



Doug Ducey
Governor

ARIZONA STATE PARKS BOARD

Bob Broscheid
Executive Director



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Lindsey A. Perry
Auditor General
Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018

Dear Ms. Perry,

Thank you for the opportunity to respond to the recent audit from your office. We have appreciated the opportunity to work with your team over these past several months. As we have discussed, a recently implemented new statewide Integrated Parks Reservations system will address a number of issues regarding financial processes and reports. We have attached our responses to the audit outcome and look forward to the benefits that the agency will experience as a result of implementing the changes identified.

A handwritten signature in black ink, appearing to read "Bob Broscheid".

Robert Broscheid
Executive Director
Arizona State Parks and Trails

Finding 1: Board did not protect public monies, increasing risk of loss or theft

Recommendation 1: The Board should comply with SAAM requirements and implement recommended practices for recording cash transactions and reconciling cash deposits, including developing and implementing policies and procedures for:

Recommendation 1a: Requiring Board staff and volunteers who receive cash to provide a receipt to customers for all transactions.

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

Response explanation: ASPT will work with the General Accounting Office to ensure that agency specific policies are created to address cash handling processes and that controls are put in place to ensure cash receipts are being appropriately recorded and issued in compliance with SAAM.

Recommendation 1b: Locking transactions after a sale, including processing refunds as separate transactions rather than editing transaction information after a sale.

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

Response explanation: [SAAM 20:10 Cash and Cash Receipts Section 21 & 21.1: When a cash register is used to record the receipt of cash, the following controls should be in place: SAAM Sec 21.1: Transactions and totals must be locked in] **Currently** all transactions are recorded. Cash receipts and refunds are shown separately but may be recorded in the same invoice. The folio 'invoice' of the customer can be edited but a log of all transactions and the individuals who conducted the transactions are recorded in the system. However, there is no systematic process in place to conduct reviews of irregular transactions. Parks implemented a new reservation and reporting system in July of this year. The new system will record and lock each transaction in separate invoices to ensure the integrity of the transaction data.

Recommendation 1c: Reconciling detailed and prenumbered receipt logs and register tapes to deposits with the State Treasurer during its daily and weekly reconciliation processes.

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

Response explanation: [SAAM 20:10 Cash and Cash Receipts Section 3 & 12: SAAM Sec 3: The receipt of cash should be appropriately controlled. (The use of pre-numbered receipts or cash register tapes by an individual designated to receive cash are two examples of how cash may be controlled; other reports exist for credit card receipts, electronic funds transfers, etc.) SAAM Sec 12: Receipt logs, pre-numbered receipts and register tapes must be reconciled with the deposits with the State Treasurer] **The State Treasurer** currently accepts ongoing weekly cash receipts and reconciliation documents (CR Documents in AFIS) from the Parks Board which provides their acknowledgement of the Parks Board's compliance with SAAM processes and

procedures. The new system will provide improved detailed transaction reports to be reviewed on a regular basis by park staff.

Recommendation 2: The Board should work with its cash receipt system vendor to ensure its new cash receipt system locks transactions after sales are completed and that the system can generate reports to facilitate the Board's reconciliation of deposits in compliance with SAAM requirements.

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

Response explanation: ASPT will work with new vendor to ensure compliance with SAAM and statewide reporting requirements and update written policies and procedures that encompass all necessary changes.

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

Recommendation 3: The Board should complete development of and implement its project tracker and project management policies and procedures. The policies and procedures should outline specific steps project managers should follow to manage capital projects, including planning, regularly tracking the status of, and documenting key project information and dates in a standardized way.

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

Response explanation: ASPT Development has now implemented a new project tracking tool. It was initiated at the end of April 2022. This tracking tool monitors project budgets, status, start and projected end dates as well as dates for key project steps. A significant amount of other project-related information is provided in the tracking tool for quick reference as well; however, it is not intended to be a full project system. ASPT Development is also working on a more standardized project filing system. New standardized processes are being implemented starting July 2022 and will progress throughout the year. The new processes will continue to be evaluated/modified as they are implemented to refine their effectiveness

Recommendation 4: The Board should implement its weekly project management trainings for project managers, including providing training on its project tracker and project management policies and procedures.

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

Response explanation: ASPT Development started providing weekly training sessions in July 2022. Training sessions are approximately 2-3 hours long each week and cover project-related topics. Initial training sessions are focused on developing project budgets to consultant selection and will continue until project completion / closeout. These training sessions were started in July (at the beginning of the new fiscal year) to correlate

with new budgeted projects and subsequent training sessions are planned to be in alignment (and in advance) of where the majority of the new projects are currently in progress. Each session is documented as to the subject matter, date of the training and attendees. Some of the training sessions entail outside subject matter experts (SMEs) to both provide a higher level of training and also to establish and build a good working relationship with those other agencies/work units.

