

## ARIZONA AUDITOR GENERAL

**Lindsey A. Perry**, Auditor General

**Melanie M. Chesney**, Deputy Auditor General

September 26, 2025

Members of the Arizona Legislature

The Honorable Katie Hobbs, Governor

Executive Director Whitmore  
Arizona State Veterinary Medical Examining Board

Transmitted herewith is the report *A Performance Audit and Sunset Review of the Arizona State Veterinary Medical Examining Board*. This audit was conducted by the independent firm Sjoberg Evashenk Consulting, Inc. under contract with the Arizona Auditor General and was in response to a November 21, 2022, resolution of the Joint Legislative Audit Committee. The performance audit 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 Arizona State Veterinary Medical Examining Board agrees with all the findings and plans to implement all the recommendations. My Office has contracted with Sjoberg Evashenk Consulting, Inc. to follow up with the Arizona State Veterinary Medical Examining Board in 6 months to assess its progress in implementing the recommendations. I express my appreciation to the Board's members, Executive Director Whitmore, 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 Veterinary Medical Examining Board members



September 26, 2025

Lindsey A. Perry, CPA, CFE  
Arizona Auditor General  
2910 N. 44<sup>th</sup> Street, Ste. 410  
Phoenix, AZ 85018

Dear Ms. Perry:

Sjoberg Evashenk Consulting is pleased to submit our report containing the results of the 2025 Performance Audit and Sunset Review of the Arizona State Veterinary Medical Examining Board (Board). We conducted this audit on behalf of the Arizona Office of the Auditor General pursuant to a November 21, 2022, resolution of the Joint Legislative Audit Committee.

The objectives of this audit were to determine whether the Board (1) issued licenses and certificates in a timely manner to qualified applicants; (2) investigated and resolved complaints within its jurisdiction in a timely manner; (3) inspected facilities prior to issuing veterinary premises licenses and animal crematory licenses, as required by statute; and (4) provided information to the public as required by statute. This report also provides responses to the statutory sunset factors and our recommendations for improvement.

We appreciate the professionalism and cooperation exhibited throughout the course of this audit by the Board and Board management and staff. Also, we thank you for the opportunity to serve the Arizona Auditor General, and it has been our pleasure to work with you and your staff.

Respectfully submitted,

A handwritten signature in blue ink, reading "George J. Skiles".

George Skiles, Partner  
Sjoberg Evashenk Consulting, Inc.

# **Arizona Auditor General**

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## **Performance Audit and Sunset Review of the Arizona State Veterinary Medical Examining Board**

**September 2025**



# Arizona State Veterinary Medical Examining Board (Board)

## Performance Audit and Sunset Review

Board timely issued initial and renewal licenses we reviewed to qualified applicants in fiscal year 2024, but did not resolve some complaints in a timely manner, putting public safety at risk; did not fully comply with some State conflict-of-interest requirements, increasing the risk that employees and Board members had not disclosed substantial interests; and did not review continuing education for license and certificate renewal applicants

### Audit purpose

To determine whether the Board issued licenses to qualified applicants in a timely manner, resolved complaints timely, inspected veterinary and animal crematory premises as required by statute, and provided information to the public as statutorily required, and to respond to the 10 statutory sunset factors.

### Key findings

- Board issued initial and renewal licenses and certificates to qualified individuals in a timely manner.
- Board did not resolve within 180 days 49 of 159 complaints it investigated in fiscal year 2024.
- Board did not comply with some State conflict-of-interest requirements, such as not including all statutorily required disclosures on its disclosure form or maintaining all disclosures of substantial interests in a single special file as required by statute.
- Board did not review/validate continuing education prior to issuing licenses and certificates, nor did it have a process to audit licensees and certificate holders' compliance with continuing education requirements on a random sample basis.

### Key recommendations to the Board

- Investigate and resolve complaints within 180 days.
- Use a conflict-of-interest disclosure form that requires disclosures of all substantial interests for Board members, committee members, employees and their relatives; and store all substantial interest disclosures, including disclosure forms and meeting minutes, in a special file available for public inspection.
- Establish and implement procedures for verifying that renewal applicants have met continuing education requirements, such as by developing and implementing a random audit process to verify compliance.

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## Board overview

### BOARD OVERVIEW







#### Arizona State Veterinary Medical Examining Board (Board)

The Board regulates the practice of veterinary medicine in Arizona by issuing licenses and certificates to qualified applicants, investigating and resolving complaints against licensees and certificate holders, conducting inspections, and providing information to the public about the status of licensees and certificate holders. Statute requires the Board to consist of 9 Governor-appointed members who serve 4-year terms. As of April 2025, 7 Board member positions were filled and 2 were vacant. In fiscal year 2025, the Board was authorized 6 full-time equivalent staff positions, 5 of which were filled. The Board does not receive any State General Fund monies. Rather, its revenues consist primarily of licensing fees.

Active Licenses and Certificates as of August 2025	Active Licensed Facilities as of August 2025	Complaints Received in Fiscal Year 2024
4,968	1,055	159

#### Audit results summary

Key regulatory areas reviewed	Results	
<b>Initial licenses/certificates</b> —Process initial license and certificate applications within 120 days as required by rule. Key qualifications include education and training.	Issued timely? ✓	Ensured qualifications met? ✓
<b>Renewal licenses/certificates</b> —Process license and certificate renewal applications within 60 days and licensees must complete 20 continuing education hours and certificate holders must complete 10 continuing education hours every 2 years.	Issued timely? ✓	Ensured continuing education met? ✗
<b>Complaint handling</b> —Investigate complaints it receives and take action to address violations within 180 days.	Investigated all complaints? ✓	Resolved complaints within 180 days? ✗
<b>Licensing and inspecting facilities</b> —Process veterinary premises licenses and animal crematory license applications within 90 days and conduct inspections as the last step in the licensing process.	Issued timely? ✗	Ensured qualifications met? ✓
<b>Public information</b> —Provide specific complaint, licensee, and certificate holder information to the public on request and on its website.	Provided via website? ✗	Provided via phone? ✓

Other responsibilities reviewed	Results	
<b>Fee setting</b> —Establish fees based on the actual cost of providing services consistent with recommended practices.	Assessed costs? 	Based fees on actual costs? 
<b>Conflicts of interest</b> —Board members/staff sign a disclosure form, Board maintains substantial interest disclosures in a special file, and Board members recuse selves from decisions involving substantial interests.	Board members/ staff signed disclosure form and Board maintained special file? 	Board members with conflicts recused selves during board meetings? 
<b>Public records requests and open meeting law</b> —Requirements include responding to public records requests and posting Board meeting recordings on website in 5 working days.	Responded to public records requests? 	Meeting recordings posted on website within 5 working days? 

# Introduction

On behalf of the Arizona Auditor General, Sjoberg Evashenk Consulting has completed a performance audit and sunset review of the Arizona State Veterinary Medical Examining Board (Board). This performance audit and sunset review determined whether the Board (1) issued licenses and certificates to qualified applicants in a timely manner; (2) investigated and resolved complaints within its jurisdiction in a timely manner; (3) inspected facilities prior to issuing veterinary premises licenses and animal crematory licenses, as required by statute; and (4) provided information to the public as required by statute. This report also provides responses to the 10 statutory sunset factors.

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

The Board was established in 1967 to regulate the practice of veterinary medicine in Arizona (see textbox). The Board's mission is "to protect the health, safety, and welfare of Arizona citizens as well as the welfare of animals by the regulation of veterinarians, veterinary technicians, veterinary premises, and animal crematories."<sup>1</sup>

The Board's key responsibilities include:

- Issuing licenses and certificates to qualified applicants. Licenses and certificates must be renewed every 2 years.<sup>2</sup> According to the Board's database, as of August 2025, there were 3,512 actively licensed veterinarians and 1,456 actively certified veterinarian technicians (see Exhibit 1, page 5, for more information about license and certificate types). See Sunset Factor 2, pages 18 through 25, for more information on problems we identified with the Board's processing of license and certificate applications.
- Issuing veterinary premises and animal crematory licenses to qualified facilities and inspecting facilities for compliance with statutory

### Key Terms

- **Veterinary Medicine**—Statute states that "veterinary medicine" includes veterinary surgery, obstetrics, dentistry, acupuncture, manipulation and all other branches or specialties of veterinary medicine and prescribing, administering, or dispensing drugs and medications for veterinary purposes.
- **Veterinary Premises and Animal Crematory License**—Veterinary premises licenses and animal crematory licenses are licenses issued by the Board that authorize a physical location to operate as either a veterinary clinic or an animal crematory. These facilities must comply with State standards for equipment, sanitation, and recordkeeping.

Source: Audit staff review of Arizona Revised Statutes (A.R.S.) §32-2201, A.R.S. §32-2271—2274, A.R.S. §32-2291—2292.

<sup>1</sup> Governor's Office of Strategic Planning & Budget. (November 2024). *State of Arizona Master List of State Government Programs, State Agencies' Five Year Strategic Plans, and Cabinet Agencies' Strategic Plan Summaries*. Retrieved 06/04/2025 from <https://www.azospb.gov/documents/2025/FY%202026%20Master%20List.pdf>.

<sup>2</sup> A.R.S. §§32-2217, 32-2218, 32-2219.



and rule requirements.<sup>3</sup> The Board is responsible for issuing licenses to premises, such as veterinary clinics, hospitals, mobile units, and vaccination clinics, and animal crematories.<sup>4</sup> Veterinary premises and animal crematory licenses must be renewed every 2 years.<sup>5</sup> According to the Board's database, as of August 2025, there were 1,037 actively licensed veterinary premises and 18 actively licensed animal crematories. As part of the licensing process, statute requires the Board to complete an initial inspection and issue veterinary premises licenses and animal crematory licenses within 90 days of receiving an application, provided that the application is complete and the facility meets all applicable requirements.<sup>6</sup> In fiscal year 2024, the Board conducted 162 initial veterinary premises inspections and 3 initial animal crematory inspections. Additionally, although not required by statute, the Board conducts periodic re-inspections. The purpose of these re-inspections is to verify ongoing compliance with established standards for facility structure, sanitation, equipment, and operations. In fiscal year 2024, the Board conducted 172 re-inspections. Inspections and re-inspections provide the basis for identifying deficiencies and, if necessary, initiating corrective or disciplinary action. See Sunset Factor 2, pages 18 through 25, for more information on problems we identified with the Board's processing of veterinary premises licenses and animal crematory licenses.

- Investigating and resolving complaints against licensees and certificate holders.<sup>7</sup> According to Board records, the Board received 159 complaints in fiscal year 2024. In limited cases, the Board may conduct an inspection of a veterinary premises or an animal crematory as part of a complaint investigation involving a responsible veterinarian or another licensed practitioner operating at the premises. See Finding 1, pages 8 through 12, for more information on 1 problem we identified with the Board's complaint handling.
- Providing information about licensees and certificate holders to the public, including licensees' and certificate holders disciplinary and non-disciplinary histories.<sup>8</sup> See Sunset Factor 5, pages 26 through 27, for more information on 1 problem we identified with the Board's provision of public information.

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<sup>3</sup> Veterinary medical premises licensing and practice regulations are set forth in A.R.S. §§32-2271—2273 and 32-2281, Arizona Administrative Code (A.A.C.) R3-11-502, R3-11-701—707, R3-11-801—803, R3-11-805, R3-11-807. Crematory regulations are set forth in A.R.S. §§32-2291—2293 and §32-2297, and A.A.C. R3-11-1004—1010.

<sup>4</sup> A.A.C. R3-11-101(B)(23)(29) defines a veterinary medical premises as a building or areas within a building housing a veterinary medical premises licensed by the Board on which veterinary medical services will be performed. A.R.S. §32-2201 defines a crematory as "a building or portion of a building that is licensed pursuant to article 8 of this chapter and that houses a retort in which only animal remains are cremated."

