

**ARIZONA HOUSE OF REPRESENTATIVES**

**MEMO**

**COMMERCE COMMITTEE**

To: Joint Legislative Audit Committee  
Representative Barry Wong, Chair  
Senator Randall Gnant, Co-chair

From: Diana O'Dell, Research Analyst

Subject: Sunset Review of the Arizona Board of Appraisal

Attached is the final report of the Sunset Review of the Board of Appraisal, which was conducted by the Senate Commerce and Economic Development and the House of Representatives Commerce Committees of Reference.

This report has been distributed to the following individuals and agencies:

Governor of the State of Arizona  
The Honorable Jane Dee Hull

President of the Senate  
Senator Brenda Burns

Speaker of the House  
Representative Jeff Groscost

Senate Members  
Senator Pat Conner, Co-chair  
Senator Chris Cummiskey  
Senator Sue Grace  
Senator David Petersen  
Senator Pete Rios

House Members  
Representative Sue Lynch, Co-chair  
Representative Linda G. Aguirre  
Representative Brian Fagin  
Representative Gail Griffin  
Representative Roberta L. Voss

Arizona Board of Appraisal  
Office of the Auditor General  
Office of the Attorney General  
Department of Library and Archives  
Office of Strategic Planning and Budgeting

House Majority Staff  
House Research Staff  
House Minority Staff

Senate Majority Staff  
Senate Research Staff  
Senate Minority Staff

**COMMITTEE OF REFERENCE**  
*Senate Commerce and Economic Development Committee &  
House of Representatives Commerce Committee*

**ARIZONA BOARD OF APPRAISAL**

Date: October 27, 1998  
To: JOINT LEGISLATIVE AUDIT COMMITTEE  
Representative Barry Wong, Chair  
Senator Randall Gnant, Co-Chair

Pursuant to Title 41, Chapter 27, Arizona Revised Statutes, the Committee of Reference, after conducting a performance review and holding a public hearing, recommends the following:

1. The Auditor General shall conduct a performance audit of the Board of Appraisal (Board) pursuant to 41-1279.03 on or before December 31, 2004, and every 10 years thereafter.
2. The Board shall provide an annual report by December 31, 1999, and again by December 31, 2000, to the Legislature, the Governor and the Joint Legislative Audit Committee regarding the progress of implementing the recommendations outlined in the Auditor General's 1998 Performance Audit (Report No. 98-6).

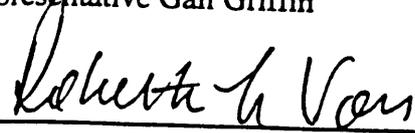
**COMMITTEE OF REFERENCE**

  
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Representative Sue Lynch, Chair

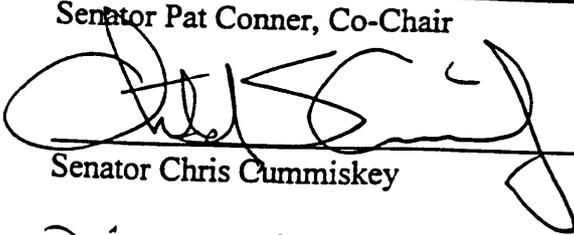
  
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Representative Linda G. Aguirre

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Representative Brian Fagin

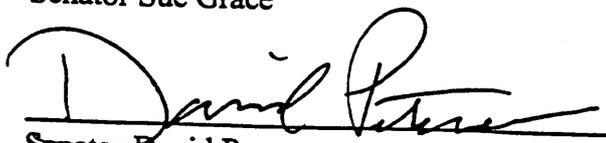
  
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Representative Gail Griffin

  
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Representative Roberta L. Voss

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Senator Pat Conner, Co-Chair

  
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Senator Chris Cumiskey

  
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Senator Sue Grace

  
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Senator David Petersen

  
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Senator Pete Rios

# ARIZONA HOUSE OF REPRESENTATIVES

## COMMITTEE OF REFERENCE

*Senate Commerce and Economic Development Committee &  
House of Representatives Commerce Committee*

## ARIZONA BOARD OF APPRAISAL

### Final Report

#### **I. Background**

The Joint Legislative Audit Committee (JLAC) assigned the review of a performance audit of the Arizona Board of Appraisal to the Senate Commerce and Economic Development and the House of Representatives Commerce Committees of Reference. Pursuant to §41-1279.03, Arizona Revised Statutes, the Office of the Auditor General completed the performance audit.  
[Attachment A]

#### **II. History**

The Arizona Board of Appraisal was established by Laws 1990, Chapter 313, as a result of federal legislation mandating that all federal real estate appraisal and related transactions be completed by regulated individuals.