Recommendation 5: The Board should develop and implement policies and procedures that:

Recommendation 5a: Require Board staff to track grantees' compliance with project completion time frames outlined in project agreements, including procedures for reporting time frame compliance information to the Board.

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

Response explanation: Board grant staff has addressed compliance with all of our grants in our online system. Once a project agreement is in place, all required reporting is set up in online system with automatic alerts to the subrecipient prior to any due dates. This includes required quarterly status reports and final project report. These status reports include milestones for the work to be performed and staff follows up with sponsors who do not meet these milestones. Grant staff will provide the State Parks Board a quarterly update on all active projects including final close out documents. Board grant staff will also review all active grants on a monthly basis to ensure all reporting is complete.

Recommendation 5b: Describe how Board staff should establish project start and end dates, including criteria for doing so.

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

Response explanation: Unless the start and end date are required by program requirements, there now will be two project end dates. Depending on when the project agreement is signed (project start date), the end date of projects will be either June 30 or December 31. Board grant staff now have a dedicated position that will track all active projects with these end dates. All agreements (except those with programs with required set end dates) will have a minimum of 2 ½ years and up to 3 years to complete their projects and those dates will be documented. There is also an amendment process in place to extend the end date of a project if needed.

Recommendation 5c: Require Board staff to track grantee compliance with the 90-business day closeout requirement for all of the Board's grant programs.

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

Response explanation: Board grant staff has a dedicated position who checks all open projects on a monthly basis and notifies a subrecipient 60 days prior to project end date and follow up with that subrecipient until the project is closed out with final close out documents submitted no later than 90 days after the project agreement expires.

Sunset Factor 3: The extent to which the Board serves the entire State rather than specific interests.

Recommendation 6: The Board should develop and implement conflict-of-interest policies to help ensure compliance with State conflict-of-interest requirements and recommended practices including:

Recommendation 6a: Requiring public officers, including all Board and advisory group members, to complete a conflict-of-interest disclosure form upon appointment, including attesting that no conflicts exist, if applicable.

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

Response explanation: ADOA Arizona State Personnel System Disclosure Statement conflict of interest statements will be distributed annually in January upon the election/confirmation of new officers

Recommendation 6b: Reminding all employees and public officers at least annually to update their disclosure form when their circumstances change.

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

Response explanation: Annual training regarding conflict-of-interest requirements and the conflict-of-interest disclosure form will be created and available to all employees and the successful completion will be monitored and tracked on an annual basis. State Parks Board of Directors' standard work has been updated to include a semi-annual reminder to Members that they are required to disclose any conflict of interest changes to their superior authority.

Recommendation 6c: Storing all substantial interest disclosures, including disclosure forms, in a special file available for public inspection.

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

Response explanation: Copies of all employee and Board Member's Arizona State Personnel System Disclosure of conflict of interest forms will be available for review by the General Public. Physical copies of forms that include disclosure of substantial conflict of interest will be kept at the Central Office of State Parks and Trails and made available to the public.

Recommendation 6d: Establishing a process to review and remediate disclosed conflicts.

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

Response explanation: Written policies and procedures will be established to review the forms and to remediate any substantial interest disclosed. Once reviewed and approved the forms are stored and made available to the public upon request.

Recommendation 7: The Board should provide periodic training on its conflict-of-interest requirements, process, and disclosure form, including providing training to all employees and Board/advisory group members on how the State's conflict-of-interest requirements relate to their unique program, function, or responsibilities.

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

Response explanation: Training regarding conflict-of-interest requirements and the conflict-of-interest disclosure form will be created and available to all employees and the successful completion will be monitored and tracked on an annual basis. Training for the unique roles of the Board of Directors and Advisory group members will also be implemented.

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

Recommendation 8: The Board should develop and implement open meeting law policies and procedures to help ensure its compliance with open meeting law requirements.

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

Response explanation: Currently the Board adheres to all open meeting laws, however, ASPB does not have a specific policy and procedures document that has been implemented to help ensure compliance with open meeting law requirements. ASPB will implement a policy and procedures document.

Sunset Factor 6: The extent to which the Board has been able to investigate and resolve complaints that are within its jurisdiction and the ability of the Board to timely investigate and resolve complaints within its jurisdiction.

Recommendation 9: The Board should document complaint resolution dates for all compliant types, including those received through its public information officer or its social media.

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

Response explanation: A document log for all complaints, including those received through a variety of sources (public information officer, social media, direct email, phone calls) was implemented on June 1, 2022. This document is available to everyone who

handles complaints to enter as they are received, showing the steps to resolve and resolution date.

Recommendation 10: The Board should implement its complaint handling policy and procedure.

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

Response explanation: A complaint handling policy and procedure was implemented on June 1, 2022. Please see Policy A-22-1, Administrative