ARIZONA Auditor General
Making a Positive Difference

Arizona Department of Forestry and Fire Management

30-Month Followup of Sunset Review Report 23-108

The September 2023 Arizona Department of Forestry and Fire Management (Department) Performance Audit and Sunset Review found that the Department has not established a statutorily required fire safety inspection program, implemented key wildfire planning recommendations, or developed a complaint-handling process, increasing the risk of fire-related deaths, injuries, and property damage. We made **33** recommendations to the Department. Our May 2025 Initial Followup found the Department had implemented 2 of these recommendations at 18 months.

Department's status in implementing 33 recommendations

Implementation status	Number of recommendations
Implemented	14 recommendations
Implemented in a different manner	1 recommendation
In process	16 recommendations
Not yet applicable	1 recommendation
Not implemented	**1 recommendation**

We will conduct another followup with the Department on the status of the recommendations that have not yet been implemented.

Recommendations to the Department

Finding 1: Department's Fire Marshal's Office has not established statutorily required fire safety inspection program, increasing the risk of fire-related deaths, injuries, and property damage

1. The Department should require the Fire Marshal's Office to develop and implement a written plan that outlines key steps it will take to establish a regularly scheduled fire safety inspection program (fire safety inspection program) as required by statute, including associated completion deadlines for each step. Its written plan should include steps and deadlines for:

a. Developing and implementing a documented process for compiling and maintaining a complete inventory of buildings it is required to inspect, including for buildings that local fire authorities inspect. As part of this process, the Department should review and incorporate the relevant recommendations from our 1999 audit report and the practices of similar agencies in other states to help ensure it develops and maintains a complete building inventory.

- Status: **Implementation in process.**

  As of December 2025, the Fire Marshal's Office has developed and begun implementing a written plan that outlines key steps it will take to establish a fire safety inspection program as required by statute, including associated completion deadlines, action items, and time frames to address recommendations 1a through 1g.

  This written plan includes steps for:

  - Developing and implementing a documented process for compiling and maintaining a complete inventory of buildings the Department is required to inspect, including buildings that local fire authorities inspect. For example, the Arizona Department of Administration (ADOA) provided the Department with a building inventory list consisting of State-owned/leased buildings, buildings owned by the Arizona Board of Regents, and public school buildings for which the Fire Marshal's Office may be statutorily responsible to conduct fire safety inspections. According to Department documentation, the Department reviewed and cross-referenced this list against existing records in its information system that it uses to maintain its building inventory to identify gaps, inconsistencies, and potential data integrity issues.[1] Additionally, to validate county-owned building data in its information system, the Department sent a data request to each county in the State asking for a building inventory, and as of July 2026, all 15 counties had responded to its request. In May 2026, the Department also adopted a standard operating procedure to review, reconcile, and maintain

[1] As reported in our 18-month followup, in calendar year 2024, the Department began using a new fire safety management information system to maintain its building inventory and track fire safety inspections, building risk classifications, and other key data.

building inventory records within its information system to ensure inventory data remains accurate, current, and complete on a biennial (2-year) cycle. This procedure includes making building inventory data requests every 2 years to all county offices within the State, ADOA, State universities, public and private schools, including charter schools, and State agencies responsible for State-owned properties, and then comparing the submitted inventory information against the existing records in the Department's information system to identify and correct discrepancies. According to a report from the Department's information system, 6,189 buildings were included in the Department's building inventory as of January 2026, representing a nearly 8% increase from the 5,745 buildings in the Department's building inventory that we reported in our 18-month followup.[2]

- Assigning each building in its inventory a National Fire Protection Association (NFPA) risk classification and identifying the required fire safety inspection frequency for each building based on its risk classification, consistent with recommendation 1b. Additionally, according to a report from the Department's information system, 6,170 of 6,189, or more than 99%, of the buildings entered in the Department's information system had a risk classification assigned as of January 2026.[3] Additionally, the Department's written plan requires buildings with an NFPA risk classification of high-risk to be inspected annually, moderate-risk buildings to be inspected biennially, and low-risk facilities to be inspected triennially. According to the Department's written plan, it will continue to validate and update building risk classifications within its information system through December 2026 to help ensure that these building risk classifications are complete and accurate.

- Identifying which buildings in its inventory are covered by agreements with local fire authorities to conduct fire safety inspections on its behalf consistent with recommendation 1c. For example, according to the Department's written plan, the Fire Marshal's Office evaluated the completeness and accuracy of Letter of Authorization (LOA) information within its information system and compared it to publicly reported LOA partner information.[4] As of November 2025, the Department reported that it has LOAs covering 1,428 buildings but needs to establish LOAs for another 372 buildings. The Department reported that it expects to complete correcting and entering accurate LOA data by December 2026.