<sup>5</sup> A.R.S. §§32-2272(E), 32-2292 (E).

<sup>6</sup> A.R.S. §§32-2271(C), 32-2272(F), 32-2291(B).

<sup>7</sup> A.R.S. §32-2207(6).

<sup>8</sup> A.R.S. §32-3214(A)(B).

**EXHIBIT 1. BOARD LICENSE AND CERTIFICATE TYPES; NUMBER OF ACTIVE LICENSES AND EDUCATION OR CERTIFICATE REQUIREMENTS AS OF AUGUST 2025 (UNAUDITED)**

License and Certificate Types	Active Licenses & Certificates	Educational or Experience Qualifications
<b>Veterinarians</b>		
Regular	3,443	The applicant must be a graduate of a veterinary college that is accredited by the American Veterinary Medical Association or hold a certificate issued by the Educational Commission for Foreign Veterinary Graduates (ECFVG) or the Program for the Assessment of Veterinary Education (PAVE). The applicant must also satisfactorily pass both a state examination approved by the Board and the North American Veterinary Licensing Examination (NAVLE).
Specialty	42	The applicant must have completed advanced training and examinations in a specific discipline and is recognized as a diplomate by a national specialty board accredited by the American Veterinary Medical Association (AVMA).
Veterinary Faculty	13	The applicant must be employed by a veterinary college in Arizona and their practice is limited to their official academic responsibilities. Applicants are required to be veterinary college graduates. Faculty license applicants are not required to hold a degree from an AVMA-accredited veterinary school nor complete the ECFVG or PAVE programs.
State Employee	8	The applicant must be employed by the State or a political subdivision to receive a license to practice veterinary medicine limited to duties for that employer without needing to pass the standard licensing examination
Non-Resident Permit	6	The applicant must reside within 25 miles of Arizona in the states of California, Colorado, Nevada, New Mexico or Utah and whose practice extends into the state.
<b>Total Veterinarians</b>	<b>3,512</b>	
Certified Veterinary Technician	1,456	The applicant shall be at least 18 years of age and provide evidence of graduation from a two-year curriculum in veterinary technology, or the equivalent, in a college or other institution approved by the Board. The applicant must also pass the Veterinary Technician National Exam (VTNE).
Veterinary Premises License	1,037	The premises must designate a responsible veterinarian and meet operational standards for veterinary care, verified through an inspection by the Board.
Animal Crematory License	18	The applicant must provide evidence that all operators have received proper training in the safety and operation of crematory equipment and meet operational standards for animal crematories, verified via Board inspection.
<b>Total Active Licenses</b>	<b>6,023</b>	

Source: Auditor analysis of licensing and certificate holder reports generated by the Board as well as statute: A.R.S. §32-2215 (Veterinarian), A.R.S. §32-2217 (State employees), A.R.S. §32-2201(14) (Veterinary Faculty), A.R.S. §32-2201(20) (Specialty), A.R.S. §32-2217.01 (Non-Resident Permit), A.R.S. §§32-2242—2244 (Certified Veterinary Technician), A.R.S. §§32-2271—2272 (Veterinary Premises License), A.R.S. §§32-2291—2292 (Animal Crematory License).

## **Board is comprised of 9 members supported by 6 staff positions**

A.R.S. §32-2202 requires the Board to consist of 9 Governor-appointed members who serve 4-year terms. Five members must be licensed veterinarians, 1 must be a certified veterinary technician, and 3 must not be veterinarians, with 2 members representing the general public and 1 representing the livestock industry. As of April 2025, the Board had 7 filled and 2 vacant Board member positions.<sup>9</sup>

Statute also requires the Board to establish 1 or more independent investigative committees consisting of non-board members to assist with the adjudication of complaints.<sup>10</sup> During fiscal year 2024, the Board had established 2 investigative committees each consisting of 5 board-appointed members who serve 2-year terms—3 licensed veterinarians and 2 members of the public.

The Board was appropriated 6 full-time equivalent (FTE) positions for fiscal year 2025 and as of April 2025, 5 FTE positions were filled by an Executive Director, 1 Investigations Program Manager, 1 Licensing Specialist, 1 Office Manager, and 1 Premises Compliance Specialist.<sup>11</sup>

Of these positions, 1 position is fully remote with the employee working out-of-State, 3 are fully in-office, and 1 is office-based but works primarily in the field. The Board has 6 workstations to accommodate its staff.

## **Board's revenues are primarily from regulated community and its expenditures are mostly for staffing**

The Board does not receive any State General Fund monies. Instead, its revenues consist primarily of licensing and related fees, a portion of which are appropriated to the Board for operations as part of the State budget process. The Board is statutorily required to remit 10% of all monies received to the State General Fund and to deposit the remaining 90% into the Veterinary Medical Examining Fund. However, effective September 15, 2024, Laws 2024, Ch. 222, requires the Board to remit to the State General Fund 15% of all monies it receives through June 30, 2028. As shown in Exhibit 2, page 7, for fiscal year 2025 most of the Board's revenues consisted of licensing fees, and most of its expenditures were for payroll and related benefits and other operating expenses, such as rent, information technology, and shared services. The Board's fund balance was \$1,310,218 at the end of fiscal year 2025.

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<sup>9</sup> The 2 vacant positions: Board Member Vacancy #1, a non-veterinarian member of the general public, and Board Member Vacancy #2, a non-veterinarian representative of the livestock industry, had been vacant since July 2024 and January 2024, respectively.

<sup>10</sup> A.R.S. §32-2237(A)(B)(C)(D).

<sup>11</sup> A second Premises Compliance Specialist position was vacant.

**EXHIBIT 2: SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FISCAL YEARS 2023 THROUGH 2025 (UNAUDITED)**

	<b>2023 (Actual)</b>	<b>2024 (Actual)</b>	<b>2025 (Estimated)</b>
<b>Fund balances, beginning of year</b>	\$1,839,175	\$2,716,895	\$506,573
<b>Revenues</b>			
License, certificate, fees <sup>A</sup>	\$1,654,971	\$144,503	\$1,790,945
Sales, charges for services, goods and capital <sup>B</sup>	89,371	85,978	74,089
Fines, forfeitures, penalties <sup>C</sup>	15,050	26,000	18,225
Other revenue <sup>D</sup>	(31,414)	6,494	(30,682)
<b>Total gross revenues</b>	<b>1,727,978</b>	<b>262,975</b>	<b>1,852,577</b>
Remittances to the State General Fund <sup>E</sup>	173,313	44,222	292,431
<b>Total net revenues</b>	<b>1,554,665</b>	<b>218,753</b>	<b>1,560,146</b>
<b>Expenditures</b>			
Payroll and related benefits	444,308	548,246	508,575
Professional and outside services	38,669	31,514	54,941
Other operating <sup>F</sup>	181,336	133,055	177,852
Travel	12,632	16,259	13,182
<b>Total expenditures</b>	<b>676,945</b>	<b>729,074</b>	<b>754,550</b>
Transfers to the State General Fund <sup>G</sup>	-	1,700,000	-
Net change in fund balances	914,729	(2,210,322)	805,596
<b>Fund balances, end of year</b>	<b>\$2,716,895</b>	<b>\$506,573</b>	<b>\$1,312,169</b>

Source: Auditor staff analysis of AZ 360's June Financial Reports for fiscal years 2023, 2024, and 2025.

Notes:

- <sup>A</sup> Per A.R.S. §§32-2217, 32-2218, 32-2219, 32-2272, 32-2292, licenses and certificates must be renewed every two years. The disparity of annual revenue amounts is due to biennial license renewal.
- <sup>B</sup> Revenue in this category primarily consists of fees collected from applicants taking the State jurisprudence examination, which is required for veterinary licensure. The Board also collects smaller fees for licensee directories and document reproductions. Examination fee deposits are received regularly throughout the year, contributing over \$80,000, on average, annually to this revenue category.
- <sup>C</sup> Per A.R.S. §32-2233(C), 100% of all civil penalties are required to be remitted to the State's General Fund.
- <sup>D</sup> This category includes small, routine miscellaneous receipts deposited, such as fees for copies, document certification, or search services.
- <sup>E</sup> Board was required to remit to the State General Fund 10% of all monies received in accordance with A.R.S. §32-2205. Effective September 14, 2024, Laws 2024, Ch. 222, A.R.S. §32-2205 now requires the Board to remit to the State General Fund 15 percent of all monies it receives through June 30, 2028.
- <sup>F</sup> Other operating expenditures including but not limited to office supplies, postage, telecommunications; information technology, financial and building services; rent and records; security services; subscriptions and publications, conference attendance, and external consulting and programming support. In fiscal year 2023, Board operating expenditures increased due to initiating development on a new licensing system.
- <sup>G</sup> Laws 2024, Ch. 209, Sec. 133, required \$1,700,000 of the Board's fund balance be transferred to the State General Fund in fiscal year 2024 for the purpose of providing adequate support and maintenance for State agencies.

## Finding 1. Board has not resolved some complaints in a timely manner, which could affect patient safety and cause undue burden for licensees/certificate holders

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

The Board is statutorily responsible for investigating and resolving complaints alleging violations of statute or rule by licensees and certificate holders.<sup>12</sup> Fulfilling this responsibility requires the Board to receive complaints or information regarding licensee or certificate holder behavior, and to resolve these complaints in a manner consistent with statute, rule, and nationally-established best practices.<sup>13</sup> The Board may investigate any alleged violation of statute pertaining to the practice of veterinary medicine on its own initiative and based on information from any source.<sup>14</sup> The Auditor General has determined that Arizona health regulatory boards should investigate and resolve complaints within 180 days of receiving them. Based on the findings of an investigation, the Board may dismiss the complaint, issue a decree of censure, issue a letter of concern, enter into a consent agreement, establish terms of probation, impose a civil penalty, and/or suspend or revoke the license or certificate.<sup>15</sup>

### Board did not resolve within 180 days 49 of 159 complaints it received in fiscal year 2024

The Board did not investigate and resolve 49 (31%) of 159 complaints the Board reported it received in fiscal year 2024 within 180 days. The Board took between 181 and 270 days to resolve 45 of these complaints, between 271 and 300 days to resolve 2 of these complaints, and between 301 and 325 days to resolve 2 complaints. All complaints received in fiscal year 2024 had been resolved by May 2025. See Exhibit 3, page 9, for the number of days it took the Board to investigate and resolve complaints.

