



## ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

May 5, 2026

Members of the Arizona Legislature

The Honorable Katie Hobbs, Governor

Executive Director Zavala  
Arizona Board of Behavioral Health Examiners

We have issued an 18-month followup report regarding the implementation statuses of the recommendations from the September 2024 *Performance Audit and Sunset Review of the Arizona Board of Behavioral Health Examiners* report (see report 24-108) conducted by the independent firm Walker & Armstrong, LLP under contract with the Arizona Auditor General. This audit was in response to a November 21, 2022, resolution of the Joint Legislative Audit Committee and was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq.

The September 2024 report made 9 recommendations to the Arizona Board of Behavioral Health Examiners and 1 recommendation to the legislature. My Office contracted with Walker & Armstrong, LLP to conduct an 18-month followup with the Arizona Board of Behavioral Health Examiners, and as of this 18-month followup report, 7 recommendations have been implemented, 2 recommendations have been partially implemented, and 1 legislative recommendation has not been implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes the followup work on the Board's efforts to implement the recommendations from the September 2024 report.

Sincerely,

*Lindsey A. Perry*

Lindsey A. Perry, CPA, CFE  
Auditor General

## Arizona Board of Behavioral Health Examiners

### 18-Month Follow-Up of Sunset Review Report 24-108

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The September 2024 Arizona Board of Behavioral Health Examiners (Board) performance audit and sunset review found that the Board complied with statutory and rule requirements related to its objective and purposes for 3 areas we reviewed but did not timely resolve complaints, potentially affecting patient safety, and charged fees that exceeded its operational costs. We made **9** recommendations to the Board and **1** recommendation to the Legislature.

#### Board’s status in implementing 9 recommendations

Implementation status	Number of recommendations
✓ Implemented	7 recommendations
⊖ Partially implemented	2 recommendations

#### Legislature’s status in implementing 1 recommendation

Implementation status	Number of recommendations
⊖ Not implemented	1 recommendation

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes the follow-up work on the Board’s efforts to implement the recommendations from the September 2024 report.

## Recommendations

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

1. The Board should investigate and resolve complaints within 180 days.

#### Status: Implemented at 18 months

As of March 2026, the Board has implemented or was in the process of implementing recommendations 2 through 4, which have improved its timeliness in investigating and resolving complaints. Our review of all complaints received and closed between March 1, 2025, and March 12, 2026, found that the Board resolved 167 of 185 complaints or 90% within 180 days, a significant improvement from the 42% reported in the performance audit and sunset review.

While certain complaints required extended processing timeframes due to their complexity or extenuating circumstances, the 18 complaints that exceeded 180 days were resolved in an average of 212 days. For example, in one instance, a licensee was under investigation in another state, and the Board awaited the results of that investigation before taking action; in another instance, the Board ordered that the licensee undergo a psychiatric evaluation and delayed resolving the associated complaint until the results were received.

Additionally, as of March 12, 2026, 96% of open complaints had been open for less than 180 days, indicating sustained improvement in the Board's complaint resolution timeliness.

2. The Board should hire additional investigators for which it received funding in fiscal year 2025.

#### Status: Implemented at 6 months

As of March 2025, and using the additional appropriations it received for fiscal year 2025, the Board had hired 4 additional investigators. Our review of the Board's organizational chart in March 2025 found that all additional investigator positions were filled.

3. The Board should develop a process, supported by written policies and procedures, for annually assessing whether its staffing level is sufficient to handle its workload, and work with the Legislature to obtain additional staffing resources as appropriate.

#### Status: Partially implemented at 18 months

As reported in our initial follow-up, the Board developed written policies and procedures for Board staff to assess staffing levels and workload to help in determining whether staffing is adequate to manage current and projected workloads. Specifically, the policies outline ongoing workload analysis through monitoring complaint volumes, tracking investigator progress with weekly reports, and comparing caseload capacity to complaints received. The Board's policies also establish that weekly reports and monthly database metrics will be used to assess whether investigators are meeting expectations for timely investigating complaints, and then these metrics will be incorporated into an annual assessment to evaluate trends, measure workload capacity, and project future complaint volumes, to determine staffing needs.

Our review in March 2026 found that Board staff implemented components of these policies by requiring weekly investigator reports and conducting weekly meetings to assess the weekly report results and monthly database metrics. Our review of the monthly meeting summaries found that Board staff determined that staffing was sufficient to handle the Board’s workload. Although the Board’s executive director reported performing the required annual assessment to evaluate staffing needs in the June and July 2025 monthly staff meetings, there was no documentation to support staff performing this assessment and therefore we were unable to verify that Board staff followed the policy. The executive director reported that they will document their annual assessment during the next review in June 2026.