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2 As indicated in our September 2023 performance audit and sunset review, the Department estimated that it is responsible for inspecting approximately 17,400 State- and county-owned public buildings, including public school district buildings.

3 This represents an increase in the number of buildings with an NFPA risk classification from what we reported in our 18-month followup, in which approximately 97% of buildings had a risk classification assigned.

4 Arizona Revised Statutes (A.R.S.) §§37-1381 through 37-1383 authorizes the Department to partner with local fire districts and departments across the State to share responsibility for enforcement of the State fire code through LOAs.

- Identifying the date of the last fire safety inspection for each building not covered by agreements with local fire authorities and the date the next fire safety inspection is due, based on NFPA risk classifications, consistent with recommendation 1d. Specifically, the Department reported that it is working with its information system vendor to add a "Last Inspection Date" in its information system to enable the system to automatically determine a building's next inspection date based on its assigned NFPA risk classification and when the last inspection was completed. The Department's written plan states it expects to confirm and add these dates to its information system by the end of calendar year 2026.

- Developing a regular fire safety inspection schedule consistent with recommendation 1e. According to the Department's written plan, fire safety inspections will be scheduled automatically through its information system, customer-initiated requests, or Department inspector-initiated requests. According to the Department, it will continue to work with its information system vendor to develop the ability to automatically generate fire safety-inspection schedules based on a building's next inspection date as reflected in the system, prioritizing high-risk buildings for inspection, and including any buildings internally or externally requested for inspection. These schedules would then be routed to appropriate Department staff or LOA partners. The Department reported that it expects to complete these fire safety inspection-scheduling updates to its information system by December 2026.

- Developing a process for tracking inspections conducted by local fire authorities under an LOA to ensure the inspections conform to NFPA inspection requirements, such as requiring local fire authorities to report on which buildings they have inspected and the associated inspection dates, consistent with recommendation 1f. According to the Department's written plan, it will:

  - Establish policies and procedures requiring its LOA partners to complete and verify their building assignments in its information system, and periodically review these building assignments for accuracy.

  - Prioritize outreach, training, and technical assistance for its LOA partners to reinforce statutory fire safety inspection responsibilities and use of the LOA portal within the Department's information system to report on fire safety inspection progress.

  - Expand the use of monthly and quarterly reporting to track inspections conducted by LOA partners and assess alignment with NFPA inspection frequency requirements.

  The Department reported it plans to begin implementing these changes by December 2026.

We will further assess the Department's implementation of recommendations 1a through 1f during our next followup.

b. Assigning each building in its inventory a NFPA risk classification and identifying the required fire safety inspection frequency for each building based on its risk classification.

- Status: **Implementation in process.**

  See explanation for recommendation 1a.

c. Identifying which buildings in its inventory are covered by agreements with local fire authorities to conduct fire safety inspections on its behalf.

- Status: **Implementation in process.**

  See explanation for recommendation 1a.

d. Identifying the date of the last fire safety inspection for each building not covered by agreements with local fire authorities and the date the next fire safety inspection is/was due based on NFPA inspection frequency requirements.

- Status: **Implementation in process.**

  See explanation for recommendation 1a.

e. Developing a regular fire safety inspection schedule using information gathered in the previous steps.

- Status: **Implementation in process.**

  See explanation for recommendation 1a.

f. Developing a process for tracking inspections conducted by local fire authorities under a LOA to ensure the inspections are conducted consistent with NFPA inspection requirements, such as requiring local fire authorities to report on which buildings they have inspected and the associated inspection dates.

- Status: **Implementation in process.**

  See explanation for recommendation 1a.

g. Developing, implementing, and maintaining an information system to support the effective management of its fire safety inspection program, including collecting and entering data into the information system to support steps a through f.

- Status: **Implementation in process.**

  As explained in footnote 1, page 2, in calendar year 2024, the Department began using a new information system to support the management of its fire safety inspection program. As of June 2026, the Department's written plan indicates that its information system is able to compare the Department's building inventory to inventories reported by local fire authorities and ADOA and adjust building fire safety inspection schedules based on available staffing, internal or external

requested inspections, and updates to NFPA risk classifications. Additionally, as previously discussed in recommendation 1a, the Department has used the information system to track and update its inventory of buildings and assign them NFPA risk classifications, and it continues to work with its information system vendor to develop and incorporate various additional functionalities within its information system, including the ability to track the last date of inspection and automatically generate fire safety inspection schedules based on a building's next inspection date. We will continue to assess the Department's further development, implementation, and maintenance of its information system, including the information system's ability to compare building inventories and adjust inspection schedules, during our next followup.