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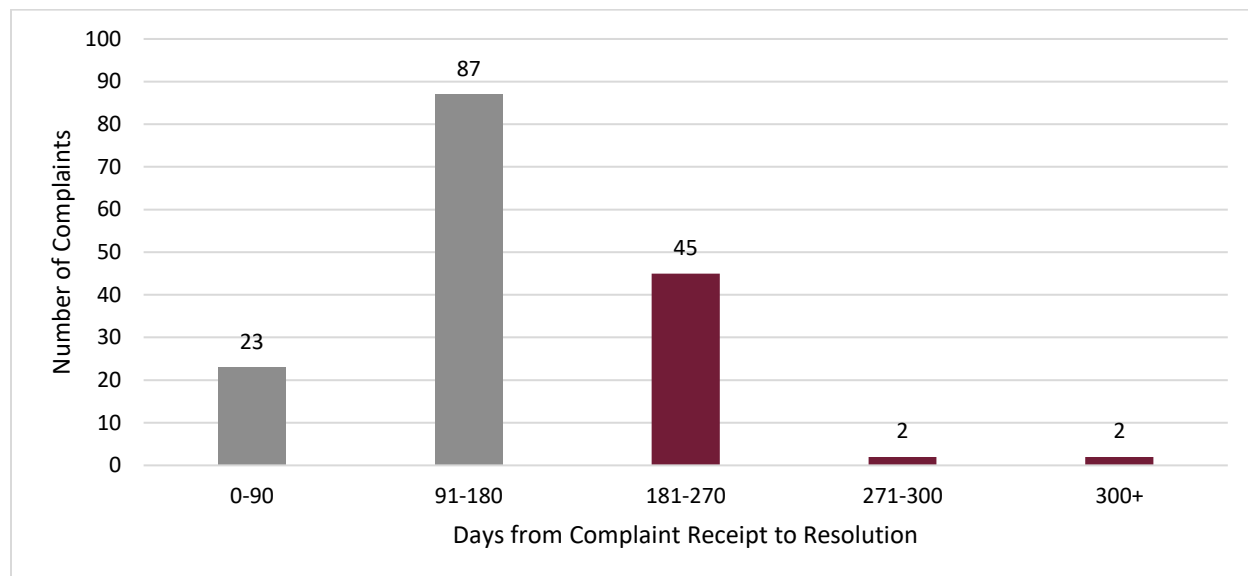
<sup>12</sup> A.R.S. §32-2207(6). The primary duty of the board is to protect the public from unlawful, incompetent, unqualified, impaired or unprofessional practitioners of veterinary medicine through licensure and regulation of the profession in this state. The powers and duties of the board include: 6. Investigating charges of violations of this chapter and board rules and orders.

<sup>13</sup> National Association of State Auditors, Controllers, and Treasurers. *Carrying Out a State Regulatory Program: A National State Auditors Association Best Practices Document*. (2004). Retrieved on 06/06/2025 from [https://www.nasact.org/files/News\\_and\\_Publications/White\\_Papers\\_Reports/NSAA%20Best%20Practices%20Documents/2004\\_Carrying\\_Out\\_a\\_State\\_Regulatory\\_Program.pdf](https://www.nasact.org/files/News_and_Publications/White_Papers_Reports/NSAA%20Best%20Practices%20Documents/2004_Carrying_Out_a_State_Regulatory_Program.pdf).

<sup>14</sup> A.R.S. §32-2235(D).

<sup>15</sup> A.R.S. §32-2234(A), (D), (E), and (G); A.R.S. §32-2235(B).

**EXHIBIT 3. NUMBER OF DAYS FROM COMPLAINT RECEIPT TO RESOLUTION FOR COMPLAINTS RECEIVED IN FISCAL YEAR 2024**



Source: Auditor-generated histogram from analysis of complaints log data provided by the Board Senior Medical Examiner, supplemented by information obtained from the Board's website Licensee Directory, as well as by direct request from Board staff.

To evaluate the Board's handling of complaints, we selected a sample of 20 complaints, of which 4 were not resolved within 180 days. These untimely complaints were resolved between 191 and 320 days from receipt.

**Board's failure to timely resolve complaints may negatively affect patient safety and may cause undue burden for licensees and certificate holders under investigation for lengthy periods of time**

When the Board is slow to resolve complaints it may negatively impact patient safety when delays allow potentially unfit licensees or certificate holders alleged to have violated Board statutes and rules to continue to practice. For example, the Board took 320 days to resolve an investigation into a licensee accused of recommending unnecessary surgery.

In addition, even when the Board does not substantiate and dismisses complaints, untimely complaint handling subjects licensees and certificate holders to unproven allegations of professional or harmful conduct for longer than necessary. Untimely complaint handling may also create an undue burden for licensees and certificate holders 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. Finally, while licensees and certificate holders are under investigation, statute does not permit the Board to make information available to the public regarding complaints involving a licensee.<sup>16</sup>

<sup>16</sup> A.R.S. §32-3214(A). A pending complaint or investigation may not be disclosed to the public.

## Several factors contributed to delays in complaint resolution, including scheduling informal interviews and investigative committees and the untimely use of consent agreements

Although the Board received 27% more complaints in fiscal year 2024 than it did in fiscal year 2020, the Board resolved complaints faster than it did in fiscal year 2020.<sup>17</sup> Despite some improved efficiencies, this audit revealed that some complaints involved circumstances outside the Board's control that resulted in the cases exceeding 180 days, such as a licensee's illness. Additionally, some complaints experienced delays due to 4 factors within the Board's control. Specifically:

- **Considering similar cases simultaneously.** The Board delayed investigating and resolving 2 of the 4 complaints in our sample because it wanted to consider related cases simultaneously. In one of these cases, the investigation in our sample represented 1 of 4 complaints filed against different licensees/certificate holders by the same complainant concerning a single issue. It took the Board 120 days to bring this complaint before the investigative committee because of the desire to agendize all 4 together. For the second complaint in our sample, the Board delayed the Informal Interview 1 month because the Board was waiting for more information related to a second, similar complaint.
- **Scheduling informal interviews.** Our review of the Board's complaint tracking log revealed that while 81% of complaints that did not require an informal interview were completed within 180 days, of the 41 complaints that required an informal interview, 26, or 63%, took more than 180 days to resolve—between 184 and 320 days. Informal interviews can contribute to delays, in part, because the Board must agendize these cases for future meetings to give the licensees or certificate holders the 20 days' notice required by Arizona Administrative Code (see Sunset Factor 6, page 27, for more information on an additional issue we identified related to providing licensees' notice of informal interviews).<sup>18</sup>

For example, of the 26 complaints that took more than 180 days to resolve and involved an informal interview, the Board did not agendize 3, or 12%, for the following month's Board meeting, but rather scheduled the interviews between 56 and 98 days after the informal interview was ordered.

Additionally, informal interviews take place across 2 meetings. After the Board holds an informal interview, Board staff must return to the Board during a third Board meeting to present the formal findings of fact, conclusions of law, and Board order for the Board to review and adopt.<sup>19</sup> As a

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<sup>17</sup> The Board received 125 complaints in fiscal year 2020, and 159 complaints in fiscal year 2024. Despite the increase in cases, on average, the number of days it took the Board to review a complaint at a Board meeting decreased by 15 days, or 10%, between 2020 and 2024.

<sup>18</sup> Per A.A.C. R3-11-902(A)(1), "The Board shall send a written notice of the informal interview to the licensee or certificate holder...at least 20 days before the informal interview."

<sup>19</sup> Per to A.R.S. §32-2234(A), if a Board investigation indicates that a veterinarian may have engaged in unprofessional or dishonorable conduct, the Board may issue a notice of formal hearing or may request an informal interview with the veterinarian. According to the Board, an informal Interview is a formal legal proceeding that serves as a type of hearing during which the licensee is asked to provide testimony regarding the allegation under investigation.



result, cases that need informal interviews may require the Board to agendize the case during several Board meetings before issuing a final order.<sup>20</sup> Further, according to the Executive Director, a lack of available Board meeting time also exacerbates this issue because the Board meets one day per month, and the number of Board-ordered informal interviews increased by 153% between fiscal years 2020 and 2024, from 17 in 2020 to 43 in 2024. The Board held a special Board meeting in June 2025 to address, in part, an overflow of informal interviews.

- **Putting complaints on investigative committee agenda.** The Board took more than 120 days to agendize 33, or 29%, of the 114 complaints that were heard before the investigative committee. Of these 33, 19 or 58% of complaints were not resolved within 180 days. Further, of the 4 complaints in our sample that took longer than 180 days to resolve, 3 could have been scheduled to be heard at investigative committees between May and July 2024, but were not heard until August 2024 because, while the Board established 2 investigative committees, only 1 of 2 committees met in May and June 2024, and neither met in July 2024 due to a lack of quorum. When scheduled meetings were cancelled, the investigative committee did not reschedule the meeting to another date, which resulted in reduced capacity to agendize investigations that were ready for investigative committee review.

Further, the Executive Director reported that when investigative committee calendars were full, complaints would be agendized in future months. However, statute authorizes the Board to establish 1 or more investigative committees, giving the Board the ability to establish multiple committees as a way to expedite the completion of investigations. During fiscal year 2024, the Board had established 2 investigative committees to recover from a complaints backlog resulting from pandemic-related challenges, but the Executive Director reported challenges related to the administration of 2 separate investigative committees, which each met for half-day sessions once per month.<sup>21</sup> The Board voted in June 2024 to return to a single investigative committee that would handle the full volume of complaints of the 2 committees combined—which it did in August 2024—to, according to the Executive Director, streamline the process for staff, those appearing before the committee, and for committee members, and to improve consistency in complaint consideration. According to the investigative committee calendar, the committee was held in all but 1 month during fiscal year 2025.

- **Using consent agreements.** Nine, or 20%, of the 45 complaints that took between 181 and 270 days to resolve were closed via consent agreements. These consent agreements took between 33 and 69 days to execute after the Board approved the consent agreement during a Board meeting. On average, it took Board staff 15 business days after the Board approved the terms of a consent agreement to draft and send the consent agreement to the licensee, and it took 24 days, on average, for the licensee to sign and return the consent agreement to the Board. Although the Board allows the licensee 35 days, including 5 days of mail time, to sign the offered consent

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<sup>20</sup> A.A.C. R-11-902(A)(1).

<sup>21</sup> A.R.S. §32-2237(A). The board shall appoint one or more investigative committees, each consisting of three licensed veterinarians who are not board members and two members of the general public who are not board members...A quorum...shall include at least three members, at least two of whom must be veterinarians.



agreement; 2 of the 9 consent agreements in our sample took longer to return to the board, at 36 and 45 days. Consent agreements add time to resolution timelines because an investigation is not considered resolved until the consent agreement is effective, requiring the signature of the licensee and Executive Director.<sup>22</sup> In addition, offering consent agreements contributed to delays scheduling 2 licensees for informal interviews because both licensees rejected offered agreements late into the 35 day window to accept, sign, and return the agreement, precluding the Board from being able to agendize the resulting informal interview for the next Board meeting due to the 20-day notice requirement.

### **Recommendations to the Board:**

1. Investigate and resolve complaints within 180 days.
2. Develop and implement guidance for joint adjudication of related investigations. The guidance should balance timely resolution of complaints with the benefits of joint adjudication by indicating that individual complaints should be adjudicated separately when possible, and requiring documentation of the rationale for conducting joint adjudications.
3. Consider meeting for longer times and/or more frequently than once per month to help ensure timely complaint resolution.
4. Monitor the effects of the Board's decision to combine the 2 investigative committees into a single committee on complaint resolution timeliness, and determine the extent to which complaints are handled timely and whether additional measures are warranted, such as scheduling more frequent committee meetings.
5. Minimize the effects of delayed complaint resolution resulting from consent agreements by reducing the timeframe requirement within which licensees must agree to and return signed consent agreements and take action if the licensee does not comply with the timeframe requirement.

### **Board Response:**

As outlined in its [response](#), the Board agrees with the finding and will implement the recommendations.

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<sup>22</sup> Two of the cases that took the longest to reach informal interview from the first Board meeting (both 84 days) involved the practitioner being offered a consent agreement and subsequently denying it and opting for the informal interview.

## Finding 2. Board did not comply with some State conflict-of-interest requirements, increasing risk that employees and Board members had not disclosed substantial interests that might influence or could affect their official conduct

### Statute addresses conflicts of interest for public agency employees and public officers

Arizona law requires employees of public agencies and public officers to avoid conflicts of interest that might influence or affect their official conduct. To determine whether a conflict of interest exists, employees/public officers must first evaluate whether they or a relative has a “substantial interest” in (1) any contract, sale, purchase, or service to the public agency or (2) any decision of the public agency (see textbox for key terms).