The Board's duties include: licensing and certifying the approximately 1,500 real estate appraisers, and ensuring they maintain federal standards; conducting investigations and hearings; and, taking disciplinary action when warranted. In addition, the Board oversees the registration of about 400 property tax agents acting on behalf of owners involved in disputes regarding property tax.

This 90/10 agency had revenues totaling \$494,660 for FY 1997, expenditures of \$277,139, and a fund balance of nearly \$1.1 Million.

The Board's mission is: *"To promote quality real estate appraisal in Arizona through a licensing, certification and regulatory system, as well as a property tax registration system that protects the health, safety, and welfare of the public."*

## II. Committee of Reference Performance Audit Procedure

The Committee of Reference held one public hearing on Tuesday, October 27, 1998, to review the performance audit prepared by the Office of the Auditor General and to receive public testimony. At the public hearing, the Committee heard testimony from the following:

- Natalie Coombs, Office of the Auditor General
- Bill Thomson, Director, Performance Audit, Office of the Auditor General
- Shirley Berry, Executive Director, Arizona Board of Appraisal
- Norman Miller, Legislative Counsel, Arizona Appraisers Coalition
- Roy Morris, Arizona Appraisal Board Liaison, Arizona Appraisers Coalition
- J. Woodfin Thomas, Chairman, Arizona Appraisers Coalition
- Betty Stoneking, Independent Oversight Committee
- John McCoy, Arizona Appraisal Board Liaison
- Gerald Zaddack, Government Relations Chair, Appraisal Institute--Phoenix, Arizona

The presentation summarized the Auditor General's findings and recommendations as follows:

- Complaints are not resolved in a timely manner.

Recommendation: The Board needs to improve its complaint investigation process by ensuring the progress of volunteer investigators; or, hiring/training appraisers to perform investigations.

- The Board should further separate its investigation and adjudication functions.

Recommendation: The Board should separate the two functions by eliminating the Disciplinary Committee; assigning cases to one Board member for review; and, recusing that member from further involvement.

- The Board needs to improve public access to information.

Recommendations: The Board should establish and implement a written policy detailing the information to be released by telephone; and, improve its file management to ensure complaint files contain appropriate and adequate documentation.

- The Board should consider modifying its fee schedule.

Recommendation: The Board implemented a temporary fee reduction effective December 1998.

In addition to the above findings and recommendations, the report addressed some specific questions and concerns that were voiced by Legislators in response to their constituencies and the regulated community in general.

In response to the Auditor General's report, Shirley Berry, Executive Director of the Board of Appraisal said the Board had taken steps to implement the Auditor's recommendations:

- The Board hired a new staff investigator and has decreased the response time for investigators. In addition, the Board will hire investigators.
- The Board's new administrative rules authorize informal hearings. In addition, the Disciplinary Committee was eliminated and the Board will utilize the Office of Administrative Hearings.
- The Board implemented a public records policy to ensure the public receives accurate information.
- The license fees will be reduced.

Minutes of the Committee of Reference hearing may be obtained by contacting the Office of the Chief Clerk. [Attachment B]

### **III. Committee Recommendations:**

The Committee of Reference recommends the following:

1. The Auditor General shall conduct a performance audit of the Board of Appraisal (Board) pursuant to 41-1279.03 on or before December 31, 2004, and every 10 years thereafter.
2. The Board shall provide an annual report by December 31, 1999, and again by December 31, 2000, to the Governor, the Legislature and the Joint Legislative Audit Committee regarding the progress of implementing the recommendations outlined in the Auditor General's 1998 Performance Audit (Report 98-6).

### **V. Attachments:**

- A. Meeting Notice
- B. Minutes of Committee of Reference Hearing

Prepared by: Diana O'Dell,  
Commerce Committee Staff  
Arizona House of Representatives  
Date: November 12, 1998

# ARIZONA STATE LEGISLATURE

Attachment A

## Meeting Notice

Open to the Public

**Joint Senate Commerce & Economic Development and  
House Commerce**

**Committee of Reference  
on the**

**Auditor General's Performance Audit of the Arizona Board of Appraisal**

**DATE:** Tuesday, October 27, 1998

**TIME:** 10:00 am

**PLACE:** House Hearing Room 2

**SUBJECT:** Auditor General's Performance Audit on the Arizona Board of Appraisal

## **A G E N D A**

1. Opening Remarks
2. Presentation by the Office of the Auditor General
3. Response to Auditor General's Report by the Arizona Board of Appraisal
4. Discussion
5. Recommendations
6. Public Testimony
7. Adjourn