2. The Department should develop and implement a plan to hold the Fire Marshal's Office accountable for establishing a regularly scheduled fire safety inspection program, including requiring the Fire Marshal's Office to provide quarterly written reports to the Department Director on its progress in implementing the steps outlined in recommendation 1 and developing regular reporting mechanisms, such as management reports, to ensure the sustained implementation of the inspection program thereafter.

- Status: **Implementation in process.**

  In December 2025, the Department developed and began implementing an accountability plan to hold the Fire Marshal's Office accountable for establishing a regularly scheduled fire safety inspection program. This accountability plan requires the Fire Marshal's Office to provide quarterly reports to the Department director on its progress in implementing the written plan and associated action steps outlined in recommendation 1, and the Fire Marshal's Office provided its first 2 reports to the Department director in March and June 2026. Additionally, the plan requires the Fire Marshal's Office to develop regular quarterly reporting, such as management reports to ensure the sustained implementation of building inventory verification and inspection activity. If the Fire Marshal's Office does not meet at least 80% of the associated completion deadlines for each step outlined in the written plan to establish the fire safety inspection program outlined in recommendation 1 during the quarter, the Fire Marshal's Office must submit a written corrective action plan to the Department director within 60 days. As of August 2026, the Department reported the Fire Marshal's Office has not needed to submit a corrective action plan. We will further assess the Department's implementation of this recommendation during our next followup.

3. The Department should update and/or develop and implement fire safety inspection policies and procedures that, at a minimum, address each of the steps outlined in recommendation 1.

- Status: **Implementation in process.**

  In November 2025, the Department developed and began implementing a Fire Marshal safety inspection plan, separate from its written plan mentioned in recommendation 1a, to guide the development of fire safety inspection policies and procedures. This safety inspection plan includes multiple phases for developing policies and procedures

and requires the Fire Marshal's Office to ensure the policies and procedures reference processes for entering risk classification and last/next inspection date information into its information system, conducting quarterly audits of a sample of 10% of LOA partner reports, generating quarterly accountability reports on its progress in implementing the steps outlined in recommendation 1, and enforcing compliance with the policies Department-wide. The safety inspection plan also requires the adoption of a policy that establishes a framework for developing, reviewing, approving, and maintaining Department policies and procedures. The Department reported that it plans to complete all phases of the plan and finalize its policies and procedures by September 2027. We will further assess the Department's implementation of this recommendation during our next followup.

4. The Department should perform a workload analysis to determine the number of staff needed to conduct required inspections within NFPA frequency requirements and, if necessary, pursue additional agreements with local fire authorities and/or private vendors to conduct inspections. If after completing these actions the Department determines it needs additional resources for its inspection program, it should work with the Legislature to obtain these additional resources.

- Status: **Not yet applicable.**

  The Department reported it that it has yet to perform a workload analysis because it is still in the process of developing its fire safety inspection program consistent with recommendation 1. The Department reported that it will perform a workload analysis in January 2027 following the completion of steps in its written plan it had identified for completion by January 2027. We will further review the Department's implementation of this recommendation during our next followup.

Finding 2: Department has not implemented most recommendations for assisting Arizona communities with wildfire planning, potentially impacting communities' wildfire vulnerability

5. The Department should fully implement the Ecological Restoration Institute (ERI) assessment recommendations, including:

a. Updating the Community Wildfire Protection Plan (CWPP) content requirements document to include intended purpose, audience, and use; wildfire-risk assessment and treatment-prioritization process; and strategies for implementation.

- Status: **Implemented at 30 months.**

  The Department updated its CWPP guidance/requirements to include key CWPP content requirements the ERI recommends, including information on their intended purpose, audience, required content, development/completion, and strategies for implementation. Additionally, the Department has provided further guidance for communities to identify wildfire risks and added a requirement for CWPPs to include wildfire risk-assessment and treatment-prioritization processes.

b. Establish CWPP guidance and resources for how communities can conduct wildfire-risk assessments, prioritize areas for hazardous-fuel-reduction treatments, and integrate CWPPs with existing county, State, and other federal planning documents relevant to reducing wildfire threat.

- Status: **Implemented at 30 months.**

  As stated in our 18-month followup, the Department updated its CWPP guidance and template to include information for conducting wildfire risk assessments. Further, as of May 2026, the Department has developed a supplemental Guidance Appendix for CWPPs that includes technical methodologies, scoring rubrics, and resources for conducting wildfire risk assessments to guide communities in prioritizing areas for hazardous-fuel-reduction treatments. Additionally, the appendix provides criteria for project prioritization and identifies federal and State planning documents relevant to reducing wildfire threats, such as modeling platforms mandated for use in validating local risk assessments.

c. Establish CWPP accomplishment tracking and reporting requirements, such as information about completed hazardous-fuel-reduction treatments.