If an employee/public officer or a relative has a substantial interest, statute requires the employee/public officer to fully disclose the interest and refrain from voting upon or otherwise participating in the matter in any way as an employee/public officer.<sup>23,24</sup> The interest must be disclosed in the public agency’s official records, either through a signed document or the agency’s official minutes. To help ensure compliance with these statutory requirements, the Arizona Department of Administration’s (ADOA) *State Personnel System Employee Handbook* and conflict-of interest disclosure form (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.<sup>25</sup> 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.” In addition, A.R.S. §38-509 requires public agencies to maintain a special file of all documents necessary to memorialize all disclosures of substantial interest, including disclosure forms and official meeting minutes, and to make this file available for public inspection.

#### Key Terms

- **Substantial interest**—Any direct or indirect monetary or ownership interest that is not hypothetical and is not defined in statute as a “remote interest.”
- **Remote interest**—Any of several specific categories of interest defined in statute that are exempt from the conflict-of-interest requirements. For example, an employee or public officer who is reimbursed for actual and necessary expenses incurred while performing official duties.

Source: Audit staff review of A.R.S. §38-502 and the *Arizona Agency Handbook*. Arizona Office of the Attorney General (AAG). (2018). *Arizona agency handbook*. Phoenix, AZ. Retrieved 1/6/2025 from <https://www.azag.gov/outreach/publications/agency-handbook>.

<sup>23</sup> See A.R.S. §§38-502 and 38-503(A) and (B).

<sup>24</sup> A.R.S. §38-502(8) defines “public officer” as all elected or appointed officers of a public agency established by charter, ordinance, resolution, State constitution, or statute. According to the *Arizona Agency Handbook*, public officers include directors of State agencies and members of State boards, commissions, and committees—whether paid or unpaid. AAG, 2018.

<sup>25</sup> Arizona Department of Administration (ADOA). (2024). *State personnel system employee handbook*. Retrieved 4/10/2025 from [https://drive.google.com/file/d/12uumNZLSBkfp33AaL9uHym0K9e6I9\\_II/view](https://drive.google.com/file/d/12uumNZLSBkfp33AaL9uHym0K9e6I9_II/view).

In response to conflict-of-interest noncompliance and violations investigated in the course of the Arizona Auditor General's work, such as employees/public officers failing to disclose substantial interests and participating in matters related to these interests, the Auditor General has recommended several practices and actions to various school districts, State agencies, and other public entities.<sup>26</sup> The Auditor General's 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.<sup>27</sup> 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. Recommended practices also indicate that the form include a field for the individual to provide an "affirmative no," if applicable.<sup>28</sup> These recommended practices also indicate that agencies should 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.

### **Board did not comply with some State conflict-of-interest requirements and its conflict-of-interest process was not fully aligned with recommended practices**

Prior to our review, the Board had not complied with some State conflict-of-interest requirements, and its conflict-of-interest process was not fully aligned with recommended practices designed to help ensure that employees/Board members comply with State requirements. Specifically:

- **Board used a disclosure form that did not address all required disclosures**—The conflict-of-interest disclosure form Board members, employees, and investigative committee members complete during onboarding and on an annual basis require members and employees to disclose any substantial interests. However, it did not require disclosure of whether or not their relatives had substantial interests. Additionally, the Board's employee forms did not require disclosures of

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<sup>26</sup> 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 False Filing*; 19-105 *Arizona School Facilities Board—Building Renewal Grant Fund*; and 17-405 *Pine-Strawberry Water Improvement District—Theft and misuse of public monies*.

<sup>27</sup> Recommended practices audit staff 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 4/10/2025 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 4/10/2025 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 4/10/2024 from <https://www.abo.ny.gov/recommendedpractices/ConflictofInterestPolicy.pdf>. Pennsylvania State Employees' Retirement System (SERS). (2023). *SERS Board Governance Policy Manual: Standards of Conduct: Recusal Policy* (Policy No. 2018-POL-BD-12). Retrieved 8/13/2025 from [https://sers.pa.gov/pdf/Board\\_Materials/GovernanceManual/06-Standards%20of%20Conduct%20for%20SERS%20Board-Ethical-Conduct-Policy.pdf](https://sers.pa.gov/pdf/Board_Materials/GovernanceManual/06-Standards%20of%20Conduct%20for%20SERS%20Board-Ethical-Conduct-Policy.pdf).

<sup>28</sup> As previously discussed, the ADOA disclosure includes a field for the individual to provide an "affirmative no."

relatives employed by the State of Arizona, as required by ADOA's *State Personnel Manual* and disclosure form. As of May 2025, the Board updated its disclosure forms for both Board members and employees to require disclosure of relatives' substantial interests.

- **Board did not ensure all conflict-of-interest disclosure forms were filled out completely—**Based on our review of conflict-of-interest disclosure forms collected by Board management in fiscal year 2024, nearly half of the forms were not fully completed. Specifically, 12 of the 25 forms did not have the required acknowledgment box checked, confirming that the individual had reviewed and received the Board's conflict-of-interest policy. Additionally, 5 of the 25 forms were missing required attestations indicating that the individual had no business interests, as mandated by the Board's disclosure form. The Board did not have a secondary review process to ensure all disclosure forms were fully completed.
- **Board did not maintain all disclosures of substantial interests in a single special file as required by statute—**Although the Board maintained a file containing annual conflict-of-interest disclosure forms, the file did not include all statutorily required disclosures. Specifically, the Board stored meeting minutes and disclosure forms containing disclosures of substantial interest from Board meetings in other locations, such as complaint folders, rather than in the special file. Statute requires all documents necessary to memorialize all disclosures of substantial interest, including disclosure forms and official meeting minutes, to be maintained together in a special file available for public inspection.<sup>29,30</sup>
- **Board members did not state reasons for recusal in Board meetings, which is a recommended practice—**Although the Board maintained recusal forms within its meeting minutes documenting members' reasons for recusal, Board members did not verbally state their reasons during meetings. For instance, 2 Board members recused themselves during the Board's February 19, 2025, Board meeting; however, these members did not specify their reasons for recusal. Recommended practices indicate Board members should also publicly provide their reason for recusal.
- **Board does not provide regular conflict-of-interest training to employees—**The Board did not provide routine conflict-of-interest training to employees, which is important to help ensure that conflict-of-interest policies are followed. The Board reported that employees receive training upon hire, but do not receive additional training after the onboarding process.

In May 2025, the Board implemented a conflict-of-interest policy to align with statutory requirements and recommended practices, including revising its disclosure form to align with statutory requirements and recommended practices, and establishing a special disclosure file to organize and publicly maintain all employee and Board member disclosures. As of May 2025, the Board provided evidence of an electronic

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<sup>29</sup> A.R.S. §38-509.

<sup>30</sup> A.R.S. §38-502(3). "Make known" means the filing of a paper which is signed by a public officer or employee and which fully discloses a substantial interest or the filing of a copy of the official minutes of a public agency which fully discloses a substantial interest. The filing shall be in the special file established pursuant to section A.R.S. §38-509.

file containing conflict-of-interest documentation that is available to the public. Finally, upon notification by the audit team of deficiencies in the Board's conflict-of-interest disclosure forms, the Board updated the forms and had all Board members, investigative committee members, and staff complete the new forms by May 2025. Our review of the revised conflict of interest disclosure forms did not identify any new disclosures previously undisclosed on the previous version of the form utilized by the Board.

### **Board's noncompliance with State conflict-of-interest requirements and not fully aligning its process with recommended practices increased risk that employees and Board members did not disclose substantial interests that might influence or affect their official conduct**

The Board's noncompliance with State- and Board-specific conflict-of-interest requirements increased the risk that employees and Board members would not disclose substantial interests that might influence or affect their official conduct. For example, by not requiring Board members/employees to complete a disclosure form that addressed all statutorily required disclosures, the Board could not ensure that all Board members and employees disclosed both individual and relatives-associated financial and decision-making substantial interests and refrained from participating in any manner related to these interests, as required by statute.<sup>31</sup> Consequently, the Board might have been unaware of potential conflicts and the need to take action to mitigate those conflicts.

Finally, because the Board did not store all completed forms disclosing substantial interests in a single special file—specifically, it maintained annual conflict-of-interest acknowledgement forms in the file but stored case-specific conflict-of-interest forms in individual complaint files—it lacked a complete record in one location, as required by statute. Additionally, the Board did not maintain a log or other centralized method to track which employees and Board members had completed required disclosure forms, regardless of whether they disclosed a conflict. Without such tracking, the Board could not readily determine who had submitted disclosures and could not easily respond to public records requests for this information.

### **Board's lack of awareness of all State conflict-of-interest requirements contributed to noncompliance and process gaps**

The Board reported it was not aware of certain State conflict-of-interest requirements or that its process was not fully aligned with recommended practices. This lack of awareness contributed to the issues identified above, including the use of an incomplete disclosure form, incomplete submissions, a special disclosure file that did not contain all required documents, and limited public disclosure of recusal reasons. Additionally, as mentioned earlier, the Board did not provide conflict-of-interest training to staff, which further limited staffs' understanding of their disclosure responsibilities and contributed to incomplete or inconsistent compliance.

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<sup>31</sup> A.R.S. §38-503.

### Recommendations to the Board:

Continue to develop and implement conflict-of-interest policies to help ensure compliance with State conflict-of-interest requirements and adhere to best practices, including:

6. Using a conflict-of-interest disclosure form that addresses substantial interests for Board members, committee members, and employees and relatives.
7. Storing all substantial interest disclosures, including disclosure forms and meeting minutes, in a special file available for public inspection.
8. Adopting a secondary review process to ensure disclosure forms submitted by Board members, committee members, and employees are complete.
9. Requiring Board members to publicly state their reason for recusal during meetings.
10. Providing periodic training to employees, at least annually, on the Board's conflict-of-interest requirements, process, and disclosure form, including how the State's conflict-of-interest requirements relate to their unique programs, functions, or responsibilities.

### Board Response:

As outlined in its [response](#), the Board agrees with the finding and will implement the recommendations.

## Sunset factors

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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 agency. 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 1967 to regulate veterinarians and veterinary technicians to protect and promote the public health, safety and welfare and to enhance the veterinary medical profession. Specifically, the Board is statutorily responsible for:

- Issuing veterinarian licenses and veterinary technician certificates, and ensuring that veterinarians and veterinary technicians meet education, experience, and examination requirements before obtaining licensure.<sup>32</sup>
- Licensing and inspecting veterinary and crematory premises.<sup>33</sup>
- Investigating and adjudicating complaints against licensees and certificate holders, including allegations of unprofessional conduct, negligence, or other violations of veterinary practice laws.<sup>34</sup>
- Providing the public with information on licensed and certificate holders, including disciplinary actions taken against licensees and certificate holders.<sup>35</sup>

### **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 mostly fulfill its key statutory objectives and purposes for 5 areas we reviewed. Specifically, the Board:

- **Issued initial licenses and certificates to qualified individuals we reviewed in a timely manner**—Our review of a random sample of 34 of 469 initial applications for veterinary licenses and veterinary technician certificates submitted to the Board in fiscal year 2024, found that the

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<sup>32</sup> A.R.S. §§32-2207, 32-2215.

<sup>33</sup> A.R.S. §§32-2271—2272, 32-2291—2292.

<sup>34</sup> A.R.S. §§32-2207(6), 32-2235.

<sup>35</sup> A.R.S. §32-3214(A)(B).



Board issued all 34 licenses and certificates within the 60-day time frame required in rule and to qualified applicants.<sup>36,37</sup> See textbox for examples of licensing qualifications.