4. The Board should discontinue its practice of prioritizing complaints it opens related to licensing investigations over lower-priority public complaints.

**Status: Implemented at 18 months**

As reported in our initial follow-up, the Board revised its policy in March 2025 to prioritize investigating public complaints over complaints its opens related to licensing.

Our review in March 2026 found that the Board implemented this revised approach. Specifically, complaints the Board opens related to licensing are initially reviewed and resolved by investigative assistants. By discontinuing the practice of investigators initially reviewing and resolving licensing-related complaints and instead assigning these responsibilities to investigative assistants, investigators can focus their time on public complaints. If the investigative assistant is unable to resolve the licensing-related complaint, they will escalate the complaint in the Board’s database. For example, if an applicant’s background check comes back with a misdemeanor occurring less than 10 years ago, the investigative assistant will escalate the complaint for further review. The investigative manager will then assign the licensing-related complaint to an investigator based on investigator availability rather than prioritizing over existing public complaints. Our review of the Board’s fiscal year 2026 application background tracking sheet on March 24, 2026, found that 455 of 474 background-related licensing items were resolved by investigative assistants, with only 19 requiring investigator involvement.

**Sunset Factor 2: The Board’s effectiveness and efficiency in fulfilling its key statutory objectives and purposes**

5. The Board should establish fees that align with its operating costs as required by statute.

**Status: Partially implemented at 18 months**

As reported in our initial follow-up, the Board planned to evaluate its costs to determine whether fee adjustments were necessary in conjunction with preparing its fiscal year 2027 budget. It expected to begin a fee analysis in May 2025. However, the Board’s executive director reported that the tools available for performing this analysis during the time the Board was preparing its fiscal year 2027 budget were too complex. As a result, the Board prepared its fiscal year 2027 budget without evaluating whether fee adjustments were necessary.

Board staff have since identified a fee analysis tool better suited for its needs. Our March 2026 review found that Board staff modified a fee assessment tool to calculate initial and renewal licensing fees

based on expected license volumes by type and to compare those amounts to estimated operating costs. Board staff then populated the tool with fiscal year 2025 actual data to validate its functionality. Although the Board has yet to use the tool to aid in its fee-setting process, Board staff reported that it plans to begin using the tool in August 2026 to evaluate and, if necessary, adjust its fees.

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

6. The Board should finalize its proposed rulemakings to be consistent with statutory changes for the number of hours of experience required for each license.

**Status: Implemented at 18 months**

Effective November 2, 2025, the Board adopted rules as required by statute for the number of hours of experience required for each license.

7. The Board should update Arizona Administrative Code (AAC) R4-6-304 to be consistent with current practices for processing applications for licensure by endorsement.

**Status: Implemented at 18 months**

Our review of the Board's final Rulemaking effective November 2, 2025, found that the Board had revised rule AAC R4-6-304 to be consistent with its practice for processing applications for licensure by endorsement.

#### **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**

8. The Board should develop and implement procedures to ensure that it removes disciplinary actions, both stored on the Board's website server and available directly from its website, after 5 years as required by statute.

**Status: Implemented at 6 months**

As reported in our initial follow-up, the Board developed a policy, and implemented a procedure, to automate the process of removing Board actions from its website after five years effective October 2023. The Board's database was configured with a scheduled removal date to automatically remove Board actions from its website and server five years after the Board action date that is entered into its database.

Based on our review of 3 of 63 randomly selected Board disciplinary actions taken between October 2019 and February 2020, which should have been removed from the Board's website between October 2024 and February 2025, we found that these Board actions were no longer available on the Board's website. Additionally, our search of the 3 licensees and their license numbers using a web search engine did not identify any instances that the Board actions were accessible from the Board's website server.

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

9. The Board should provide periodic training on conflicts-of-interest for staff and Board members.

### **Status: Implemented at 6 months**

As reported in our initial follow-up, the Board developed and implemented a policy requiring semi-annual conflict-of-interest training. Based on our review of Board minutes, training materials and training attestations in March 2025, we found that the Board provided conflict-of-interest training for all Board members and staff.

## **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**

1. The legislature should consider revising Arizona Revised Statutes (A.R.S.) §32-3303(A) to remove the requirement for associate counselor license applicants to obtain supervised experience prior to licensure.

### **Status: Not implemented**

As of March 24, 2026, our review of enacted and proposed legislation during the Fifty-Seventh Legislature, Second Regular Session, did not identify any legislation that would revise A.R.S. §32-3303(A).