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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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DEPUTY AUDITOR GENERAL

December 1, 2017

The Honorable Bob Worsley, Chair
Joint Legislative Audit Committee

The Honorable Anthony Kern, Vice Chair
Joint Legislative Audit Committee

Dear Senator Worsley and Representative Kern:

Our Office has recently completed a 12-month followup of the Arizona Power Authority regarding the implementation status of the 5 audit recommendations presented in the performance audit report released in December 2016 (Auditor General Report No. 16-111). As the attached grid indicates, all 5 recommendations have been implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes our follow-up work on the Arizona Power Authority's efforts to implement the recommendations from the December 2016 performance audit report.

Sincerely,

Dale Chapman, Director
Performance Audit Division

DC:ka
Attachment

cc: Ed Gerak, Executive Director
Arizona Power Authority

Arizona Power Authority Commission members

Arizona Power Authority

Auditor General Report No. 16-111

12-Month Follow-Up Report

Recommendation

Status/Additional Explanation

Chapter 2: Authority works with customers to manage their Hoover power

- | | | |
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| 2.1 | The Authority should ensure that any power pooling arrangements established under the new contracts beginning October 1, 2017, are approved in accordance with its rules. | Implemented at 12 months |
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Chapter 3: Authority should improve some administrative practices

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| 3.1 | The Authority should continue to implement its new conflict-of-interest policies and procedures. | Implemented at 6 months |
| 3.2 | The Authority should pursue legislative changes to revise or remove a statutory requirement in A.R.S. §30-105(B) regarding authority commissioners' business interests, which is superseded by the State's conflict-of-interest law in A.R.S. Title 38. | Implemented at 6 months
Laws 2017, Ch. 3, revised A.R.S. §30-105(B) to conform with the State's conflict-of-interest law in A.R.S. Title 38. |
| 3.3 | The Authority should document its procurement practices for personal services in written policies and procedures. As part of its policies and procedures, the Authority should retain appropriate documentation to support procurement decisions made. | Implemented at 6 months |
| 3.4 | The Authority should pursue legislative changes to revise or remove provisions in A.R.S. §30-107 regarding authority meetings, which are superseded by the State's open meeting law in A.R.S. Title 38. | Implemented at 6 months
Laws 2017, Ch. 3, revised A.R.S. §30-107 to conform with the State's open meeting law in A.R.S. Title 38. |