N/A No longer applicable—superseded by new recommendation(s)	6 recommendations

The Board has implemented 2 recommendations. The remaining 6 recommendations are no longer applicable because we identified similar issues during our audit, resulting in new and expanded recommendations in Finding 1 (see pages 13 through 26), Sunset Factor 2 (see pages 27 through 38), Sunset Factor 5 (see pages 39 through 44), and Sunset Factor 6 (see pages 45 through 48) that include these 6 recommendations.

September 2021 performance audit

Finding 1: Board has not resolved some complaints in a timely manner, which may affect patient safety

1. The Board should investigate and resolve complaints within 180 days and, as necessary, use its complaint prioritization categories to focus its resources on resolving the highest-risk complaints first.

   No longer applicable—superseded by new recommendation(s)—As discussed in Finding 1, pages 13 through 26, the Board continues to take more than 180 days to resolve most complaints. Specifically, our review of 2,083 complaints the Board either closed between July 2024 and January 2025 or were open and unresolved as of January 31, 2025, found that the Board did not resolve 1,845, or approximately 89%, of these complaints within 180 days. We made a new recommendation in Finding 1 that incorporates this original recommendation (see Finding 1, page 25, recommendation 1). Therefore, this recommendation is no longer applicable.

2. The Board should assess the impact of the requested investigator positions on its complaint-resolution timeliness and determine if it needs to request additional resources to resolve complaints within 180 days. If the Board determines that it needs additional resources, it should work with the Legislature to obtain these resources.

   Implemented—Our 30-month followup found that the Board took more than 180 days to resolve approximately 75% of more than 2,000 complaints we reviewed despite receiving 3.5 additional investigators. Further, the Board determined that based on the number of open complaints, it needed 8 more investigators to achieve its caseload goals and increase its ability to resolve complaints within 180 days. The Board requested, and the Legislature appropriated, 8 additional investigator FTE positions in the FY 2025 budget. As of April 2025, all 8 new positions were filled.

Sunset factor 2: The extent to which the Board has met its statutory objective and purpose and the efficiency with which it has operated.

4. The Board should implement its new policy and procedures to periodically review the appropriateness of its fees.

   No longer applicable—superseded by new recommendation(s)—Our 30-month followup found that the Board developed policies and procedures for periodically reviewing the appropriateness of its fees every 5 years and plans to conduct the review in July 2026. We made a new recommendation in Sunset Factor 2 that incorporates this original recommendation (see Sunset Factor 2, page 37, recommendation 20). Therefore, this recommendation is no longer applicable.

Sunset factor 5: The extent to which the Board has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.

9. The Board should continue to implement its new and revised public information policies and procedures.

   No longer applicable—superseded by new recommendation(s)—Our 30-month followup found that the Board did not fully implement its public information policies and procedures for providing information to the public. Additionally, although the Board updated its public information policy in September 2024, as discussed in Sunset Factor 5, pages 42 and 43, our review found that the Board did not provide sufficient public information in response to 3 anonymous phone calls we made in February 2025. We made a new recommendation in Sunset Factor 5 that incorporates this original recommendation (see Sunset Factor 5, page 44, recommendation 37). Therefore, this recommendation is no longer applicable.

April 2024 30-month followup—4 additional recommendations

1. The Board should consistently document all investigative activities and time frames, such as if and when it refers complaints to the Arizona Attorney General (AGO) to pursue a settlement or formal hearing with the Arizona Office of Administrative Hearings. If necessary, the Board should revise its policies and procedures to include this requirement.

   No longer applicable—superseded by new recommendation(s)—Our review found that the Board was using a spreadsheet to log open and active cases referred for a formal hearing.[1] However, as discussed in Finding 1, pages 21 and 22, the Board does not systematically document all investigative activities and time frames.

   Specifically, the Board has not sustained prior recommendations to systematically track and monitor its various complaint investigation steps and time frames for completing those steps within 180 days, including when it:

   - Notifies the licensee or certificate holder of the complaint and receives requested information.
   - Issues subpoenas for documents, such as employment records, patient medical records, and any other relevant records, and receives subpoenaed documents.
   - Conducts investigative interviews.
   - Finalizes its investigation report and submits it for internal review.
   - Presents its investigation and staff recommended options for complaint resolution to the Board.

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[1] We reviewed a random sample of 2 of 51 high-risk complaints that were open and unresolved as of January 31, 2025, and found that both complaints were listed on the Board's open and active listing of cases referred for hearing.

We made a new recommendation in Finding 1 that incorporates this original recommendation (see Finding 1, page 25, recommendation 3). Therefore, this recommendation is no longer applicable.

2. The Board should continue to assess the cost and feasibility of contracting for investigators, including determining whether it has any staff vacancy savings it can redirect for this purpose.

   Implemented—Our review found that the Board determined it could use vacancy savings to contract for investigators and began finalizing a contract for investigative services with a former staff member in March 2025.[2] Further, in May 2025, Board management reported that it will continue to use vacancy savings to contract for investigative staff.