- Status: **Implementation in process.**

  In December 2025, the Department established a reporting process for CWPP accomplishments. This reporting process requires the Department to request and obtain information from communities about completed hazardous-fuel-reduction treatments and specifies the documentation that should be provided to support completion of projects. Specifically, the reporting process requires completed CWPP projects to be reported to the Department via email within 90 days, requires submitted documentation related to completed CWPP projects to include before and after treatment pictures, and requires Department supervisory staff to verify project completion via a 30-day visual inspection. The Department has also developed a tracking system for completed hazardous-fuel-reduction treatments that is designed to capture information related to supervisory staff's 30-day visual inspections, geographic information system (GIS) data on fuel and vegetation treatment projects, and hazardous-fuel-reduction treatment documentation. However, the Department reported it will not implement this tracking system until it formally allocates the responsibilities for the tracking system to its Fire Grants Manager by updating this position's job description. As of July 2026, the Department has formally updated the Fire Grants Manager job description. We will further assess the Department's implementation of tracking requirements for CWPP accomplishments in our next followup.

d. Establish CWPP update requirements, including how frequently CWPPs should be reviewed and updated.

- Status: **Implemented at 18 months.**

  The Department updated its CWPP requirements document to require counties to review CWPPs annually to determine if changes are needed and update them every 5 years if significant changes occur, such as changes in land-use zoning and related land use types, wildfires that affect the presence of hazardous vegetation, and increased development of housing and commercial properties. According to the CWPP guidance, CWPPs expire after 10 years if not updated.

6. The Department should evaluate available funding and staffing, including State and federal funding sources, and determine if additional funding and/or staffing is needed to assist communities with developing and implementing CWPPs. If additional funding and/or staffing is needed, perform a cost analysis and work with the Legislature to obtain the needed resources.

- Status: **Implemented at 30 months.**

  The Department has conducted an evaluation of its available funding and staffing costs. Based on this evaluation, the Department determined it needed an additional $400,000 of federal funding and $44,000 of State funding for CWPP personnel, nonwage compensation, travel, and supplies. However, the evaluation did not include an analysis identifying the number of additional staff needed to fulfill the Department's CWPP responsibilities. Despite lacking this cost analysis and as reported in our 18-month followup, the Department created 4 additional staff positions to assist communities with developing and implementing CWPPs. As of March 2026, the Department has filled 3 of these positions and reported that it will not fill the remaining position because it formally allocated the identified responsibilities for the remaining position to its fire grants manager position in July 2026.

Finding 3: Department did not comply with some State conflict-of-interest requirements, and its conflict-of-interest process was not fully aligned with recommended practices, increasing risk that employees and public officers had not disclosed substantial interests that might influence or could affect their official conduct

7. The Department should develop and implement comprehensive conflict-of-interest policies and procedures that align with State conflict-of-interest requirements and recommended practices, including:

a. Requiring employees and committee members to complete a conflict-of-interest disclosure form upon hire or appointment and requiring all employees and committee members to use a disclosure form that addresses both financial and decision-making conflicts of interest.

- Status: **Implemented at 30 months.**

As explained in our 18-month followup report, the Department developed conflict-of-interest policies and procedures in October 2024 that align with State conflict-of-interest requirements and recommended practices. Our review of conflict-of-interest forms for a judgmental sample of 17 of 246 Department employees found that all 17 completed a conflict-of-interest disclosure form that addresses both financial and decision-making conflicts of interest as of March 2026.[5] The Department also reminded all employees in June 2025 to update their disclosure forms by July 1, 2025, consistent with its policies and procedures.

Additionally, Department policies and procedures require all completed disclosure forms to be stored in a special file available for public inspection. Our April 2026 review of 11 employee disclosure forms from our judgmental sample of 17 forms completed between May 2025 and March 2026 found that 10 of 11 forms were stored in the special file as required by the Department's policies and procedures.[6] Although 1 disclosure form was not included in the special file, we notified the Department, and it provided the missing disclosure form and added it to the special file.

Lastly, Department policies and procedures require its human resources staff to review and remediate all disclosed conflicts and to consult with the Department director when doing so. Our review of a judgmental sample of 17 of 246 Department employees found 3 of the forms included a disclosed conflict and that the Department followed its policies and procedures for reviewing and remediating all 3 disclosures.

b. Reminding employees and committee members at least annually to update their form when their circumstances change, including attesting that no conflicts exist, if applicable.

- Status: **Implemented at 30 months.**

  See explanation for recommendation 7a.

c. Storing all substantial interest disclosures, including disclosure forms and meeting minutes, in a special file available for public inspection.