- **Issued license and certificate renewals we reviewed in a timely manner**—Our review of a random sample of 25 of 1,485 license and certificate renewal applications the Board issued in fiscal year 2024 found that the Board renewed the license or certificate within the statutorily required timeframes—60 days for veterinary licenses and certificates and 90 days for veterinary premises and animal crematory licenses.
- **Board utilized an inspection checklist aligned with applicable statute and rules**—Our review of documentation associated with 25 veterinary premises and animal crematory license applications, submitted between calendar year 2017 and 2024, found that an inspection checklist was fully completed in all 25 cases. Moreover, our review found that the checklists substantially aligned with the standards and requirements set forth in statute and rule. For example, for the veterinary premises checklist, the Board incorporated several key requirements from rule, such as requirements related to maintaining sanitary conditions and the availability of functional surgical equipment. Similarly, the animal crematory inspection checklist includes items that reflect regulatory requirements across multiple areas, such as structural installation of the animal crematory equipment, shielding the retort from public view, proper handling and storage of animal remains, and ensuring equipment is properly labeled and maintained.
- **Board has established a process for inspecting all veterinary medical premises and animal crematories at least once every five years and made progress towards its informal goal, achieving this target for 86% of facilities as of fiscal year 2024**—While not required in statute or rule, the Board established an informal goal to inspect veterinary medical premises and animal crematories once every 5 years. In fiscal year 2024, the Board inspected 332 of the 1,038 veterinary medical premises and 5 of the 17 animal crematories. In addition, as of fiscal year 2025 the Board inspected 86% of all veterinary medical premises and animal crematories within the last

### Licensing Qualification Requirements

All applicants must submit the following to qualify for a license or certificate.

- **Basic Personal/Identification Information:** Name, Address, Contact Information, Social Security Number
- **Notarized Application Form:** A notarized application form signed by the applicant.
- **Education, Training, and Certification:** Evidence of Supervised Hours, Degrees, Exam Scores, and/or Licenses or Certificates from Other States
- **Background History:** Declarations regarding criminal history and/or past disciplinary action.
- **Application and License/Certificate Fees**

Source: Auditor review of A.R.S. §§32-2213, 32-2214 and A.A.C. R3-11-201, R3-11-203, and R3-11-105

<sup>36</sup> This was a random sample using a random number generator in which auditors selected the following amounts of applications randomly: 11 Doctor of Veterinary Medicine (DVM) applications, 1 Bachelor of Veterinary Medicine and Surgery (BVM&S) application, 1 Bachelor of Veterinary Science (BVSc) Application, 1 Veterinary Medical Doctorate (VMD) application, and 6 Certified Veterinary Technician (CVT) applications.

<sup>37</sup> A.A.C. Title 3, Chapter 11, Table 1 gives processing timelines for all premise and personal licenses. Specifically, for veterinary license processing it allows for 60 days (15 days for administrative review and 45 days for substantive review). For veterinary technician licenses the timeline is also 60 days overall (30 days for administrative review and 30 days for substantive review).



5 years. Of the 137 veterinary medical premises and animal crematories not inspected in the last 5 years, 117, or 86%, were last inspected between 5 and 6 years ago, and 20, or 15%, had not been inspected in between 6 and 11 years. In the case with the longest lapse between inspections, one veterinary medical premises, a home-based mobile unit, had not been reinspected for approximately 11 years.<sup>38</sup> According to the Executive Director, the Board did not prioritize this premises because the responsible veterinarian had not provided services to the public since 2019, but instead maintained the premises license in order to treat animals owned by the licensee.

- **Developed and maintained structured remote work practices and procedures**—The Board has also implemented a structured and consistent remote work program as part of its staffing model. The Board employs 5 individuals, with 1 position currently vacant. Information provided by the Board indicates that 4 of its 5 employees worked in-office and 1 engaged in out-of-state remote work during fiscal year 2024, which is permitted under State of Arizona Accounting Manual (SAAM) policy.<sup>39</sup> For this out-of-state employee, the Board completed and obtained approval on a Form GAO-75. The Board maintains 6 workstations at its physical office location. Although the Board has not adopted an internal remote work policy, it adheres to the statewide policy established by the Arizona Department of Administration (ADOA), which provides a general framework for remote workers in all state agencies, stipulating conditions of participation, equipment use, employee and supervisor responsibilities, and risk management requirements.

Additionally, the Board supervisor has implemented clear remote work standards that define productivity and accountability expectations for the participating employee, such as communication expectations, being fully responsible for the administration of the investigative committee, facilitating the complaint intake and investigation process for all complaints received or investigations initiated by the Board to achieve resolution on complaints within 180 days, responding to all public information requests, assisting with creating Board meeting agendas, ensuring audio recordings of Board meetings are available to upload to the Board's website within 3 days, among other tasks.<sup>40</sup> The Board also maintained a signed remote work agreement for this employee, consistent with ADOA requirements, which requires the agreement to be reviewed and updated annually.

However, we identified deficiencies in the Board's licensing and fee setting practices where the Board could better meet its statutory objective and purpose and/or improve its efficiency. Specifically:

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<sup>38</sup> For the veterinary medical premise that had not been reinspected in approximately 11 years, Board records indicated it attempted to inspect this facility in 2023 but learned the veterinarian had not provided services since 2019 and maintained the premises license solely to enable controlled substance deliveries for personal animal use; as such, the Board determined an inspection was not necessary and documented this rationale in its database.

<sup>39</sup> Arizona Department of Administration, General Accounting Office, State of Arizona Accounting Manual, Topic 55, Section 34: "Remote Work and Virtual Office Employees," revised November 15, 2021, <https://gao.az.gov/sites/default/files/2022-05/5534%2520Remote%2520Work%2520and%2520Virtual%2520Office%2520Employees%2520-%2520211115.pdf>.

<sup>40</sup> While the agreement does not quantify specific workload requirements, such as the number of complaints to be investigated each month, between July 2022 and December 2024, this position has managed an average of 161 investigations annually.

- **Board does not have approach to track and monitor licenses and certificates to help ensure licenses and certificates are issued in a timely manner**—Although we found for the sample of licenses and certificates we reviewed that they were issued within the required time frames, the Board does not have an automated or systematic approach to tracking and monitoring all licenses and certificates that would enable it to identify licenses at risk for being issued untimely, such as the licensing and certificate system reporting or manual tracking through software applications like a spreadsheet. The Board moved to a new licensing system in Spring 2025 and reported that this system will provide the ability to track and monitor the timeliness of review for all license and certificate applications.
- **Board did not review/validate continuing education prior to renewing licenses and certificates, nor did it have a process to audit licensee and certificate holders' compliance with continuing education requirements on a random sample basis**—Although licensees and certificate holders are required to complete 20 and 10 hours of continuing education respectively to renew their license or certificate, the Board does not have a formal or systematic process to verify that applicants met these requirements. Specifically, the Board's prior online license renewal system did not include a method to verify continuing education was completed before renewing the license or certificate, nor does it have an audit process to review a sample of licensees and certificate holders to verify the licensees or certificate holders completed the required continuing education. In addition, the Board renewed 2 of 10 renewal applications—we reviewed from a population of 1,479 licensed or certificate holders in the previous 10 years—even though the applicants did not submit a comprehensive list of continuing education courses and corresponding credit hours. As a result, the Board lacked the documentation necessary to verify compliance with continuing education requirements established in rule: 20 hours for licensee and 10 hours for certificate holders.<sup>41</sup> Because the Board did not verify continuing education information prior to license and certificate renewal and does not have a process to audit continuing education compliance, it could not ensure that licensees and certificate holders consistently met continuing education requirements established in rule. As a result, there is an increased risk that licensees and certificate holders may practice without having completed the requisite professional development, which could compromise the quality of services provided to the public.
- **Board did not always issue veterinary medical premises and animal crematory licenses in a timely manner**—The Board issued 198 veterinary medical premises licenses and 4 animal crematory licenses in fiscal year 2024. Per statute and rule, the Board is required to inspect veterinary medical premises and animal crematories prior to issuing licenses.<sup>42,43,44</sup> According to

<sup>41</sup> Per A.A.C. R3-11-401(A)(D), during the two-year period preceding credential expiration, licensees are required to complete 20 credit hours, and certificate holders 10 credit hours, of Board-approved continuing education.

<sup>42</sup> A.R.S. §32-2271(C) The Board shall inspect all fixed locations before issuing a premises license. Adequate equipment and sanitation shall be available for use at any location which is necessary to provide the range of veterinary services which the veterinarian proposes to offer.

<sup>43</sup> A.A.C. R3-11-707(2) An applicant for a veterinary medical premise license shall pass an inspection conducted by the Board.

<sup>44</sup> A.A.C. R3-11-1002(B)(5) To obtain an animal crematory license, the Responsible Owner of an animal crematory shall schedule an inspection of the animal crematory by a Board designee.

Board statutes and rules, the Board has up to 90 days to review and issue or deny a complete veterinary medical premises or animal crematory license application, including the completion of required inspections.<sup>45</sup> Our review of a sample of 25 judgmentally selected premises license applications submitted between fiscal years 2019 and 2024 revealed 3 applications were not issued within this 90 day time frame.<sup>46</sup> Specifically:

- The Board did not issue 2 licenses within the 90-day time frame, taking 92 and 148 days, respectively from the date the applicant submitted their application. For these 2 licenses the Board did not perform the inspection until 82, and 147 days after the receipt of initial application. Although these licenses were not issued for 92 and 148 days, respectively, the Board reported that these applications were timely because its rules allowed it to suspend the licensing time frame while waiting to schedule and complete the inspections. According to the Executive Director, the Board's standard practice involves suspending the time frames for premises license applications until it has completed an inspection. However, the Board's rules do not explicitly state that the Board can suspend the time frames while waiting to perform the inspection and instead state that after the application packet is complete, the Board can make 1 additional comprehensive request for information, allowing it to suspend the time frames until it receives the information.

Further, the Board reported that delays in performing these 2 inspections were due in part to difficulties in scheduling the inspection with the applicant. For example, for the license that was not issued until 147 days after the Board received the application, the Board reported that the delay was due to inaction on the part of the prospective licensee, who failed to provide necessary information for inspectors to perform inspections in a timely manner, such as the facility's hours of operation. According to the Board, it has no mechanism to compel premises license applicants to provide information necessary to perform an inspection. Instead, the Board's rules specify that an application will be withdrawn 360 days from the date the application is submitted if the licensee doesn't respond to the Board's formal requests for information. As a result, because veterinary medical premises and animal crematory license applicants can start operating as soon as they submit their application, it is possible that a veterinary medical premise or animal crematory license applicant can operate for up to 360 days without having an inspection and/or receiving a license.

- The Board did not issue a third premises license within the 90-day time frame, taking 156 days from the date of the application to issue the license. During the inspection for this

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<sup>45</sup> A.A.C. R3-11-108; further A.R.S. §32-2272(F), states that "Within ninety days of receipt of an initial application and fee, the Board shall issue a license if the application demonstrates compliance with this article or shall notify the applicant at his last address of record if the application is not in conformance with this article. Veterinary medical services may be performed at any premises for which an application fee is submitted pending issuance of the license or notification of a deficiency in the application."

<sup>46</sup> The Board issued 625 premises licenses between fiscal years 2018 and 2024 across 11 animal crematories and 614 veterinary medical premises. We judgmentally selected 25 of these premises licenses for review to assess compliance with required time frames for premises license applications established in Board statutes and rules.

license application, the Board found deficiencies at the premises. According to the Board, all premises applications must be approved by the Board. However, for this license, the application did not appear on a Board meeting agenda for 89 days after the inspection. Board management reported that part of the 89-day delay was because the licensee first had to correct the inspection deficiencies before going to the Board for review. However, Board management also reported that the premises owner had submitted multiple applications to open multiple locations and so staff delayed putting the application on the Board agenda until all of the applications were ready for Board review. Board rule does not specifically state that the Board can delay issuing one license because the applicant also submitted other applications.