3. The Board should perform a risk-based review of complaints Board staff failed to investigate to determine if Board policies and procedures require the allegations to be investigated, and complete complaint investigations for any complaints it identifies that should have been investigated. Risk factors for identifying complaints for Board review should include the time period during which the former employee incorrectly triaged complaints and the length of time a complaint was open before a determination was made not to open an investigation.

   No longer applicable—superseded by new recommendation(s)—Our 30-month followup found that the Board did not appropriately triage complaints when it failed to investigate complaints with allegations of unprofessional conduct, including allegations of stolen medication. According to the Board, this was the result of a former Board employee's failure to follow Board policies and procedures. Our review found that in February 2025, the Board performed a risk-based review of complaints that staff determined not to investigate. Specifically, the Board reviewed 135 complaints triaged by the former employee between January and April 2023 and determined that 18 of these complaints needed to be reopened for investigation. As of July 17, 2025, the Board had only reopened 11 of these 18 complaints and completed 2 investigations. As such, the Board has not yet completed complaint investigations for 16 of the 18 complaints it determined should have been investigated. We made a new recommendation in Sunset Factor 6 that incorporates this original recommendation (see Sunset Factor 6, page 48, recommendation 38). Therefore, this recommendation is no longer applicable.

4. The Board should revise and implement its complaint-triage policies and procedures to require a supervisory review of complaints that are initially determined not to require an investigation to help ensure the appropriateness of complaint-triage decisions.

   No longer applicable—superseded by new recommendation(s)—In March 2024, during our 30-month followup, the Board took steps to implement this recommendation in a different manner by requiring a supervisory review of some complaints. Specifically, the Board revised its policies and procedures requiring the executive director to review complaints with specific allegations that staff determined not to investigate, including allegations involving sexual misconduct, violence, abuse, impairment at work, or other

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[2] After signing the contract, the former staff member decided to return to the Board as a regular staff member.

conduct that could impair one's ability to practice safely. The Board shared an example where in May 2024, staff consulted with the executive director after determining that an anonymous complaint with allegations of alcoholism should not be investigated because there was a lack of sufficient information to investigate. Although staff initiated the consultation with the executive director in this instance, the Board lacks procedures for tracking, monitoring, and ensuring that all applicable complaints receive a secondary review when staff determine not to investigate them. We made a new recommendation in Sunset Factor 6 that incorporates this original recommendation (see Sunset Factor 6, page 48, recommendation 39). Therefore, this recommendation is no longer applicable.

Scope and methodology

The Arizona Auditor General has conducted this performance audit and sunset review of the Board pursuant to a November 21, 2022, resolution of the Joint Legislative Audit Committee. The audit was conducted as part of the sunset review process prescribed in A.R.S. §41-2951 et seq.

We used various methods to address the objectives of this performance audit and sunset review of the Board. These methods included reviewing applicable State statutes and rules; evaluating Board policies and procedures; interviewing Board staff; reviewing Board records and information and its website; and reviewing guidance and reports from the Arizona Ombudsman—Citizens' Aide Office, Arizona Attorney General's Office, and Arizona Department of Administration.[1]

Additionally, we used the following specific methods to meet the audit objectives:

- To evaluate the Board's complaint-resolution timeliness, including reviewing its backlog of open and unresolved complaints filed against licensees and certificate holders, we analyzed Board data to identify:[2,3]
  - The number of complaints the Board closed in more than 180 days between July 1, 2024 and January 31, 2025, and all open complaints that had been open more than 180 days, as of January 2025.[4]
  - The number of open and unresolved complaints at the end of each year for calendar years 2019 through 2024. This analysis also included identifying the composition of the backlog by identifying the calendar years the complaints were received.
  - The number of complaints the Board received and resolved each year in calendar years 2019 through 2024. This included obtaining the number of complaints open at the end of 2018 and then calculating the annual percentage change in the Board's complaint investigation backlog in calendar years 2019 through 2024.

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1 Arizona Ombudsman-Citizens' Aide. (2023). *Arizona public records law.* Retrieved 11/7/2024 from https://www.azoca.gov/wp-content/uploads/Public-Records-Law-Booklet-2023.pdf; Arizona Office of the Attorney General (AAG). (2018). *Arizona agency handbook*. Retrieved 3/11/2025 from https://www.azag.gov/office/publications/agency-handbook; Arizona Department of Administration (ADOA). (2024). *State personnel system: Employee handbook*. Retrieved 3/11/2025 from https://drive.google.com/file/d/12uumNZLSBkfp33AaL9uHym0K9e6l9_II/view

2 Our analysis included complaints the Board received against a licensee or certificate holder. It does not include investigations the Board opened pertaining to background checks or other application concerns related to licensure and/or certification processes because they were not the result of a public complaint against a licensee or certificate holder. Further, our analysis excluded complaints that were combined or merged into an existing investigation (see footnote 3 for additional information).

3 As discussed on page 47, the Board has a practice of combining multiple complaints it receives involving a licensee into a single, ongoing complaint (referred to as merged complaints). When the Board merged complaints, the status of the subsequently received complaints do not accurately reflect the open status. As such, we were unable to calculate timeliness for the complaints merged into an ongoing investigation but could determine the timeliness of the initial complaint.