- Status: **Implemented at 30 months.**

  See explanation for recommendation 7a.

d. Establishing a process to review and remediate all disclosed conflicts.

- Status: **Implemented at 30 months.**

  See explanation for recommendation 7a.

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5 As of April 2026, the Department reported it did not have any active committees or committee members.

6 We reviewed 11 of 17 disclosure forms from our judgmental sample to determine whether the Department stored these 11 disclosure forms in its special file because these 11 employees either disclosed a potential conflict, were not included on the conflict-of-interest tracking log, did not fully complete the disclosure form, were not listed as completing the conflict-of-interest training, or have responsibilities for making financial and business decisions for the Department.

8. The Department should ensure that employees who disclose secondary employment complete a supplemental disclosure form and work with their supervisor to determine if a conflict exists, as required by Department policy.

- Status: **Implemented at 30 months.**

  Our review of a judgmental sample of 17 of 246 employee disclosure forms as of April 2026 found that 3 of these employees disclosed secondary employment. All 3 employees completed a secondary employment disclosure form as required by the Department's policies and procedures, and worked with their supervisor to determine that no conflicts existed.

9. The Department should develop and provide periodic training on its conflict-of-interest requirements, process, and disclosure form, including providing training to all employees and committee members on how the State's conflict-of-interest requirements relate to their unique programs, functions, or responsibilities.

- Status: **Implemented at 30 months.**

  The Department's conflict-of-interest policies and procedures, effective October 2024, state that all employees and public officers must complete annual conflict-of-interest training. As reported in our 18-month followup, the Department developed an online, recorded conflict-of-interest training that includes information on the Department's conflict-of-interest requirements, process, disclosure forms, and how the State's conflict-of-interest requirements relate to Department, employees and public officers' programs, functions, and responsibilities. In April 2025, the Department's human resources staff emailed a reminder to all employees to complete this training. Our review of the Department's training completion trackers found that, as of April 2026, 269 of 272 Department employees, or approximately 99%, had completed the training for fiscal year 2026. As of April 2026, the Department did not have any active committees or committee members.

Finding 4: Department does not have complaint-handling processes to ensure it investigates and resolves all complaints, increasing public safety risk

10. The Department should establish a method for the public to submit complaints through its website or by other easily accessible means.

- Status: **Implemented at 18 months.**

  As of May 2024, the Department had established an online feedback form accessible on its website that the public can use to submit complaints (see recommendation 11 for more information).

11. The Department should make complaint-handling information readily available on its website, including a description of the Department's complaint-handling process and forms.

- Status: **Implementation in process.**

  As reported in recommendation 10, the Department has established a readily available method for the public to submit complaints and feedback through an online feedback form on its website. Additionally, after we issued our 18-month followup report, the Department added a link on its website to its complaint-handling policies and procedures. However, although the Department's policies and procedures provide some information about its complaint-handling process, as reported in our September 2023 performance audit and sunset review, neither the Department's policies and procedures nor website include information about the types of complaints within the Department's jurisdiction. We will further assess the Department's implementation of this recommendation during our next followup.

12. The Department should develop and implement written policies and procedures for complaint handling that include:

a. Minimum documentation standards, such as retaining complaint forms, correspondence with all parties and other investigative documents, final investigative reports, Department decisions, and dates associated with investigative steps and Department decisions.

- Status: **Implemented at 30 months.**

  Effective October 2025, the Department developed policies and procedures for receiving, processing, and responding to public feedback and complaints. Specifically, the policies and procedures require all related materials, such as the original complaint submitted through the online feedback form, contact information, correspondence with the complainant, and investigative report, to be stored in its complaint-tracking portal. Our review of a judgmental sample of 3 of 12 complaints the Department received in calendar year 2025 and recorded in its complaint log found that the Department maintained the required complaint-handling documentation in its complaint-tracking portal for all 3 complaints. Additionally, although not specified in the Department's policies and procedures, our review of the 3 complaints also found that the Department used its complaint-tracking portal to record dates for investigative steps and department decisions, such as when the complaint was received, correspondence dates, and the date when the Department closed the complaint.

b. Time frames for completing key complaint-handling steps and tasks and for resolving complaints.

- Status: **Implementation in process.**

  As stated in recommendation 12a, effective October 2025, the Department developed policies and procedures for receiving, processing, and responding to

public feedback and complaints. Specifically, the policies and procedures require complaints to be resolved within an overall time frame of 3 days, which includes reviewing complaints within 24 hours of their receipt and processing and resolving complaints 48 hours after that initial review. Further, if resolution will exceed the 48-hour time frame, the Department must notify the complainant of the delay and provide an updated timeline, if possible.