- **Board did not evaluate the appropriateness of its fees**—Statute does not explicitly require periodic fee evaluations; however, fee-setting standards recommend fees be based on the cost of services provided and reviewed regularly to ensure alignment with these costs.<sup>47</sup> The Board is statutorily authorized to establish fees, and although it has established these fees, it has not revised any of its fees since 2013.<sup>48</sup> In fiscal year 2025, the Board analyzed how potential fee adjustments would impact overall revenue to determine whether fees are sufficient to cover current and projected expenses, but the Board did not conduct cost analyses to determine whether individual fees appropriately reflected the cost of services provided. In 2 instances—premise and state employee license fees—the Board’s analysis noted that the fees did not cover the cost of processing license applications; however, the Board did not quantify those costs or provide documentation demonstrating that the fees were insufficient.<sup>49</sup>

As shown in Exhibit 4, page 24, in some years the Board collected more revenue than it spent; however, by not evaluating the appropriateness of its fees to help ensure they are commensurate with the cost of its regulatory activities, the Board may be collecting more or less revenue than it needs to operate. While the accumulation of the fund balance over several years may reflect a planned use of accumulated funds or an external allocation of resources, the absence of a documented fee analysis makes it unclear whether current fee levels are appropriate to support the Board’s operational needs and long-term financial stability. Periodic evaluation of its fees could help ensure that fee levels are commensurate with the cost of regulation and aligned with the Board’s financial planning.

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<sup>47</sup> Audit staff analysis of the Government Finance Officers Association and the U.S. Government Accountability Office.

<sup>48</sup> A.R.S. §§32-2207(9), 32-2215, 32-2217, 32-2217.01, 32-2218, 32-2219, 32-2250, 32-2272, 32-2273, 32-2292, and 32-2293.

<sup>49</sup> A State employee license is a limited veterinary license issued to individuals employed by the State or a political subdivision, authorizing them to practice only within the scope of their official duties.

**EXHIBIT 4. BOARD REVENUES, EXPENDITURES, AND FUND BALANCES, FISCAL YEARS 2019 THROUGH 2024<sup>A</sup>**

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Starting Fund Balance	\$1,922,015	\$2,801,393	\$2,482,600	\$2,143,009	\$1,839,175	\$2,717,075
Revenues/Transfers In	\$1,335,273	\$154,420	\$183,226	\$215,127	\$1,553,562	\$218,572
Expenditures/Transfers Out <sup>B</sup>	\$455,895	\$473,214	\$522,817	\$518,961	\$700,495	\$2,429,074
Ending Fund Balance	\$2,801,393	\$2,482,600	\$2,143,009	\$1,839,175	\$2,692,242	\$506,573

Source: Audit staff analysis of fiscal year 2019 through 2024 Annual Financial Reports developed by the Arizona General Accounting Office.

Note:

<sup>A</sup> All values were rounded to the nearest dollar.

<sup>B</sup> Laws 2024, Ch. 209, Sec. 133, required \$1,697,386 of the Board's fund balance be transferred to the State General Fund in fiscal year 2024 for the purpose of providing adequate support and maintenance for State agencies.

- Board has not resolved some complaints in a timely manner**—As reported in Finding 1, see pages 8 through 12, the Board received 159 complaints in fiscal year 2024, but did not resolve 49 of these (31 percent) within 180 days. The Board's failure to timely resolve complaints may negatively affect patient safety and may cause an undue burden for licensees and certificate holders under investigation for lengthy periods of time. Several factors contributed to delays, including scheduling informal interviews, delays in investigative committee meetings, and extended timelines for consent agreements. Specifically, 26 of 41 complaints requiring informal interviews exceeded 180 days. The formal interview process and the lack of available Board meeting time exacerbate this issue because the Board only meets 1 day a month. Additionally, 33 of 114 complaints, or 29%, took more than 120 days to be placed on an investigative committee agenda, with 19 of those ultimately exceeding 180 days. Consent agreements also contributed to delays: 9 of 45 complaints, or 20%, that were resolved in 181–270 days closed through consent agreements, which took between 33 and 69 days to execute after Board approval.

### Recommendations to the Board:

- Develop and implement a mechanism for tracking and monitoring license and certificate issuance to help ensure licenses and certificate continue to be issued in a timely manner.
- Establish and implement procedures for verifying that renewal applicants have met continuing education requirements, such as by developing and implementing a random audit process to verify compliance.
- Complete required inspections and issue veterinary premises and animal crematory licenses within the 90-day time frame.
- Revise its rules to better reflect its processes and timelines for licensing veterinary premises and animal crematory premises, such as allowing for licensing time frames to be suspended for scheduling inspections.
- Review and approve each premises license application individually when an applicant submits multiple applications.
- Develop and implement policies and procedures for periodically reviewing the appropriateness of its fees that direct it to analyze the costs of its regulatory processes, compare these costs to the

associated fees, determine the appropriate licensing fee amounts, and then revise its fees as needed.

### **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 agencies or private enterprises that duplicate the Board’s key statutory objectives and purposes.

### **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 the Board adopted rules for statutes when required to do so. However, some of the Board’s rules are not consistent with statute, including not reflecting the Board’s practice of issuing temporary licenses, requirements for submitting proof of completion of educational programs, or the elimination of the requirement for applicants to be evaluated on the basis of moral character. These inconsistencies were identified in the Board’s 5-year review considered at the Governor’s Regulatory Review Council’s March 4, 2025, Council Meeting. At this time, the Board committed to addressing these rule inconsistencies by submitting a rulemaking to the Governor’s Regulatory Review Council by September 2025.

However, there is one rule that was not identified as inconsistent with statute in the 5-year review that is inconsistent with statute.<sup>50</sup> Specifically, statute requires health professionals—including those licensed by the Board—who are authorized to prescribe schedule II-controlled substances and hold a valid U.S. Drug Enforcement Administration registration number to complete a minimum of 3 hours of opioid-related, substance use disorder-related, or addiction-related continuing education each license renewal cycle.<sup>51</sup> However, the Board’s rules do not require license and certificate holders to complete this statutorily required continuing education. As a result, the licensee or certificate holder may not be aware of the statutory requirement to complete 3 hours of continuing education in this area. The Board previously identified this as an inconsistency in need of modification to the Board’s rules in the Board’s 2019 5-year review, but subsequently determined that there was sufficient information available on the requirement in statute, on the Board’s website, and on the renewal application to inform licensees of the 3 hour requirement. Despite this, the existence of an outdated rule, which does not require these 3 hours of continuing education could lead a licensee to believe that they only need to complete the continuing education outlined in rule. This could result in licensees and certificate holders not getting education related to opioid and substance use disorder which could impact their ability to serve the public.

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<sup>50</sup> A.A.C. R3-11-401.

<sup>51</sup> A.R.S. §§32-3201, 32-3248.02.



### Recommendations to the Board:

17. Revise the inconsistent rules identified from its 5-year rule review.
18. Revise A.A.C. R3-11-401 to align with the statutory requirement in A.R.S. §32-3248 by amending the rule to require the 3 hours of continuing education related to opioid use, substance use disorders, or addiction for applicable licensees.

### Board Response:

As outlined in its [response](#), the Board agrees with the finding and will implement the recommendations.

#### **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.**

As of January 2025, the Board has not initiated any rulemaking in the previous 5 years. Therefore, it has not needed to encourage input from the public before adopting rules.

The Board provided public information as required in some instances we reviewed, including responding timely to anonymous written public records requests, but not other instances. Specifically, the Board did not properly disclose disciplinary and non-disciplinary actions on its website. Statute requires the Board to post disciplinary and non-disciplinary actions taken by the Board on its website for 5 years, after which information relating to disciplinary and non-disciplinary action must be removed from the website.<sup>52</sup> We reviewed licensee and certificate holder records for the 20 complaints examined as part of this audit, and found that 6 of the 20 licensee and certificate holder directory listings showed complaints that were older than 5 years, dating back at least to 1994. For these 6 license and certificate holders, it showed a total of 20 complaint numbers older than 5 years, but no detailed information, such as Board orders or descriptions of the outcomes. While the records do not specifically include the disciplinary or non-disciplinary orders, displaying complaint numbers that are older than 5 years implies wrongdoing that the public should be aware of, which is contrary to the intent of the statute.

Finally, we reviewed the Board's compliance with open meeting law requirements for 3 meetings held in calendar year 2025 and found that the Board complied with open meeting law requirements we reviewed, such as posting notices at least 24 hours prior to meetings, making a call to the public during general board meetings, and ensuring meeting recordings were available to the public within 5 days.

### Recommendations to the Board:

19. Remove references to disciplinary and nondisciplinary actions from its website's directory that are more than 5 years old.
20. Develop and implement a process to monitor and verify that disciplinary actions are posted accurately and added and removed timely on its website.

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<sup>52</sup> A.R.S. §32-3214(B).

### 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 Finding 1, pages 8 through 12, statute charges the Board with protecting the public from unlawful, incompetent, unqualified, impaired, or unprofessional practitioners of veterinary medicine by receiving and adjudicating complaints or information regarding licensee or certificate holder misconduct in a manner consistent with statute and rule.<sup>53</sup>

In addition to failing to timely resolve 49 (31%) of 159 complaints received in fiscal year 2024 as discussed in Finding 1, pages 8 through 12, the Board did not timely notify licensees or certificate holders of informal interviews. Rule requires the Board to notify licensees or certificate holders of an upcoming informal interview regarding the investigation against them at least 20 days in advance of the interview, which the Board did for 5 of 7 licensees or certificate holders.<sup>54</sup> However, the Board notified 2 of 7 19 days in advance, 1-day short of the required timeframe. Failure to provide licensees or certificate holders adequate notification of formal proceedings against them jeopardizes due process and may impede their ability to defend themselves when facing disciplinary action.

### Recommendations to the Board:

21. Establish and implement a process for timely notifying licensees or certificate holders of informal interviews before the Board to review their matter.

### Board Response:

As outlined in its [response](#), the Board agrees with the finding and will implement the recommendations.

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

According to the American Veterinary Medical Association, all U.S. states and territories regulate the practice of veterinary medicine.<sup>55</sup> We compared Arizona's level of regulation to all 49 other states and found that, as of August 25, 2022, the level of regulation the Board exercises is generally similar to other states. Specifically:

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<sup>53</sup> A.R.S. §32-2207(1)(2)(6).

<sup>54</sup> A.A.C. R3-11-902(A)(1). The Board "shall send a written notice of the informal interview to the licensee or certificate holder...at least 20 days before the informal interview."

<sup>55</sup> American Veterinary Medical Association (AVMA). 2018. *Licensure in Veterinary Medicine How it protects the public and our animals*. Retrieved 4/10/202 from <https://mvma.memberclicks.net/assets/docs/CVT/Licensure-Benefits-Summary.pdf>.