4 To measure timeliness, we calculated the number of days between complaint submission and the "First Board Outcome/Investigation final date" in the Board's data and identified anything over 180 days as untimely.

We also reviewed our previous Board performance audits issued in 1988, 2001, 2011, and 2021 and our April 2024 30-month followup of the 2021 performance audit that identified prior issues with the Board's complaint-handling timeliness.[5]

Further, to assess the time frame in which the Board investigated licensing-related investigations, we analyzed Board complaint data from calendar years 2020 through 2024 and identified the number of licensing investigations that were received within each calendar year, and the number of and percentage of licensing investigations the Board closed in 30 days during each calendar year.

- To evaluate whether the Board timely issued licenses and certificates to qualified applicants, we completed the following:
  - To determine whether the Board processed license applications within time frames established in rule, we analyzed approximately 110,400 licensing applications the Board received in fiscal years 2023 and 2024.
  - To determine whether the Board appropriately denied or closed license and certification applications after determining the applicant did not meet licensing or certification requirements, we reviewed a stratified random sample of 7 of 20 denied and 3 of 1,595 closed applications the Board received in fiscal years 2023 and 2024.
  - To determine if the Board issued licenses and certificates to qualified applicants, we reviewed a stratified random sample of 23 of 35,404 initial applications the Board received in fiscal years 2023 and 2024.[6]
  - To determine if the Board renewed licenses and certificates to qualified applicants, we reviewed a stratified random sample of 10 of 72,980 license and certificate renewal applications the Board received in fiscal years 2023 and 2024.[7]
- To assess the Board's processes for approving nursing education and nursing assistant training programs consistent with statutory and rule requirements, we reviewed 1 nursing education program that received full approval by the Board in calendar year 2024 and a random sample of 1 of 11 initial applications for nurse training programs the Board approved in calendar year 2024.[8]
- To assess whether the Board used purchase cards and its a central travel account and made travel reimbursements consistent with the SAAM and Board policies and procedures, we reviewed a stratified judgmental sample of 13 of 89 Board fiscal year

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5 See Arizona Auditor General reports 88-8 *Board of Nursing—Performance Audit;* 01-21 *Board of Nursing—Performance Audit*; 11-02 *Arizona State Board of Nursing—Performance Audit and Sunset Review*; 21-111 *Arizona State Board of Nursing—Performance Audit and Sunset Review*.

6 Our review of 23 of 35,404 license and certificate applications included 12 of 19,906 RN and LPN license applications, 6 of 10,351 CNA and LNA certificate applications, 3 of 4,975 APRN license applications, and 2 of 172 prescribing authority APRN applications.

7 Our review of 10 of 72,980 license and certificate renewal applications included 5 of 44,329 RN and LPN license renewal applications, 3 of 20,421 LNA and CNA certificate renewal applications, and 2 of 8,230 APRN license renewal applications.

8 Auditors judgmentally selected the nursing education program that had received full approval by the Board so that all 3 approval phases (proposal, provisional, full) could be reviewed.

2024 transactions. This sample comprised 5 purchasing card, 3 employee travel card, and 5 central travel account transactions totaling $10,346 from a total population of $25,777 in transactions. We judgmentally selected the transactions based on their risk of noncompliance with State and Board requirements and high risk of waste and abuse.

- To assess whether the Board's remote work practices aligned with State requirements, we reviewed Board-compiled staff work schedules, Arizona Department of Administration (ADOA) records of remote work training completed by Board employees, employee-signed remote work agreements, and ADOA GAO-75 request forms for Board employees working out of the State.

- To assess whether the Board had established oversight and accountability mechanisms for all Board staff consistent with recommended practices, we reviewed GAO internal control principles and NSAA practices for carrying out a state regulatory program.[9]

- To evaluate whether the Board provided information to the public as required by statute and its policies and procedures, we:

  - Placed 3 anonymous phone calls in February 2025 and 1 call in May 2025 requesting information about the licensees and evaluated the information the Board provided to us against statutory and policy requirements.

  - Reviewed the Board's website for information consistent with statutory requirements.[10]

  - Reviewed a sample of 8 of 49 public records requests the Board received between September 12, 2024 and November 7, 2024. Our sample included a judgmental selection of the 3 oldest of 7 total open requests, and a stratified random sample of 2 of 13 closed requests in which the Board indicated it could not provide requested records due to the Board's retention policies and 3 of the remaining 29 closed requests.

    Additionally, we reviewed a listing of fiscal year 2024 public records requests the Board compiled in response to the audit and identified 8 requests that lacked a fulfillment explanation. To determine if the Board had fulfilled these requests, we judgmentally selected the 3 oldest of the 8 requests that lacked a fulfillment explanation.