Senator Pat Conner  
Cochair

Representative Sue Lynch  
Cochair

Senate Members  
Senator Chris Cumiskey  
Senator Sue Grace  
Senator David Petersen  
Senator Pete Rios

House Members  
Representative Linda Aguirre  
Representative Brian Fagin  
Representative Gail Griffin  
Representative Roberta L. Voss

/tm  
10/13/98

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 542-3032, (TDD) 542-6241.

ARIZONA STATE LEGISLATURE  
Forty-third Legislature - Second Regular Session

**JOINT SENATE COMMERCE & ECONOMIC DEVELOPMENT AND  
HOUSE COMMERCE  
COMMITTEE OF REFERENCE  
ON THE AUDITOR GENERAL'S PERFORMANCE AUDIT OF THE  
ARIZONA BOARD OF APPRAISAL**

Minutes of Meeting  
Tuesday, October 27, 1998  
House Hearing Room 2 - 10:00 a.m.

(Tape 1, Side A)

The meeting was called to order at 10:10 a.m. by Cochairman Lynch and attendance was noted by the secretary.

Members Present

Senator Grace  
Senator Rios  
Senator Conner, Cochair

Representative Aguirre  
Representative Voss  
Representative Lynch, Cochair

Members Absent

Senator Cummiskey  
Senator Petersen

Representative Fagin  
Representative Griffin

Speakers Present

Diane O'Dell, House Research Analyst  
Natalie Coombs, representing Auditor General's Office  
Shirley Berry, Executive Director, Arizona Board of Appraisal  
Norman Miller, Legislative Counsel, Arizona Appraisers Coalition  
Bill Thomson, Director, Performance Audit, Auditor General's Office  
Roy Morris, Arizona Appraisal Board Liaison; Arizona Appraisers Coalition, Scottsdale  
J. Woodfin Thomas, Chairman, Arizona Appraisers Coalition  
Betty Stoneking, representing Independent Oversight Committee (IOC), Sun City West  
John McCoy, Arizona Appraisal Board Liaison; Past Chairman, Arizona Appraisers Coalition,  
Scottsdale  
Gerald Zaddack, Government Relations Chair, Appraisal Institute - Phoenix Chapter

## Guest List (Attachment 1)

### Opening Remarks

Diane O'Dell, House Research Analyst, explained that the performance audit of the Arizona Board of Appraisal is the result of concerns voiced by Legislators, constituents, and some industry personnel. The Board was established in 1990 due to federal legislation requiring regulation of individuals who perform real estate appraisals and related federal transactions. The Board is unique because there is no statutory sunset date. She added that since this is not a regular sunset hearing, the Committee is under no obligation to make formal recommendations as far as continuation of the agency; however, the Committee may choose to make recommendations to the full Legislature

### Presentation by the Office of the Auditor General

Natalie Coombs, representing Auditor General's Office, gave a slide presentation reflecting the findings of a performance audit of the Arizona Board of Appraisal (Attachment 2). For details, see Report No. 98-6 dated March 1998, Pages i through 28 (Attachment 3, original filed in the Office of the Chief Clerk). In response to questions posed by Ms. Voss, she related the following information:

- The recommendations of the performance audit are in accordance with federal law.
- It was difficult to ascertain if disciplinary procedures are consistent because the reports are so different.
- There is no set of guidelines delineating certain types of discipline for certain cases.
- Some agency boards have disciplinary guidelines and standards that could be used but it is becoming less and less common.

### Response to Auditor General's Report by the Arizona Board of Appraisal

Shirley Berry, Executive Director, Arizona Board of Appraisal, responded to the performance audit findings (Attachment 4). For details, see Report No. 98-6 dated March 1998, Yellow Pages (Attachment 3, original filed in the Office of the Chief Clerk). In response to questions posed by the Members, she related the following information:

- In conjunction with elimination of the Disciplinary Committee, the Board included an informal hearing process that was not previously in rule. The entire Board will receive information but one member will be the lead person on each particular case. Disciplinary decisions will be made by the full Board.
- The rules package was originally turned in during June 1998. The Board was asked to discuss the entire package, including disciplinary proceedings, with the appraisal industry. Public hearings were held, as well as individual hearings with those who voiced concerns at the Office of Administrative Hearings (OAH) meeting. Following that, the rules package was passed.

