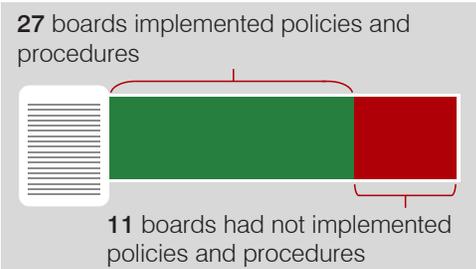


State Board Member Per Diem Compensation and Expense Reimbursements

CONCLUSION: As required by law, we conducted annual reviews of per diem compensation and expense reimbursement payments to members of State boards. In these reviews, that covered fiscal years 2017 and 2018, we followed up on the recommendations from our prior report for fiscal year 2016, Report 17-306 *State Board Member Per Diem Compensation and Expense Reimbursements*, which we issued in November 2017. We found that in response to our recommendation, the Arizona Department of Administration issued policies and procedures requiring Arizona’s boards, commissions, councils, and advisory committees (collectively referred to as boards) to process per diem compensation payments and nontravel-related expense reimbursements to board members using the State’s payroll system to ensure compliance with applicable tax withholding requirements. Some boards are still in the process of implementing this change. Further, we found that some boards still need to develop and implement written policies and procedures for paying per diem compensation. Finally, in these reviews that covered fiscal years 2017 and 2018, we found that not all boards were paying members in accordance with State policy.

Some boards still need to develop written policies and procedures for paying per diem compensation

In our prior report, we recommended that all State boards develop and implement written policies and procedures. During these annual reviews, we found that 27 of the 38 boards identified in our prior report that lacked written policies and procedures for paying per diem compensation have developed and implemented written policies and procedures with the recommended elements; 11 boards have not. Also, during these reviews for fiscal years 2017 through 2018, we found 1 additional board that did not have written policies and procedures.



Recommendation

All Arizona’s State boards should develop and implement written policies and procedures for paying board member per diem compensation.

Boards should pay members in accordance with State policy

State law prescribes the amount of per diem compensation board members may be eligible to receive and typically whether a member is eligible to receive expense reimbursement. In addition, State policies provide the framework for boards to follow when reimbursing expenses and planning group travel, including documentation requirements. During our fiscal years 2017 and 2018 reviews, we found that 1 board, the Arizona Game and Fish Commission (Commission), made payments to a Commission member that were insufficiently supported. Specifically, the Commission paid 1 member 23 days of per diem compensation—\$690—without requiring the member to document the activities performed in the Commission’s service. In addition, we found 3 Commission members attended a conference in Vail, Colorado. Two of the Commission members flew to the conference on the same day, and each member rented a vehicle. These Commission members were reimbursed a total of \$1,610 for rental car expenses, which included \$400 for upgraded vehicles. The third Commission member was reimbursed \$747 for mileage to drive to the conference. However, the Commission was not able to provide documentation that it planned group travel to the conference that ensured the most favorable cost benefit to the State or all travel expenses were reasonable and necessary.

Recommendation

All Arizona's State boards, including the Arizona Game and Fish Commission, should adhere to the State's policies to ensure per diem compensation and expense reimbursement payments to board members are properly supported.