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9 U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government* (GAO-14-704G). Retrieved 7/31/2025, from https://www.gao.gov/assets/gao-14-704g.pdf and National State Auditors Association. (2004). *Carrying out a state regulatory program: A best practices document.* Retrieved 7/31/2025, from https://www.nasact.org/files/News_and_Publications/White_Papers_Reports/NSAA%20Best%20Practices%20Documents/2004_Carrying_Out_a_State_Regulatory_Program.pdf

10 A.R.S. §§39-171, 41-1091.01, 41-1091(B), and 32-3214.

- To evaluate the Board's compliance with various provisions of the State's open meeting law, we observed 4 of 8 public meetings held between November 2024 and February 2025, as follows:
  - Board meeting–November 2024.
  - Board meeting–January 2025.
  - Education Committee meeting–February 2025.
  - Scope of Practice Committee meeting–February 2025.
- To assess the Board's compliance with State conflict-of-interest requirements and alignment with recommended practices, we reviewed statute and State requirements, recommended practices, Board policy, and the Board's conflict-of-interest acknowledgment and disclosure forms.[11] We also observed the statutorily required special disclosure file. To determine if the conflict-of-interest acknowledgement forms were completed annually as required by Board policy and consistent with recommended practices, we reviewed all 9 Board members and 11 of 65 Board staff appointed/employed as of October 2024 and the associated Board acknowledgement forms for calendar years 2022, 2023, and 2024.[12] We also reviewed all 33 Board member conflict-of-interest disclosure forms completed between January 2022 and December 2023 to determine if the Board members recused themselves from participating in the discussion and decision-making of the matters for which they completed the Board disclosure form.
- To evaluate the appropriateness of the Board's level of regulation, we reviewed comparative information from the National Council of State Board of Nursing's 2024 Member Board Profiles surveys on nursing education, licensing, and discipline. Arizona along with at least 47 other U.S. states and the District of Columbia provided survey responses as of March 2024.[13]

Our work on internal controls, including information system controls, included reviewing relevant policies and procedures, statutes, and recommended practices and, where applicable, testing compliance and/or alignments with these requirements and recommended practices. We reported our conclusions on applicable internal controls in Findings 1 and Sunset Factors 2, 5, 6 and 8.

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[11] Recommended practices we reviewed included: The World Bank, Organization for Economic Cooperation and Development (OECD), & United Nations Office on Drugs and Crime (UNODC). (2020). *Preventing and managing conflicts of interest in the public sector: Good practices guide.* Retrieved 3/11/2025 from https://www.unodc.org/documents/corruption/Publications/2020/Preventing-and-Managing-Conflicts-of-Interest-in-the-Public-Sector-Good-Practices-Guide.pdf; Ethics & Compliance Initiative (ECI). (2021). *Conflicts of interest: An ECI benchmarking group resource.* Retrieved 3/11/2025 from https://www.ethics.org/wp-content/uploads/mdocs/2021-ECI-WP-Conflicts-of-Interest-Defining-Preventing-Identifying-Addressing.pdf; and New York State Authorities Budget Office (NYS ABO). (n.d.). *Conflict of interest policy for public authorities.* Retrieved 3/11/2025 from https://www.abo.ny.gov/recommendedpractices/ConflictofInterestPolicy.pdf

[12] We reviewed acknowledgement forms from all 9 Board members appointed as of October 29, 2024. Additionally, we reviewed a judgmental sample of 5 and a random sample of 6, for a total sample of 11 of 65 Board staff members employed as of October 29, 2024. Our judgmental sample of 5 staff were selected due to their position, decision-making capabilities, and risk level.

[13] Our analysis was based on survey responses provided by Arizona and at least 47 other U.S. states and the District of Columbia as of March 2024. New Jersey did not participate in the 2024 licensure or disciplinary surveys, and New York and Utah did not participate in the education survey. Additionally, California, Louisiana, Nebraska, and West Virginia each have 2 boards which regulate different licensure types. As such, the surveys include results from between 53 and 54 jurisdictions.

We selected our audit samples to provide sufficient evidence to support our findings, conclusions, and recommendations. Unless otherwise noted, the results of our testing using these samples were not intended to be projected to the entire population.

When relying on Board-provided data to support our findings and conclusions, we performed certain tests to ensure the data was sufficiently valid, reliable, and complete to meet the audit objectives. Unless otherwise noted, we determined the Board-provided data was sufficiently valid, reliable, and complete for audit purposes.

We conducted this performance audit of the Board in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We express our appreciation to the Board, the Board's Executive Director, and Board staff for their cooperation and assistance throughout the audit.

AUDITOR GENERAL'S COMMENTS ON THE BOARD'S RESPONSE

The Joint Legislative Audit Committee requires all agencies to respond to whether they agree with our findings and plan to implement the recommendations. We appreciate the Board's response, including its agreement with all findings and its plans to implement all recommendations. However, the Board has included certain statements in its response that necessitate the following clarification.

Issue

Board's response

In its response to Finding 1, the Board stated that "a significant factor impacting our performance has been the 75% increase of 3067 complaints in 2011 to 5378 in 2024, which has made the 180-day timeframe an unsustainable metric without a corresponding adjustment in resources." Further, in its response to recommendation 14, the Board stated that "a request has been submitted to OSPB to request from the Legislature 28 additional FTEs and resources to investigate approximately 5,000 complaints submitted annually. The additional FTEs will allow the board to implement the goal of 180 days to complete investigations."