- Cutting costs by using OAH is not a major objective of the Board. The fact that it costs more to utilize OAH was mentioned in the response because the Auditor General's Office indicated that it may reduce costs. The Board's objective is protecting the public. The \$1.1 million budget surplus will be used to hire investigators so that cases can be resolved in a more timely fashion, and the Board plans to continue to use OAH.
- The fee reductions will not hamper the Board's ability to contract services. The reductions are applicable for a two-year period, after which the fee structure will be revisited to determine if a relatively permanent fee standard can be set.
- When the Board was initially created, there were three people in a small office with a \$100,000 debt to the state, which was paid off. At that time, volunteer investigators worked very well because the number of complaints were minimal. In the last few years, however, there has been an accumulation of complaints as people have become aware of the Board's existence.

(Tape 1, Side B)

- The plan is to have a pool of investigators from all areas of the state. The Request For Procurement (RFP) should go out in about two-and-a-half weeks and resumes will be sent to the Procurement Office. Investigators will be used on an as-needed basis and cases will be appropriately assigned.
- Questions raised over the phone are now being answered properly. Calls regarding complaints are generally referred to the Investigator, who can access information on the computer and provide an answer. When the auditors were conducting the audit, the Board was in the process of installing a tracking system. There were a few temporary people feeding material into the computer in order to better track items, but the installation process is now complete.
- The Executive Director's job is that of an administrator. In the United States and places like the Virgin Islands, Guam, etc., there are only six appraisers who are Executive Directors. One was recently removed and replaced with a non-appraiser because it becomes a conflict in many instances.
- Basic qualifications for the Executive Director and staff were devised by the Board, which was organized quite a while before an Executive Director was hired.
- Appraisers operate under Uniform Standards of Professional Appraisal Practice (USPAP) set by the Appraiser Foundation in Washington, D.C. When the Board changed the rules last time to include the 1995 edition of the USPAP, the Board purchased and sent the standards, as well as new rules and statutes, to all appraisers. The Board recently changed to the 1998 edition of USPAP, and that is now being changed to the 1999 edition, which will be effective in April 1999. The Board has a web site address, so those items will soon be available on the Internet. Newsletters have been sent out in the past (at least one per year) regarding changes.
- USPAP standards apply to the entire appraisal industry. Currently, a copy can be obtained from the web site for the Appraisal Foundation until the Board's web site is

completely up, or the Board can provide the address of the Appraisal Foundation if someone wishes to write and request a copy.

- USPAP standards do not include consequences for certain violations but outline what must be done in order to comply with the standards.
- The Board sets consequences according to individual cases because every one is different. Violations occur in different combinations, which makes it difficult to preset consequences.

Ms. Voss encouraged establishment of common consequences for certain egregious behaviors

### Public Testimony/Discussion

Norman Miller, Legislative Counsel, Arizona Appraisers Coalition, stated that he aided in drafting the legislation creating the Board. He indicated that since the Board was implemented in 1991, the Coalition views issues, in part, as "growing pains" of the young Board. In the beginning, volunteer appraisers were laudable but the Board is now moving toward professional investigators on a paid basis. He said he believes the Board has taken great strides to respond to the results of the audit and encouraged the Committee to continue the process of auditing.

Bill Thomson, Director, Performance Audit, Auditor General's Office, related that the normal review cycle under sunset is ten years, unless the Legislature is concerned and reduces the time to three or five years. He deferred to the Committee to determine when a review is appropriate but indicated that he perceives no difficulty in relation to the workload of the Auditor General's Office. If the Committee wishes to recommend a performance audit, the requirement can be put in law or a recommendation can be communicated to the Joint Legislative Audit Committee (JLAC).

Senator Grace, as a Member of JLAC, suggested that since the Board is unique, it may be appropriate to make a recommendation for a requirement in statute. Since there are problems, perhaps the Board could make a follow-up report to the Legislature in a few years. She said she is not sure another audit is needed within a short period of time since recent problems have been addressed to a large extent.

Cochairman Conner submitted that since the Board cannot be sunsetted due to federal regulations, there should be some type of recommendation by the Committee.

Cochairman Lynch acknowledged that many concerns have been addressed but speculated that it may be wise to have the Board readdress points in the audit, maybe in a year or two.