- **Licensing and education requirements**—Arizona, like all states, requires veterinarian applicants to graduate from a program accredited by the American Veterinary Medical Association or hold an equivalent certificate of veterinary medical education.<sup>56</sup>
- **Experience requirements**—Arizona does not mandate any experience hours for licensure. This approach aligns with 37 other states, including Idaho and Oregon, that do not require such experience for initial licensure.
- **Continuing education and renewal requirements**—Arizona's continuing education requirement for licensees is generally consistent with national practices, though it falls on the lower end compared to some states. When averaged across a two-year period, states generally fall into three ranges: 15 states require 24 or less hours, 17 require 25–30 hours, and 19 require over 30 hours.<sup>57</sup> Arizona requires 20 hours per 2-year license cycle, less than states like Indiana and Minnesota that require 40 hours.<sup>58</sup> Renewal periods range from 1 to 3 years, with 2 years most common. Arizona follows the 2-year standard.
- **Background checks**—Arizona does not require a background check as part of its licensing process, which is consistent with 33 other states that do not have this requirement, including Colorado and Montana. Instead, Arizona requires applicants to disclose on the application whether they have ever been arrested, charged, convicted, or entered a plea of nolo contendere to a criminal offense. If an applicant answers "yes," they must submit copies of the related police and court documents. Conversely, 17 states—such as Idaho and New Jersey—do require a background check.
- **Veterinary technician credentials**—States regulate veterinary technicians in different ways: some require a license to work, others require certification, and some require registration. Overall, 36 states require licensure, certification, or registration, while in 14 states these designations are optional. In Arizona, certification is voluntary—an individual can work as a veterinary technician without a certification, but becoming certified can demonstrate higher qualifications. Veterinary technician credentialing requirements are generally less stringent than those for veterinarians and may include state-specific exams or continuing education. Arizona also provides a Universal Recognition pathway for certified, licensed, or registered veterinary technicians from other states who are Arizona residents, have held their credential for at least one year in good standing, have no open complaints, and meet other criteria under A.R.S. §32-4302. This process expedites veterinary technician certification but does not automatically honor another state's credential.
- **Premises inspections**—Compared to other states, Arizona statutes require a more targeted, event-driven approach to veterinary premises inspections, rather than requiring a recurring

<sup>56</sup> Per A.R.S. §32-2215(A)(1), this requirement does not apply to applicants for a veterinary faculty member license who have graduated from a veterinary college.

<sup>57</sup> As noted, states vary in the frequency with which they require licensees to complete continuing education. To facilitate a consistent comparison across states, we standardized all requirements to a two-year period. Based on this two-year measure, 15 states require 24 or fewer hours, 17 require 25–30 hours, and 18 require more than 30 hours.

<sup>58</sup> For licenses issued in renewal years, Arizona requires only 10 hours.

schedule or percentage threshold. Inspections are required only in specific cases—such as new premises, changes in ownership, responsible veterinarian, address, or scope of practice—and are conducted within approximately 90 days of receiving a complete application. In contrast, Montana requires annual inspections of each licensed premises, while California and Idaho set a 20% annual inspection threshold, though Idaho has noted challenges in meeting that target. States such as Wyoming and Colorado provide more flexible authority, allowing inspections at any reasonable time without setting specific frequencies or thresholds. However, while not required in statute, the Board has set an informal goal to inspect all facilities every 5 years, which is consistent with some peer states that require their respective regulatory boards to inspect 20% of all veterinary and crematory every year.

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

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. However, the Board did not comply with some State conflict-of-interest requirements and had not fully aligned its conflict-of-interest process with recommended practices, such as requiring all Board members and employees to complete the entirety of their conflict-of-interest disclosure forms, ensuring disclosure forms contained spaces to record relatives with substantial interests, and maintaining a special file for substantial interest disclosures (see Finding 2, pages 13 through 17, for additional information about our recommendations).

**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.**

We did not identify any instances where the Board's statutory responsibilities should be revised or eliminated.

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

Terminating the Board could affect public health, safety, and welfare if its regulatory responsibilities were not transferred to another agency. Pursuant to A.R.S. §32-2207, the Board's statutory mandate is to "protect the public from unlawful, incompetent, unqualified, or unprofessional practitioners of veterinary medicine" through licensure, monitoring, and enforcement functions. Veterinary professionals routinely treat companion animals—particularly felines and canines—that live in close proximity to humans. As such, the proper diagnosis, treatment, and management of zoonotic diseases (i.e., diseases that can be transmitted between animals and humans) play a critical role in safeguarding public health. Without regulatory oversight, the State would lose an essential mechanism for ensuring that veterinary professionals adhere to minimum competency standards, ethical conduct, and evidence-based treatment protocols. This includes the ability to investigate complaints, impose disciplinary action, and prevent unlicensed, uncertified or unqualified individuals from practicing. The lack of such oversight could increase the risk of malpractice, animal cruelty, delay detection of public health threats, and reduce accountability within the profession.

# Sjoberg Evashenk Consulting makes 21 recommendations to the Board

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## Recommendations to the Board

1. Investigate and resolve complaints within 180 days.
2. Develop and implement guidance for joint adjudication of related investigations. The guidance should balance timely resolution of complaints with the benefits of joint adjudication by indicating that individual complaints should be adjudicated separately when possible, and requiring documentation of the rationale for conducting joint adjudications.
3. Consider meeting for longer times and/or more frequently than once per month to help ensure timely complaint resolution.
4. Monitor the effects of the Board's decision to combine the 2 investigative committees into a single committee on complaint resolution timeliness, and determine the extent to which complaints are handled timely and whether additional measures are warranted, such as scheduling more frequent committee meetings.
5. Minimize the effects of delayed complaint resolution resulting from consent agreements by reducing the timeframe requirement within which licensees must agree to and return signed consent agreements and take action if the licensee does not comply with the timeframe requirement.

Continue to develop and implement conflict-of-interest policies to help ensure compliance with State conflict-of-interest requirements and adhere to best practices, including:

6. Using a conflict-of-interest disclosure form that addresses substantial interests for Board members, committee members, and employees and relatives.
7. Storing all substantial interest disclosures, including disclosure forms and meeting minutes, in a special file available for public inspection.
8. Adopting a secondary review process to ensure disclosure forms submitted by Board members, committee members, and employees are complete.
9. Requiring Board members to publicly state their reason for recusal during meetings.
10. Providing periodic training to employees, at least annually, on the Board's conflict-of-interest requirements, process, and disclosure form, including how the State's conflict-of-interest requirements relate to their unique programs, functions, or responsibilities.
11. Develop and implement a mechanism for tracking and monitoring license and certificate issuance to help ensure licenses and certificates continue to be issued in a timely manner.
12. Establish and implement procedures for verifying that renewal applicants have met continuing education requirements, such as by developing and implementing a random audit process to verify compliance.

13. Complete required inspections and issue veterinary premises and animal crematory licenses within the 90-day time frame.
14. Revise its rules to better reflect its processes and timelines for licensing veterinary premises and animal crematory premises, such as allowing for licensing time frames to be suspended for scheduling inspections.
15. Review and approve each premises license application individually when an applicant submits multiple applications.
16. Develop and implement policies and procedures for periodically reviewing the appropriateness of its fees that direct it to analyze the costs of its regulatory processes, compare these costs to the associated fees, determine the appropriate licensing fee amounts, and then revise its fees as needed.
17. Revise the inconsistent rules identified from its 5-year rule review.
18. Revise A.A.C. R3-11-401 to align with the statutory requirement in A.R.S. §32-3248 by amending the rule to require the 3 hours of continuing education related to opioid use, substance use disorders, or addiction for applicable licensees.
19. Remove references to disciplinary and nondisciplinary actions from its website's directory that are more than 5 years old.
20. Develop and implement a process to monitor and verify that disciplinary actions are posted accurately and added and removed timely on its website.
21. Establish and implement a process for timely notifying licensees and certificate holders of informal interviews before the Board to review their matter.

## Appendix A. Scope and methodology

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Sjoberg Evashenk Consulting conducted a performance audit and sunset review of the Board on behalf of the Arizona Auditor General 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 and Board members; reviewing Board records and information, the Board's annual reports, and website; and reviewing guidance and reports from the Arizona Ombudsman - Citizens' Aide Office, Arizona Governor's Office, Arizona Attorney General's Office, and Arizona Department of Administration. In addition, we used the following specific methods to meet the audit objectives:

- To evaluate if the Board reviews applications for and issues and/or denies initial and renewal licenses/certificates based on applicant qualifications as required by statute and rule and in accordance with statutory time frames, we reviewed a random sample of 20 initial license applications from a population of 335 veterinary licenses and 134 veterinary technician certificate applications from fiscal year 2024. Specifically, we reviewed 11 Doctor of Veterinary Medicine (DVM) applications, 1 Bachelor of Veterinary Medicine and Surgery (BVM&S) application, 1 Bachelor of Veterinary Science (BVSc) Application, 1 Veterinary Medical Doctorate (VMD) application, and 6 Certified Veterinary Technician (CVT) applications to review for qualifications. We additionally reviewed an extra 14 applications, for a total of 34 applicants, to evaluate for timeliness and adherence to statutory requirements regarding processing times. Further, we reviewed a random sample of 10 renewal application from 1,479 credentialed individuals who were issued a license in the past 10 years. We requested the most recent 2024 renewal application for each licensee to test for requirements and meeting the expiration deadline.
- To evaluate if the Board reviews veterinary premises and animal crematory license applications and/or denies renewals based on qualifications as required by statute and rule, we reviewed a random sample of 25 applications submitted between fiscal years 2019 and 2024—22 veterinary premises applications and 3 animal crematory applications—from a population 1,038 veterinary actively licensed veterinary and premises and 17 actively licensed animal crematories. We also used this sample to assess the Board's inspection process, including whether the appropriate criteria were included in checklists used by inspectors and if both initial inspections and re-inspections were occurring timely.
- To assess the Board's complaint investigation and resolution processes, including the timeliness of complaint resolution, we reviewed details of 20 of 159 complaints the Board received in fiscal year 2024 and used the Board's data to assess the overall timeliness for the total population.
- To assess whether the Board provided information to the public as required by statute and its policies and procedures, we placed 9 anonymous calls to the Board in March 2025, filed public records requests through the online portal, and requested public records via email. Additionally, we reviewed

the Board's website to assess whether the Board provides information to the public on its website consistent with statutory requirements.

- To obtain information for the Introduction, we reviewed the Governor's Budget and Agency Detail for the Board, Board-prepared information regarding budgets, information about Board members and vacancies, and statistics for number of active licenses and certificate holders as of August 2025, initial applications and renewals for fiscal year 2024, and complaints received during fiscal year 2024. In addition, we compiled and analyzed unaudited financial information from the *AZ360 June Financial Reports* for fiscal years 2023, 2024, and projections for fiscal year 2025, and the *State of Arizona Annual Financial Report* for fiscal years 2019, 2020, 2021, and 2022.
- To obtain additional information for the Sunset Factors, we reviewed the Arizona Administrative Register and assessed the Board's compliance with various provisions of the State's open meeting law for all Board meetings held between January 2025 and March 2025. To assess the Board's compliance with the State's conflict-of-interest laws and alignment with recommended practices, we reviewed statute, Board policy and disclosure forms, and recommended practices. To determine the Board's fee-setting practices and authority, we interviewed Board staff and reviewed Board statutes, fee-setting standards, and guidance developed by government and professional organizations. We also reviewed information from various national organizations for veterinarians to compare the level of regulation exercised by the Board as compared to other states or determine best practices in the profession.

Our work on internal 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 Sunset Factors 2, 5, 6, and 8.

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.

We conducted this performance audit 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's members, Executive Director, and staff for their cooperation and assistance throughout the audit.

## Board response

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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 Sjoberg Evashenk Consulting, Inc.

September 22, 2025

George Skiles, Partner  
Sjoberg Evanshenk Consulting, Inc.  
455 Capitol Mall, Ste. 700  
Sacramento, CA 95814

RE: Arizona Veterinary Medical Examining Board – Sunset Review Response

Dear Mr. Skiles:

The Arizona Veterinary Medical Examining Board ("Board") has reviewed and provided responses (attached) to the performance audit and Sunset Review performed on behalf of the Arizona Auditor General's Office. The Board appreciates the feedback provided and has begun addressing and implementing the recommendations.

On behalf of the Board and Board staff, I offer our thanks to the Sjoberg Evashenk Consulting team for their professionalism and courtesy in conducting the review.