Auditor General's comments

The Board's response indicates that it receives approximately 5,000 complaints annually, and it reported that it has requested additional FTEs to help it investigate complaints within 180 days. However, the approximately 5,000 complaints the Board cites require 2 different types of investigations with different investigation time frames.

Specifically, as discussed in Finding 1, the Board conducts 2 types of investigations:

- **Complaint investigations**

  Investigations related to allegations the Board receives from the public about a licensee or certificate holder. We have determined that Arizona health regulatory boards should investigate and resolve complaints within 180 days of receiving them. As discussed in Finding 1, as of January 2025, the Board had a backlog of 2,177 open and unresolved complaints dating back to calendar year 2017, including more than 1,500 complaints that had already been open for more than 180 days.

- **Licensing investigations**

  Investigations the Board opens pertaining to license and certificate applications, including investigating potential criminal activity committed by a licensee who has applied for license renewal. As discussed in Finding 1, the Board annually opened an average of 2,875 licensing investigations between calendar years 2020 and 2024. Despite Board rule providing 270 days for the Board to review and approve or deny licensing applications that require an investigation, the Board completed the majority of licensing investigations within 30 days during calendar years 2020 through 2024.

The subsequent pages were written by the Board to provide a response to each of the findings and to indicate its intention regarding implementation of each of the recommendations resulting from the audit conducted by the Arizona Auditor General.

Katie Hobbs
Governor

Joey Ridenour
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September 11, 2025

Lindsey A. Perry, CPA, CFE
Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018-7271

RE: Final Report for the Performance Audit and Sunset Review of the Arizona State Board of Nursing

Dear Ms. Perry:

Please accept this letter and the attached document as the Arizona State Board of Nursing's final written response to the final report on our performance audit and sunset review, which we received with your letter dated September 5, 2025. We appreciate the diligence of your team and the opportunity to collaborate during this review process.

Our attached response provides comments on the report's audit findings, sunset factors, and includes our specific responses to each recommendation as requested.

The Board and I look forward to presenting the report and our response in greater detail before the Legislative Committee of Reference.

Thank you.

Sincerely,

Joey Ridenour RN MN Faan

Joey Ridenour
Executive Director
Arizona State Board of Nursing

Attachment: Final Written Response

Finding 1: Despite 4 prior audit reports recommending that the Board investigate and resolve complaints in a timely manner, it still has not done so and has a growing backlog of open and unresolved complaints dating back more than 7 years, which may affect patient safety.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board acknowledges the critical importance of timely complaint resolution for public safety. A significant factor impacting our performance has been the 75% increase of 3067 complaints in 2011 to 5378 in 2024, which has made the 180-day timeframe an unsustainable metric without a corresponding adjustment in resources. Despite this challenge, we are fully committed to implementing the subsequent recommendations (2-13) as a comprehensive strategy to maximize our current resources, improve efficiency, and address the backlog. This effort, combined with our commitment in Recommendation 14 to formally assess resource needs and work with the Legislature, forms our plan to improve timeliness moving forward.

Recommendation 1: Investigate and resolve all complaints within 180 days.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will implement policies and procedures with the goal of investigating and resolving complaints with the goal of a 180-day timeframe.

Recommendation 2: Establish time frames for investigating and resolving all complaints the Board receives, including medium- and low-risk complaints.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will establish and document internal time frames for stages of the complaint investigation and resolution process.

Recommendation 3: Develop and implement policies and procedures for investigators to track and monitor complaint-investigation progress, including identifying time frames for completing investigation phases and key steps.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will develop and implement policies and procedures for tracking and monitoring the progress of complaint investigations against established timelines.

Recommendation 4: Request additional functionality and/or reports from the complaint-handling system vendor to help it collect and analyze data for assessing complaint-handling timeliness, including the time frames for and completion of its various complaint-investigation steps.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board has contacted its system vendor to request the development of new reports and functionality to better analyze timeliness.

Recommendation 5: Until it can obtain the additional functionality outlined in recommendation 4, establish a consistent and comprehensive method, such as a spreadsheet template that captures the completion and status of investigation phases and key steps, and track and monitor the completion of investigation phases and key steps.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will develop and implement a spreadsheet template to serve as an interim solution for tracking investigation progress.

Recommendation 6: Revise and/or implement its September 2024 policy for supervisors to track and oversee investigation progress, including assessing complaint timeliness by reviewing and submitting a bimonthly report to the executive director or senior management that summarizes investigative staffs' performance, including case-completion rates and complaints exceeding the 180-day time frame.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will ensure its policy is implemented to include bimonthly performance reporting to senior management.

Recommendation 7: Revise and/or implement its September 2024 policy for supervisors to track and oversee investigation progress, including requiring a regular analysis, at least monthly, of investigator caseloads, including steps in the investigation process where investigators are experiencing delays.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will ensure its policy is implemented to include monthly analyses of investigator caseloads to identify delays.

Recommendation 8: Revise and/or implement its September 2024 policy for supervisors to track and oversee investigation progress, including developing targeted strategies to address investigation delays and the complaint backlog based on the analysis conducted in recommendation 7.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will use data from its caseload analysis to develop and implement targeted strategies to address delays and reduce the backlog.

