



December 14, 2021

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

Dear Ms. Perry:

This letter provides the Arizona Game and Fish Department's response to the December 10, 2021 revised preliminary draft of the AGFD Commission Heritage Fund Audit Report. We appreciate the diligence and hard work of the Auditor General's staff in completing this report and their consideration of our feedback on the previous draft.

The auditors identified 2 recommendations for improvement the department should address. Specifically:

Finding 1: Department did not consider some Heritage Fund operations and maintenance expenses for compliance with statutory limit, increasing risk that those monies would be unavailable for intended purpose

Recommendation 1: The Department should develop and implement internal controls to monitor all IIAPM O&M expenses of Heritage Fund acquired properties.

Department response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Department agrees and is in the process of implementing internal controls to identify and monitor Heritage IIAPM O&M expenditures on Heritage acquired properties.

Recommendation 2: The Department should ensure that not more than 20 percent of the IIAPM monies are used for O&M expenses, including infrastructure, of Heritage Fund acquired properties.

Department response: The finding of the Auditor General is agreed to and will be implemented.

Response explanation: Standard work that outlines requirements for a project to be considered O&M is being developed and all O&M expenses for Heritage Acquired properties. The Department will utilize these controls to ensure that not more than 20 percent of the IIAPM monies will be used to pay for O&M.

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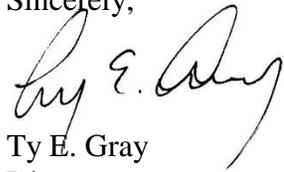
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December 14, 2021
Lindsey A. Perry
Page Two

On behalf of the Commission and AGFD, we appreciate having had this opportunity to respond to the above recommendations. Moreover, we appreciate the professionalism and cooperation of your audit team, Marcia Schweers and Adam Tillard, demonstrated in working with us throughout the performance audit process. We found the process and the results to be both informative and very beneficial for ensuring that the Commission Heritage Fund is meeting the purpose for which it was established, and we look forward to timely implementation of all the recommendations identified in your audit report.

Sincerely,

A handwritten signature in black ink, appearing to read "Ty E. Gray". The signature is written in a cursive style with a large, looping initial "T".

Ty E. Gray
Director