However, our review of a judgmental sample of 3 of 12 complaints the Department received in calendar year 2025 and recorded in its complaint log found that although 2 of these complaints were initially reviewed within 24 hours of receipt, the third complaint was reviewed 44 days after receipt. Additionally, according to the Department's calendar year 2025 complaint log, 7 of 12 complaints exceeded the overall 3-day processing time frame established in its policies, including 1 of 3 complaints we reviewed. For the 1 complaint we reviewed that exceeded the overall 3-day time frame, the Department did not notify the complainant or provide them with a new expected resolution time frame, contrary to Department policy. The Department attributed these complaint-processing delays to inadequate staffing, but it has since hired a Public Records Coordinator with specific responsibilities for overseeing its complaint handling. This includes monitoring the Department's complaint log to ensure every complaint received is documented on the log and time-stamped immediately and that all complaint resolutions, including those not within the Department's jurisdiction, are documented, and to monitor the 3-day time frame for resolving complaints and notify Department leadership of delays. We will further assess the Department's implementation of this recommendation during our next followup.

c. Standards for prioritizing complaints based on the severity of allegations.

- Status: **Implemented in a different manner at 30 months.**

  As explained in recommendation 12a, effective October 2025, the Department developed policies and procedures for receiving, processing, and responding to public feedback and complaints. Although the policies and procedures do not include standards for prioritizing complaints, the Department receives a low volume of complaints—an average of 1 per month—and its policies and procedures state that it will handle all complaints in order of receipt. Further, the Department categorizes all complaints based on the severity of allegations to ensure safety issues are expedited for review. Our review of the Department's calendar year 2025 complaint log found that it processed the 12 complaints recorded on the log in the order they were received.

d. Complaint-screening protocols, including determining which complaints are within its jurisdiction.

- Status: **Implementation in process.**

  As explained in recommendation 12a, effective October 2025, the Department developed policies and procedures for receiving, processing, and responding to public feedback and complaints. However, the policies and procedures do not incorporate complaint-screening protocols, including steps for determining which complaints are within the Department's jurisdiction. Although the Department's website explains the Department's statutory jurisdiction for complaints received and the Department reported it has a process to determine jurisdiction using staff judgement, it has not developed procedures or guidance to help ensure its staff appropriately and consistently determine its jurisdictional authority for complaints it receives nor does it specify its jurisdiction regarding complaints about public buildings.[7] Despite lacking procedures and/or guidance, our review of 3 of 12 complaints the Department received in calendar year 2025 found that 2 of 3 complaints were correctly determined to not be in the Department's jurisdiction, and Department staff forwarded both complaints to the appropriate entities, consistent with the Department's process. We will further assess the Department's implementation of this recommendation during our next followup.

e. Notification requirements for parties involved, such as when a complaint is being opened or resolved, or when a complaint falls outside the Department's jurisdiction.

- Status: **Implementation in process.**

  As explained in recommendation 12a, effective October 2025, the Department developed policies and procedures for receiving, processing, and responding to public feedback and complaints. The policies and procedures require Department staff to notify the complainant and respondent within 24 hours of complaint submission that the Department received the complaint and to request additional information if needed; and to notify complainants if complaint resolution will exceed 48 hours (see explanation for recommendation 12b). Further, the policies and procedures require complainants to be kept informed during the processing of the complaint investigation through email notifications, including any complaint status changes, requests for information, and complaint outcomes.

  However, our review of a judgmental sample of 3 of 12 complaints the Department received in calendar year 2025 and recorded on its complaint log found 1 complaint that exceeded the 3-day overall resolution time frame, and the complainant was not notified that the review would exceed 3 days nor provided with a new expected resolution time frame, contrary to Department policy. Specifically, as explained in recommendation 12b, although the complaint was resolved within 48 hours after staff's initial review of the complaint, the initial review of the complaint did not occur

[7] Although the Department's website lists the statutory authority of the State Forester to investigate complaints, it does not include guidelines for State Fire Code violations nor the State Fire Marshal's authority to also investigate complaints.

within 24 hours of receipt, as required by policy, and instead was conducted 44 days after the Department had received the complaint. Lastly, for all 3 complaints we reviewed, the complainants did not receive complaint closure notifications, including notifications for complaints that were determined to not be in the Department's jurisdiction, contrary to Department policy. Although the Department reported that its complaint portal allows complainants to return to the portal to view the status of their complaints, complainants may not do so, and by not sending a notification as required by policy, some complainants may not be aware that their complaint has been addressed. We will further assess the Department's implementation of this recommendation during our next followup.

13. The Department should develop and implement a complaint-tracking process that allows the Department to track all complaints it receives, monitor complaints it receives to ensure that they are investigated and resolved, and ensure that complaints are being resolved in a timely manner.