Recommendation 9: Continue to assess its allocation of investigative resources by investigation type to ensure timely completion of investigations, including assessing the effectiveness of its pilot program for assigning investigators

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will evaluate its pilot program and resource allocation to optimize the timely completion of investigations.

Recommendation 10: Continue to assess its allocation of investigative resources by investigation type to ensure timely completion of investigations, including assigning investigators to complaint investigations accordingly to help ensure they are investigated and resolved within 180 days.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will align investigator assignments with case types and complexity to meet the 180-day resolution goal.

Recommendation 11: Continue to assess its allocation of investigative resources by investigation type to ensure timely completion of investigations, including assigning investigators to licensing investigations accordingly to help ensure that license applicants that require an investigation are approved or denied within the 270-day time frame required by rule.
Board Response: The audit recommendation will be implemented.

Response explanation: The Board will align investigator assignments for licensing cases to ensure compliance with the 270-day statutory timeframe.

Recommendation 12: Continue identifying strategies for addressing its untimeliness and reducing its backlog by reviewing a sample of untimely complaint investigations to identify what is causing investigation delays.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will conduct an analysis on a sample of untimely cases to identify common factors causing delays.

Recommendation 13: Continue identifying strategies for addressing its untimeliness and reducing its backlog by developing and taking corrective actions to address the cause of investigation delays identified in the sample reviewed in recommendation 12, including documenting outcomes based on those actions.

Board Response: The audit recommendation will be implemented.

Response explanation: Based on the findings from its analysis, the Board will develop, implement, and document actions to address investigation delays.

Recommendation 14: Continue to assess investigator-to-case ratios to determine if additional investigators are needed to investigate and resolve complaints within 180 days and to reduce its growing backlog of open and unresolved complaints, including working with the Legislature as needed to hire and/or contract for additional investigators.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board has performed a formal assessment of investigator-to-case ratios over the past years. A request has been submitted to OSPB to request from

the Legislature 28 additional FTEs and resources to investigate approximately 5,000 complaints submitted annually. The additional FTEs will allow the board to implement the goal of 180 days to complete investigations.

Sunset factor 2: The Board's effectiveness and efficiency in fulfilling its key statutory objectives and purposes.

Board issued initial licenses and certificates to qualified applicants for most applications we reviewed, except for 2 in which the Board could not demonstrate the applicants provided sufficient lawful presence documents prior to issuing the license/certificate.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board will reinforce its procedures to ensure all staff verify that lawful presence documents are valid and unexpired prior to issuing any license or certificate.

Recommendation 15: Issue licenses and certificates only to applicants who provide valid, unexpired, lawful presence documents.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will reinforce its procedures to ensure all staff verify that lawful presence documents are valid and unexpired prior to issuing any license or certificate.

Recommendation 16: Train upon hire, and as needed thereafter, all staff who are responsible for reviewing lawful presence documentation when approving license and certificate applications.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board provides formal training program for all relevant staff on the requirements for lawful presence documentation upon hire and as needed thereafter.

Board developed procedures for assessing the reasonableness of applicants' practice-hour attestations when approving licensing applications, but has not documented this procedure in its written guidance.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board will develop and implement written guidance to formalize its process for calculating and assessing applicants' practice hour attestations.

Recommendation 17: Develop and implement written procedures and/or guidance outlining its process for assessing the reasonableness of license applicants' practice requirement

attestations, including guidance for calculating an applicant's estimated practice hours using their employment history and hours worked per week.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will develop and implement guidance procedures to formalize its process for calculating and assessing applicants' practice hour attestations.

Recommendation 18: Develop and implement written procedures and/or guidance outlining its process for assessing the reasonableness of license applicants' practice requirement attestations, including guidance for comparing the estimate to the 960-practice-hour requirement.

Board Response: The audit recommendation will be implemented.

Response explanation: The written procedures will formalize and outline the steps staff must take to request and evaluate additional information from applicants when a discrepancy is found.

Recommendation 19: Develop and implement written procedures and/or guidance outlining its process for assessing the reasonableness of license applicants' practice requirement attestations, including guidance for requesting additional information from the applicant when the estimated practice hours are less than the required practice hours.

Board Response: The audit recommendation will be implemented.

Response explanation: The written procedures will formalize and outline the steps staff must take to request additional information from applicants when hours are less than required.

Board developed policy and procedures to periodically review its fees and plans to review its fees in July 2026.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board will continue to adhere to its policy for periodic fee review and is on track to complete the review scheduled for July 2026.

Recommendation 20: Continue to implement its policies and procedures for reviewing the appropriateness of its fees every 5 years, including conducting its review planned for July 2026.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will continue to adhere to its policy for periodic fee review and is on track to complete the review scheduled for July 2026.

Board did not use purchasing card, employee travel card, and central travel accounts consistent with State and/or Board requirements.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board will provide additional training and oversight to ensure all purchasing and travel card transactions fully comply with SAAM requirements, including supervisory review when a different hotel accommodation is needed.

