

ARIZONA STATE LEGISLATURE

JOINT LEGISLATIVE AUDIT COMMITTEE

Minutes of the Meeting
June 12, 2024
1:00 P.M., HHR 1

Members of the public may access a livestream of the meeting here:

<https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2024061000>

Members Present:

Senator Sonny Borrelli, Chair
Senator David C. Farnsworth

Representative Matt Gress, Chair
Representative Timothy M. Dunn
Representative Nancy Gutierrez
Representative Alma Hernandez
Representative Beverly Pingerelli

Members Excused:

Senator Anthony Kern
Senator Juan Mendez
Senator Catherine Miranda
Senator Warren Petersen, Ex-officio

Representative Ben Toma, Ex-officio

Staff:

Anna Nguyen, Senate Research Staff
Joel Hobbins, House Research Staff
Montse Torres, House Research Staff

Chairman Gress called the meeting to order at 3:06 p.m. and attendance was noted.

Chairman Gress offered opening comments.

OFFICE UPDATES REGARDING JLAC-DIRECTED SCHOOL DISTRICT PERFORMANCE AUDIT FOLLOW-UP REPORTS:

Hackberry Elementary School District Performance Audit, 36-month follow-up report
Peach Springs Unified School District Performance Audit, 60-month follow-up report

Presentation by Office

Scott Swagerty, School Audits Director, Auditor General's Office, distributed a booklet entitled "Joint Legislative Audit Committee" (Attachment A). Mr. Swagerty distributed and explained a PowerPoint presentation entitled "Hackberry Elementary and Peach Springs Unified School Districts" (Attachment B), referenced (Attachment A, Tab 5) and answered questions posed by the Committee.

Representative Gress offered comments and played an archived video of the Peach Springs Unified School District presentation from a previous JLAC meeting dated September 13, 2023.

Presentation by Peach Springs Unified School District

Mr. Santiago, Superintendent, Peach Springs Unified School District, read a letter addressed to the Committee, responded to the recommendations from the Auditor General's Office and answered questions posed by the Committee.

Chairman Gress requested an update of the recommendations from the Peach Springs Unified School District to JLAC by December 31, 2024.

The Committee offered comments.

Mr. Swagerty answered additional questions by the Committee.

ARIZONA STATE BOARD OF NURSING PERFORMANCE AUDIT AND SUNSET REVIEW, SEPTEMBER 2021 REPORT AND 30-MONTH FOLLOW-UP REPORT:

Presentation by Office

Jeff Gove, Director, Performance Audit Division, Auditor General's Office, distributed and explained a PowerPoint presentation entitled "Board of Nursing" (Attachment C), referenced (Attachment A, Tab 2) and answered questions posed by the Committee.

The Committee offered comments.

Presentation by Board of Nursing

Joey Ridenour, Executive Director, Arizona State Board of Nursing, addressed the recommendations and answered questions posed by the Committee.

Chairman Gress requested a follow-up email to JLAC regarding the fiscal analysis report.

Chairman Gress requested that a report be submitted to JLAC and to the Arizona Auditor General on the results of the risk-based review of complaints that the Board staff failed to investigate, as recommended by the Auditor General in the 30-month followup; and an outline of the plan to implement the four outstanding recommendations from the 2021 sunset review (recommendations 1, 2, 4 and 9) and the three additional recommendations from the Auditor General's 30-month followup and a reasonable timeline by which the Board will do so. The response is expected by Friday, July 12, 2024. The motion CARRIED by voice vote.

ARIZONA AUDITOR GENERAL'S (OFFICE) FISCAL YEARS 2024 AND 2025 FINANCIAL AND COMPLIANCE AUDIT SCHEDULE AND CONSIDERATION OF APPROVAL TO BILL ENTITIES FOR AUDIT WORK

Lindsey Perry, Auditor General, explained compliance and fiscal audits, the billing of listed entities for audits, referenced (Attachment A, Tab 1) and answered questions posed by the Committee.

Senator Borrelli moved that JLAC authorize the Auditor General's Office to bill the listed entities for FY 2024 and FY 2025 audit work. The motion CARRIED by voice vote.

ARIZONA STATE BOARD OF PHARMACY PERFORMANCE AUDIT AND SUNSET REVIEW, SEPTEMBER 2020 REPORT AND 36-MONTH FOLLOW-UP REPORT:

No presentation took place.

Chairman Gress requested that the State Board of Pharmacy submit a report to JLAC and the Auditor General outlining a plan to implement the seventeen outstanding recommendations from the 2020 sunset review (recommendations #2, 7, 8a, 8b, 8c, 8d, 10, 13, 14, 18a, 19, 20, 21, 23, 28, 29 and 30) and a reasonable time frame by which the Board will do so. The response is expected by Friday, July 12, 2024. The motion CARRIED by voice vote.

STATE OF ARIZONA FISCAL YEAR 2023 FINANCIAL STATEMENT AND FEDERAL COMPLIANCE AUDITS' UPDATES

Presentation by Office

Nicole Bartlett, Statewide Audit Manager, Auditor General's Office, distributed and explained a PowerPoint presentation (Attachment D), referenced (Attachment A, Tab 4) and answered questions posed by the Committee.

Presentation by Arizona Department of Administration

Michael Wisehart, Deputy Director, State Comptroller, Arizona Department of Administration (ADOA), addressed the recommendations and answered questions posed by the Committee.

Lindsey Perry, Auditor General, answered questions posed by the Committee.

Ms. Bartlett answered additional questions posed by the Committee.

Ms. Perry answered additional questions posed by the Committee.

Presentation by Arizona Health Care Cost Containment System

Jeff Tegen, Assistant Director, Business and Finance, Arizona Health Care Cost Containment System (AHCCCS), distributed and explained a handout entitled "AHCCCS" (Attachment E) and answered questions posed by the Committee.

Michael Wisehart, Deputy Director, State Comptroller, Arizona Department of Administration (ADOA), answered questions posed by the Committee.

Mr. Tegen answered additional questions posed by the Committee.

Presentation by Arizona Governor's Office

No presentation took place.

Presentation by Arizona Department of Economic Security

Chairman Gress called out to the audience and asked if the Department of Economic Security (DES) submitted their draft of the State of Expenditures of Federal Awards (SEFA) to ADOA and if they completed their financial audit. The Chairman announced for the record, they said yes.

OFFICE PRESENTATION REGARDING THE ARIZONA SCHOOL DISTRICT SPENDING ANALYSIS – FISCAL YEAR 2023

No presentation took place.

There being no further business, the meeting was adjourned at 5:25 p.m.

Respectfully submitted,

Tracey Gardner
Committee Secretary

(Audio recordings and attachments are on file in the Secretary of the Senate's Office/Resource Center, Room 115. Audio archives are available at <http://www.azleg.gov>)