- Status: **Implementation in process.**

  The Department has developed a records portal to track and monitor all complaints and feedback it receives to ensure they are reviewed, investigated, and resolved. Specifically, our observation of Department staff's use of the records portal found that they processed all complaints and feedback submitted through the records portal in the order of receipt, including dating, time-stamping, and assigning a unique case-tracking number to the feedback and/or complaint received. Further, the portal retains the complainant's contact information, the order in which the complaint was received, and the Department staff assigned to review and investigate the complaint. Our review of the 12 complaints the Department received in calendar year 2025 and recorded on its complaint log found that all 12 complaints were dated, time-stamped, and assigned a case-tracking number.

  Additionally, as explained in recommendation 12b, the Department has hired a Public Records Coordinator with specific responsibilities for overseeing its complaint handling, including monitoring the records portal to ensure complaints are investigated and resolved. However, the Department has not developed a documented process for monitoring complaints to ensure they are investigated and resolved, which may have contributed to 1 of 3 complaints we reviewed exceeding the Department's overall complaint-processing time frame (see explanations for recommendations 12b and 12e). The Department reported it plans to develop a documented process for monitoring complaints by October 2026. We will further assess the Department's implementation of this recommendation during our next followup.

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

14. The Department should implement the recommendations made in our November 2016 procedural review and align its implementation of these recommendations with applicable *State of Arizona Accounting Manual* (SAAM) requirements.

- Status: **Implementation in process.**

  At the time of our September 2023 performance audit and sunset review, we determined that the Department had yet to implement 7 recommendations from our November 2016 procedural review.[8]

  During this followup, our review found that the Department has:

  - **Implemented 1 of 7 outstanding recommendations**

    We recommended that the Department develop and implement procedures for monitoring its financial activity, such as comparing budgeted amounts to actual expenditures and reviewing financial activity for unusual fluctuations in account balances to help ensure it appropriately oversees its financial activities and spending. Our review of the Department's fiscal year 2026 budget tracker and administrative adjustment tracker found that the Department monitored budgeted amounts to actual expenses and noted unusual fluctuations regarding deviations from planned expenditures to discuss at monthly meetings with Department leadership. Additionally, our review of the Department's February 2026 leadership meeting agenda found that it included an agenda item to discuss the Department's budget status report, consistent with our recommendation to monitor financial activity.

  - **Made some progress toward implementing 3 of 7 outstanding recommendations**

    Specifically, we recommended that the Department:

    - Develop written procedures related to cash receipts and properly classifying federal and state reimbursements in the State's accounting system, consistent with SAAM requirements. Developing written procedures for processing cash receipts, including procedures for receiving, recording, and depositing cash, and segregating responsibilities for these activities help to ensure that cash is safeguarded and reduce the risk of loss and theft. Additionally, developing written procedures for classifying federal and state reimbursements in the State's accounting system, helps to ensure the accurate reporting of these monies.

      The Department has developed billing procedures that include some steps for processing monies it receives in response to invoices it sends. These include steps for documenting and recording monies received. However, the

[8] In addition to the 7 outstanding recommendations, we made 1 recommendation related to State conflict-of-interest requirements in the November 2016 procedural review that has been superseded by recommendations 7 through 9 from our September 2023 performance audit and sunset review. The Department has implemented these recommendations (see recommendations 7 through 9).

procedures do not include steps for depositing monies received or segregating responsibilities for these activities. Additionally, the Department did not provide us with any procedures related to properly classifying federal and State reimbursements in the State's accounting system.

When we brought this to the Department's attention in August 2026, it developed procedures for processing cash receipts in the State's financial system. Specifically, the new procedures include information about how to submit cash receipts and when to use common revenue codes. Because the Department developed these procedures after we concluded our followup work and were not finalized as of August 2026, we further assess its implementation of this recommendation during our next followup.

- Improve its payroll processing by requiring an employee not responsible for processing the Department's biweekly payroll to review the payroll for accuracy and to ensure it was properly recorded in the State's payroll and financial systems. We also recommended the Department reconcile its payroll expenditures to help ensure their accuracy and proper recording in the State's financial management system. The Department reported that as of April 2026, it has 4 employees with payroll processing duties—3 that are responsible for entering payroll information into the State's financial management system and a manager who reviews and reconciles the Department's payroll information within the financial management system. The Department provided this information after we concluded our followup work and were finalizing this report in August 2026. Additionally, despite our requests, the Department did not provide us with documentation of its payroll processing internal controls. As a result, we did not review and test the performance of these payroll processing duties and will do so during our next followup.