Recommendation 21: Implement all SAAM requirements for purchasing card, employee travel card, and central travel account transactions, including ensuring all purchasing card transactions include written certifications of the supervisor's review of monthly purchasing card statements.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will provide additional training and oversight to ensure all purchasing and travel card transactions fully comply with SAAM requirements, including requesting supervisory review when a different hotel accommodation is needed.

Recommendation 22: Implement all SAAM requirements for purchasing card, employee travel card, and central travel account transactions, including reviewing and, if appropriate, approving in writing on the required form all out-of-State travel prior to staff members traveling.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will reinforce its procedures to ensure all out-of-state travel is both verbally and pre-approved in writing on the correct form as required by SAAM even when there is not fee for the conference or out of state travel.

Recommendation 23: Implement all SAAM requirements for purchasing card, employee travel card, and central travel account transactions, including developing and implementing Board-specific policies for the use of employee travel cards.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will develop and implement a Board-specific policy for the use for the one employee that uses the travel card that aligns with SAAM.

Recommendation 24: Implement all SAAM requirements for purchasing card, employee travel card, and central travel account transactions, including approving only those lodging transactions that meet State policy requirements outlined in SAAM, Topic 50, Section 30.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will ensure all staff responsible for approvals are trained on and adhere to SAAM requirements for lodging transactions. If accommodations are needed, the request must be submitted and approved.

Board did not ensure all remote and hybrid workers had completed required agreements and training.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board implemented a checklist to verify the completion of all required agreements and training before approving any remote or hybrid work schedules.

Recommendation 25: Verify that staff who request to work remote and hybrid schedules have completed a remote work agreement and the required training prior to approving them to work remote and hybrid schedules.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board implemented a checklist to verify the completion of all required agreements and training before approving any remote or hybrid work schedules.

Recommendation 26: Verify that remote staff have completed annual renewals of remote work agreements as part of its annual performance review process beginning in July 2025 for those staff working remote and hybrid schedules.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will integrate the annual renewal of remote work agreements into its annual performance review process. The Board has been informed that HR will be sending out an automatic renewal reminders to staff.

Recommendation 27: Conduct compliance reviews of all remote work arrangements to confirm that all required remote work documentation has been properly completed and submitted.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will conduct a review of all current remote work arrangements to ensure all documentation is complete and on file.

Board has not established oversight and accountability mechanisms for all Board staff, inconsistent with recommended practices and State requirements.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board will further refine and implement clear, measurable productivity and quality standards for investigators, licensing staff and all key staff functions.

Recommendation 28: Develop productivity and quality standards and implement accountability measures for all Board staff, including those working remote and hybrid schedules, who perform key Board responsibilities such as complaint investigations, nurse education program and training approvals, and Alternative to Discipline program participant monitoring.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will develop and implement clear, measurable productivity and quality standards for all key staff functions.

Sunset factor 4: The extent to which rules adopted by the Board are consistent with the legislative mandate.

Board has adopted rules when statutorily required to do so, with 1 exception.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board will assess the available options and will pursue a legislative change or initiate the rulemaking process to ensure statutory compliance.

Recommendation 29: Work with the Legislature to revise A.R.S. §32-1650.01 to remove the requirement to adopt rules prescribing fees for medication assistant training program applications or adopt the rules required by statute.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will work with the Legislature to revise A.R.S. §32-1650.01 to remove the requirement to adopt rules prescribing fees for medication assistant training program applications.

Sunset factor 5: The extent to which the Board has provided appropriate public access to records, meetings, and rulemakings, including soliciting public input in making rules and decisions.

Board established some practices to help it comply with public records law and recommended practices, but has not revised its written policies and procedures to reflect these practices and could not demonstrate it met public records law requirements for at least 2 public records requests the Board reported it received in fiscal year 2024.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board notes board members in attendance at the beginning of each meeting and will also continue its current practice of conducting a roll call at the beginning of each meeting to identify all members and any vacancies.

Recommendation 30: Continue to implement its process for taking roll call at its Board meetings, including identifying Board members present, absent, and vacancies.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will continue tracking board members in attendance throughout the board meeting and also continue its current practice of conducting a roll call at the beginning of each meeting to identify all members and any vacancies.

Recommendation 31: Revise and implement its public records and information policies and procedures to help it comply with the State's public records law and recommended practices, including requirements for sending a receipt acknowledging public records requests.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board acknowledges receipt of an email request upon submission and will also revise its public records policy to include a refined tracking system acknowledging all requests upon receipt.

Recommendation 32: Revise and implement its public records and information policies and procedures to help it comply with the State's public records law and recommended practices, including requirements for responding to standard requests within 7-10 business days, including notifying requestors of delays if requests are not fulfilled within this time frame.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will refine its policy to establish a 7-10 business day response timeframe for standard requests and a procedure for notifying requestors of any delays.

Recommendation 33: Revise and implement its public records and information policies and procedures to help it comply with the State's public records law and recommended practices, including requirements for notifying requestors with complex requests, such as requests for numerous documents and/or information that is not readily available, that the request will not be fulfilled within the standard request time frame and providing an estimated time for fulfilling the request.

Board Response: The audit recommendation will be implemented.