Respectfully,



Victoria Whitmore  
Executive Director

Enclosure



**Finding 1:** Board has not resolved some complaints in a timely manner, which could affect patient safety and cause undue burden for licensees/certificate holders.

Board response: The finding is agreed to.

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

Board response: The audit recommendation will be implemented.

Response explanation: The Board continually endeavors to resolve complaint cases within the Auditor General's Office 180-day recommendation even with the number of annual complaints rising 75% since FY19. Despite this, as noted in the Report, complaints were resolved faster in FY24 than they were in FY20, indicating that efforts have been made to modify the agency's processes. However, with the number of complaints increasing annually, and the fact that the Board itself reviews all cases, reaching the goal will become more challenging. The Board appreciates the recommendations and all will be implemented in addition to the agency studying other methods to decrease resolution time.

**Recommendation 2:** Develop and implement guidance for joint adjudication of related investigations. The guidance should balance timely resolution of complaints with the benefits of joint adjudication by indicating that individual complaints should be adjudicated separately when possible, and requiring documentation of the rationale for conducting joint adjudications.

Board response: The audit recommendation will be implemented.

Response explanation: The Board agrees and will continue to balance the need to thoroughly review investigative cases with all available information and the 180-day resolution goal. Guidance will be developed to assist the Board in making these decisions.

**Recommendation 3:** Consider meeting for longer times and/or more frequently than once per month to help ensure timely complaint resolution.

Board response : The audit recommendation will be implemented.

Response explanation: The Board typically meets on a monthly basis for approximately 8 hours and held a special meeting in June 2025 to assist in shortening the overall time of several cases that had been moved to the Informal Interview stage. Moving forward, the Board will consider meeting more frequently or holding longer meetings as Board member availability and staff resources allow.

**Recommendation 4:** Monitor the effects of the Board's decision to combine the 2 investigative committees into a single committee on complaint resolution timeliness, and determine the extent to which complaints are handled timely and whether additional measures are warranted, such as scheduling more frequent committee meetings.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will review and consider the level of extra resources required and availability of volunteers to commit to serving on a second Investigative Committee or holding more frequent meetings. The Board reviews all cases; therefore, moving a much higher quantity of cases through the Investigative Committee will also impact Board agendas.

**Recommendation 5:** Minimize the effects of delayed complaint resolution resulting from consent agreements by reducing the timeframe requirement within which licensees must agree to and return signed consent agreements and take action if the licensee does not comply with the timeframe requirement.

Board response: The audit recommendation will be implemented.

**Finding 2:** Board did not comply with some State conflict-of-interest requirements, increasing risk that employees and Board members had not disclosed substantial interests that might influence or could affect their official conduct.

Board response: The finding is agreed to.

Response explanation: The Board understands and agrees with the critical importance of thoroughly complying with all conflict-of-interest requirements. While the audit did not discover any instances where Board members or staff did not properly disclose conflicts that may have impacted a matter heard by the Board or addressed by the agency, the Board will ensure that all requirements are met in the future.

**Recommendation 6:** Continue to develop and implement conflict-of-interest policies to help ensure compliance with state conflict-of-interest requirements and adhere to best practices, including using a conflict-of-interest disclosure form that addresses substantial interests for Board members, committee members, and employees and relatives.

Board response: The audit recommendation will be implemented.

Response explanation: As noted in the Report, this issue has been addressed; forms have been updated.

**Recommendation 7:** Continue to develop and implement conflict-of-interest policies to help ensure compliance with State conflict-of-interest requirements and adhere to best practices, including storing all substantial interest disclosures, including disclosure forms and meeting minutes, in a special file available for public inspection.

Board response: The audit recommendation will be implemented.

Response explanation: This recommendation has been addressed; all required documents have been added to the special file.

**Recommendation 8:** Continue to develop and implement conflict-of-interest policies to help ensure compliance with State conflict-of-interest requirements and adhere to best practices, including adopting a secondary review process to ensure disclosure forms submitted by Board members, committee members, and employees are complete.

Board response: The audit recommendation will be implemented.

Response explanation: This recommendation has been implemented; Board staff will review all forms for completeness and take action to address form deficiencies if needed.

**Recommendation 9:** Continue to develop and implement conflict-of-interest policies to help ensure compliance with State conflict-of-interest requirements and adhere to best practices, including requiring Board members to publicly state their reason for recusal during meetings.

Board response: The audit recommendation will be implemented.

Response explanation: Board members have begun to follow this recommendation and will continue to do so in the future.

**Recommendation 10:** Continue to develop and implement conflict-of-interest policies to help ensure compliance with State conflict-of-interest requirements and adhere to best practices, including providing periodic training to employees, at least annually, on the Board's conflict-of-interest requirements, process, and disclosure form, including how the State's conflict-of-interest requirements relate to their unique programs, functions, or responsibilities.

Board response: The audit recommendation will be implemented.

Response explanation: Efforts to develop annual staff training on this topic have begun.

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

**Board does not have approach to track and monitor licenses and certificates to help ensure licenses and certificates are issued in a timely manner.**

Board response: The finding is agreed to.

Response explanation: As noted in the Report, all veterinary licenses and certified veterinary technician certificates issued that were sampled were done so accurately and within timeframes, which indicates that the Board utilizes a checklist tracking system plus multiple staff and Executive Director reviews to ensure that licenses/certificates are issued as quickly and efficiently as possible, within required timeframes. However, an electronic system was not maintained.

**Recommendation 11:** Develop and implement a mechanism for tracking and monitoring license and certificate issuance to help ensure licenses and certificate continue to be issued in a timely manner.

Board response: The audit recommendation will be implemented.

Response explanation: Recently, the Board implemented an extensive E-licensing system, which allows for electronic tracking and reporting for key dates in the process, which is expected to thoroughly address this recommendation.

**Board did not review/validate continuing education prior to renewing licenses and certificates, nor did it have a process to audit licensee and certificate holders' compliance with continuing education requirements on a random sample basis.**

Board response: The finding is agreed to.

Response explanation: The Board understands the importance of ensuring licensees' compliance with continuing education (CE) requirements. One of the many reasons for developing an E-licensing system was to streamline the process for licensees to track CE and create an efficient process for random audits. The Board's previous system did not have the capability for licensees to upload and store CE documents and the Board lacked Licensing staff resources to consistently verify compliance. While the Board did not validate all CE prior to renewing licenses, which was an online automatic process, an informal process existed to verify as resources allowed after the automatic renewal. The Board reviewed information pertaining to those individuals identified who had deficiencies.

**Recommendation 12:** Establish and implement procedures for verifying that renewal applicants have met continuing education requirements, such as by developing and implementing a random audit process to verify compliance.

Board response: The audit recommendation will be implemented.

Response explanation: With the Board's recent implementation of a new E-licensing system, the Board now has the capability to efficiently conduct a random audit process.

**Board did not always issue veterinary medical premises and animal crematory licenses in a timely manner.**

Board response: The finding is agreed to.

Response explanation: The audit review has highlighted the fact that the current Administrative Rules effectively align with individual licensing, but not completely with premises and animal crematory licensing. The "90 day" timeframe referenced in statute to issue a license includes the statement "if the application demonstrates compliance...". Therefore, statute allows licenses to be issued more than 90 days after an application is received in some circumstances. The Board has maintained an effective inspection and licensing process for over 30 years, with licenses being issued in most situations within 90 days, regardless of the time taken by the applicant to fulfill their requirements. Since statute allows for premises to operate as soon as the application and license fee are received, the Board believes it is in the best interest of public protection to inspect and license facilities as soon as possible, using the most time-efficient and cost-effective methods to conduct statewide inspections. The audit report cites 3 instances, all from 2019, in which for various reasons, the applicant caused long delays in the process, despite the efforts of Board staff.

**Recommendation 13:** Complete required inspections and issue veterinary premises and animal crematory licenses within the 90-day time frame.

Board response: The audit recommendation will be implemented.

Response explanation: The Board believes that modifying the Administrative Rules will clarify the timeframes.

**Recommendation 14:** Revise its rules to better reflect its processes and timelines for licensing veterinary premises and animal crematory premises, such as allowing for licensing time frames to be suspended for scheduling inspections.

Board response: The audit recommendation will be implemented.

**Recommendation 15:** Review and approve each premises license application individually when an applicant submits multiple applications.

Board response: The audit recommendation will be implemented.

Response explanation: The one 2019 example identified by the audit team was an unusual circumstance caused by the applicant and is not indicative of a pattern of the Board's normal process. This sample was related to 30 vaccine clinic applications submitted on the same date. Clinics were often cancelled at the last minute due to staffing issues and corrections of potential violations noted were not consistent, requiring additional coordination and follow-up with the applicant. The Board, as well as the applicant, found that handling a portion of them as a group was more efficient than doing so individually since the issues were the same or similar for all.

**Board did not evaluate the appropriateness of its fees.**

Board response: The finding is agreed to.

Response explanation: While the Board annually reviews its actual and projected revenue data (which is based on fees) in comparison to actual/projected expenditures, the recommendation to regularly study individual fees will be implemented. Many fees are set in statute; any changes of those would require legislative action.

**Recommendation 16:** Develop and implement policies and procedures for periodically reviewing the appropriateness of its fees that direct it to analyze the costs of its regulatory processes, compare these costs to the associated fees, determine the appropriate licensing fee amounts, and then revise its fees as needed.

Board response: The audit recommendation will be implemented.

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

**Board adopted some rules that are not consistent with statute.**

Board response: The finding is agreed to.

Response explanation: The Board had identified some rules that are in need of updating and noted these in its 5-year rule review. No new rules have recently been adopted that are inconsistent; the inconsistencies have arisen due to more recent statute changes and changes in technology and agency best practices.

**Recommendation 17:** Revise the inconsistent rules identified from its 5-year rule review.

Board response: The audit recommendation will be implemented.

Response explanation: The Board has begun the process to implement this recommendation.

**Recommendation 18:** Revise A.A.C. R3-11-401 to align with the statutory requirement in A.R.S. §32-3248 by amending the rule to require the 3 hours of continuing education related to opioid use, substance use disorders, or addiction for applicable licensees.

Board response: The audit recommendation will be implemented.

Response explanation: This rule will be included in the Board's next rule package.

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

**Board did not properly disclose disciplinary and non-disciplinary actions on its website.**

Board response: The finding is agreed to.

Response explanation: As noted in the Report, the website did not include any copies of Board Orders outlining disciplinary or non-disciplinary actions that were beyond 5 years as required. However, the Board's long-standing IT system did not allow for the complaint case number to be removed from the website without deleting the entire complaint record from the electronic system. One of the goals of obtaining a new E-licensing system was to address this issue.

**Recommendation 19:** Remove references to disciplinary and nondisciplinary actions from its website's directory that are more than 5 years old.

Board response: The audit recommendation will be implemented.

Response explanation: This recommendation has been implemented. In August 2025, the Board's new online licensee directory was launched that corrected this issue.

**Recommendation 20:** Develop and implement a process to monitor and verify that disciplinary actions are posted accurately and added and removed timely on its website.

Board response: The audit recommendation will be implemented.

Response explanation: This recommendation has been implemented. The Board's new E-licensing system automatically removes all disciplinary/non-disciplinary action information

from the online directory after 5 years and the agency continues to maintain a tracking list to cross-check accuracy.

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

**Board did not timely notify licensees or certificate holders of informal interviews.**

Board response: The finding is agreed to.

**Recommendation 21:** Establish and implement a process for timely notifying licensees or certificate holders of informal interviews before the Board to review their matter.

Board response: The audit recommendation will be implemented.

Response explanation: This recommendation has been implemented to address situations such as the 2 samples identified in the audit where notices were sent one day less than required. Mailing Informal Interview notices will be prioritized over other activities required by staff following Board meetings.