- **Not implemented 3 of 7 outstanding recommendations**

  These 3 recommendations included that the Department:

  - Develop and implement policies and procedures for performing risk assessments over its financial reporting, consistent with SAAM requirements. Doing so would help the Department identify potential risks related to inaccurate financial reporting and implement safeguards to reduce these risks. The Department reported conducting various assessments over financial reporting to help reduce the potential risk of inaccurate financial reporting. This includes comparing budgeted to actual expenditures to identify and discuss anomalies, variances, and projections; payroll reviews to follow up on any deviations and variances, and reconciling purchasing card expenditures. However, despite our requests, the Department did not provide us with any policies and procedures related to performing risk assessments over its financial reporting.

  - Maintain an accurate and complete listing of its capital assets in the State's financial management system that includes the required information for each capital asset and record capital assets within 10 business days of their acquisition. Doing so would help the Department

properly control, safeguard, and report on its capital assets in the State's financial statements, in compliance with SAAM requirements.

- Conduct a physical inventory of its capital assets, update its internal capital assets listing and the State's financial management system for any changes in its capital assets, and perform a reconciliation between its internal listing and the State's financial management system at least annually. Annually performing such an inventory of its capital assets ensures that these assets are accounted for and accurately recorded in both its internal capital assets listing and the State's financial management system and would allow the Department to research and resolve any discrepancies.

Although the Department conducted a physical inventory of some of its capital assets for fiscal year 2025, our review of this inventory found that, although it included a listing of assets such as office equipment, clothing, and fire hoses, it did not include larger Department capital assets such as vehicles, heavy equipment and machinery, and/or buildings.[9] Because it has not performed a full capital asset inventory, it has also not developed an accurate and complete listing of its capital assets. Additionally, the Department did not provide any policies and procedures relevant to its management and tracking of capital assets for our review, including procedures for reconciling its capital asset listing against the State's financial management system.

The Department's lack of policies and procedures or comprehensive policies and procedures for performing financial risk assessments, cash handling, properly classifying federal and state reimbursements in the State's accounting system, and managing capital assets, increases the risk for errors, fraud, and/or the misuse of public monies. This includes the potential loss or theft of cash and the Department's capital assets, and the erroneous reporting of federal and state reimbursements and payroll expenditures in the State's financial management system. Further, there is an increased risk that the State's capital assets and associated depreciation expenses are understated on its financial statements and that those relying on the reported financial information could be misinformed.

We will further assess the Department's implementation of the remaining 6 unimplemented recommendations from our 2016 procedural review during our next followup.

[9] According to SAAM, the Department is required to keep a listing of all capital assets, or assets that cost more than $5,000, and stewardship resources, or assets owned by the State that represent a material investment by the State and merit a significant level of safekeeping and accounting.

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

15. The Department should adopt rules required by A.R.S. §§37-1305, 37-1383, and 37-1422.

- Status: **Not implemented.**

  At the time of our 18-month followup, instead of adopting the required rules, the Department reported that it planned to work with the Legislature to eliminate these rule requirements from statute. Although the Department worked with the Legislature to introduce a bill during the 2026 legislative session that would have eliminated the rule requirement in A.R.S. §37-1383(A)(4), the bill was not heard and ultimately failed to proceed during the session. The Department did not work with the Legislature to introduce bills to eliminate the other rule requirements. As such, the Department reported it would proceed with adopting the required rules as a part of its ongoing efforts to update all of the Department's existing rules. As of June 2026, the Department reported it planned to work with a consultant to draft language for the required rules and estimated doing so by the end of October 2026. We will further assess the Department's implementation of this recommendation during our next followup.

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

16. The Department should include a statement on its website indicating where public meeting notices will be posted, as required by statute.

- Status: **Implemented at 30 months.**

  The Department has updated its website to include the statutorily required statement that all public meeting notices and other required information will be posted on its public meetings and legal notices webpage.

Sunset Factor 8: The extent to which the Department has addressed deficiencies in its enabling statutes that prevent it from fulfilling its statutory mandate.

17. The Department should conduct and document an assessment to determine whether the State Fire Safety Committee (Committee) should be eliminated and, if necessary, work with the Legislature to seek a statutory change to eliminate the Committee.

- Status: **Implemented at 30 months.**

  The Department conducted and documented an assessment of the need for the Committee and, based on this assessment, determined that the Committee should be eliminated. Specifically, the Department found the Committee to be obsolete as its functions are duplicative of existing Department operations and that it has no members

nor is it active. The Department worked with the Legislature to introduce Senate Bill 1562 for its consideration in the 2026 legislative session that proposed to eliminate the requirement for the Committee from statute.[10] However, the bill was not heard and did not progress during the session. As of May 2026, the Department reported it will work with the Legislature to introduce a similar bill in the 2027 legislative session to eliminate the Committee.

[10] A.R.S. §37-1307.