Response explanation: The policy will be refined to include procedures for communicating with requestors about complex requests and providing an estimated fulfillment date.

Recommendation 34: Revise and implement its public records and information policies and procedures to help it comply with the State's public records law and recommended practices, including requirements for tracking and monitoring the receipt and fulfillment of public records requests, including logging the request receipt date, subject, requestor's name, requests from the Board to obtain additional information from the requestor to facilitate fulfillment of the requests, status, and the date the request was fulfilled.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will refine the log to track all public records requests from receipt to fulfillment.

Recommendation 35: Perform a risk-based review of the list of fiscal year 2024 public record requests compiled during the audit to determine if the Board failed to respond to any public record requests and fulfill them, including all 8 we identified at risk of not being fulfilled.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board has reviewed all FY 2024 public records requests to ensure every request has been fulfilled.

Board provided some licensee and certificate holder disciplinary information on its website inconsistent with statutory requirements and did not provide statutorily required information in response to anonymous phone calls we made, despite prior recommendations to do so.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board reviewed it procedures to ensure compliance with the 5-year limit for posting disciplinary actions online.

Recommendation 36: Revise its public records policy to include the statutory requirement to post disciplinary actions on its website for no more than 5 years.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will review procedures to ensure compliance with the 5-year limit for posting disciplinary actions online.

Recommendation 37: Continue to implement its public information policies and procedures, including ensuring that staff responsible for answering the phones have been trained on the use of the policies and procedures.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will provide refresher training to all front-line staff to ensure they are knowledgeable about public information policies.

Sunset factor 6: The extent to which the Board timely investigated and resolved complaints that are within its jurisdiction.

Board conducted a risk-based review of complaints that staff determined not to investigate and identified 18 complaints that were incorrectly triaged and should have been investigated; however, it had only reopened 11 of these complaints and investigated and resolved 2.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board has prioritized and will ensure the prompt investigation and resolution of the remaining complaints that were identified as incorrectly triaged.

Recommendation 38: Investigate and resolve the 16 complaints the Board determined were incorrectly triaged between January and April 2023.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board has prioritized and will ensure the investigation and resolution of the remaining complaints that were identified as incorrectly triaged.

Board revised its triage policy to require a supervisory review for serious complaint allegations that staff determine not to investigate but lacked a process to ensure these reviews were performed.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board will refine the tracking mechanism to ensure all complaints meeting the criteria in its policy receive a documented secondary review.

Recommendation 39: Develop and implement a process to identify all complaints requiring a secondary review as specified in its March 2024 policy and ensure that those complaints receive a secondary review to ensure the appropriateness of the complaint triage decision.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will refine the tracking mechanism to ensure all complaints meeting the criteria in its policy receive a documented secondary review.

Board established a policy for merging new complaints into existing investigations, but it does not consider status of existing investigation, and Board has not fully implemented its policy.

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board will revise its complaint-merging policy to include an assessment of the existing investigation's status to include the information is documented in the licensing data base – Orbs.

Recommendation 40: Revise its policy for merging new complaints into existing investigations to require consideration of the status of existing complaints and if merging a new complaint into an existing investigation would delay the resolution of the prior investigation.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will revise its complaint-merging policy to include documenting in the licensing data base the assessment of the new complaint. If the new complaint is similar to prior complaints, a decision to merge will be made and assign to the current investigator to prevent incomplete investigations considering all complaints.

Recommendation 41: Require staff to document their explanation and rationale for merging new complaints into an existing investigation as required by Board policy.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will enforce its policy by requiring staff to provide written justification for all merged investigations.

Recommendation 42: Once its policy for merging new complaints into existing investigations has been revised, provide training to all Board staff responsible for triaging new complaints.

Board Response: The audit recommendation will be implemented.

Response explanation: After the policy is revised, mandatory training will be provided to the two staff involved in the complaint triage process.

Sunset factor 8: The extent to which the Board has established safeguards against possible conflicts of interest.

Board did not ensure conflict-of-interest acknowledgement forms are updated annually and its acknowledgement form does not include an "affirmative no."

Board Response: The Auditor General's finding is agreed to.

Response explanation: The Board will continue to implement a tracking system to ensure the timely annual completion of conflict-of-interest forms by all required individuals and to have the person also provide a "firm no" there is no conflict of interest.

Recommendation 43: Revise and implement its conflict-of-interest policy to require tracking and monitoring the completion of its acknowledgment forms annually by all Board members and staff, including following up with Board members and staff who do not sign and return the acknowledgement form in a timely manner.

Board Response: The audit recommendation will be implemented.

Response explanation The Board will continue to implement a tracking system to ensure the timely annual completion of conflict-of-interest forms by all required individuals and follow up with those who do not acknowledge in a timely manner.

Recommendation 44: Revise its acknowledgement form to require Board member and staff to disclose any business or decision-making interests, secondary employment, and relatives employed by the State; and to attest to an "affirmative no," if applicable, consistent with the ADOA disclosure form.

Board Response: The audit recommendation will be implemented.

Response explanation: The Board will revise its conflict-of-interest acknowledgement form to include all recommended disclosure fields and an "affirmative no" attestation.