Senator Grace said maybe an annual report is appropriate until the Board is more settled

(Tape 2, Side A)

Mrs. Berry indicated that a yearly audit is too close, especially since an audit is performed every three years by the Appraisal Subcommittee in Washington, D C She acknowledged that the federal audit

is somewhat different. It is conducted in a shorter period of time and focuses on specific items, but the Board does have to prepare for it. She related that requiring the Board to provide an annual update on the Auditor General's recommendations would not be a burden.

Ms. Berry advised Cochairman Conner that the Board recently began holding monthly sessions with the regulated community to obtain views on items for possible incorporation in Board activities.

Roy Morris, Arizona Appraisal Board Liaison; Arizona Appraisers Coalition, Scottsdale, advised that the Coalition is made up of six nationally recognized appraisal organizations, as well as non-aligned appraisers. The group has been proactively working with Ms. Berry and her staff, reviewed the report from the Auditor General, and is in general concurrence with the findings. He agreed that the complaint process was taking too long, but submitted that adoption of the new rules package will assist not only the regulated community, but the public as well. He recommends periodic audits of the Board.

J. Woodfin Thomas, Chairman, Arizona Appraisers Coalition, conceded that the Board has had some "growing pains," as well as the industry as a whole, and recommended an audit cycle beginning with five years, and then ten years. He submitted that a yearly response should not be a great burden because many of the recommendations have already been adequately addressed, so the number of issues should be shrinking. He advised Cochairman Conner that seven appraiser organizations exist, and six belong to the Coalition.

Betty Stoneking, representing Independent Oversight Committee (IOC), Sun City West, stated that she was one of the first attendees at the Arizona Board of Appraisal meetings, and she continued attending the meetings as a public eye, or watchdog. Since she taught classes in Arizona appraisal law, she thought she should know what is going on because the public and the industry was not adequately informed. Initially, she was very pleased with the Board and became friends with Ms. Berry and the staff. However, when the Board began investigating complaints in 1993, power began corrupting the members on the Disciplinary Committee. She implied that the Board went after some appraisers, and seven people were ruthlessly destroyed for no reason. She began telling people what was going on, but no one believed her. Eventually, though, people began to find friends "under the gun" or treated preferentially if a friend was on the Board. She contended that the Board is in great need of reform.

She disapproved of the rules package adopted on October 1, 1998 and submitted results of a survey sent out to 245 people she represents who believe the rules are obnoxious and cannot be approved (Attachment 5, originals filed in the Office of the Chief Clerk). She indicated that participants are identified by numbers in order to remain anonymous. She advised that she can speak for the IOC because she is retired so the Board cannot influence her in any way.

Ms. Stoneking related that the Board updated USPAP standards from 1995 to 1998, but they were obsolete within two weeks. The 1999 issue has been completely revised, and now the Board has 14 hours of education appraisers must take on USPAP standards that are completely obsolete. She contended that the Board purposely keeps files open on an appraiser so that if anything else comes

up, it can be added to the file. This has been the pattern and the reason for the backlog of 118 complaints. She submitted that the Board put in rule that OAH does not need to be used if cause is found, so Board hearings can still be held if the Board wants to go after someone. She indicated that she provided the Members with a packet of IOC newsletters documenting items in the Auditor General's report that the Board accused the IOC of doing. The IOC did not do any of the items, and she has the documentation to prove it. She requested a meeting of a Legislative group to review 31 unresolved issues for Legislative enforcement.

Ms. Stoneking advised Cochairman Lynch that the IOC consists of almost 300 members. Since March 1996, meetings of the Board have been audio taped and sent to IOC members so everyone in the state knows what is going on with the Board. People can attend IOC meetings by invitation only. It is a confidential group because people will be targeted if members are identified.

John McCoy, Arizona Appraisal Board Liaison; Past Chairman, Arizona Appraisers Coalition, Scottsdale, endorsed the idea of a periodic audit. Referring to the package addressed by Ms. Stoneking, he indicated that he would support a review for validity by the Attorney General's Office. He added that the Coalition has worked closely with the Board since its inception. It has been a growing process, but the Board is making headway. He related that the latest rules package incorporates many concerns of the industry and he is looking forward to continue working with the Board.

Gerald Zaddack, Government Relations Chair, Appraisal Institute - Phoenix Chapter, indicated that members are involved in residential and commercial appraising activities in Arizona, and the Phoenix Chapter has been very active in the rules development procedure. He thanked Ms. Berry and the Board members for their efforts. He noted that during recent Governor's Regulatory Review Council (GRRC) hearings, Ms. Berry pledged to work with the regulated community to develop written policies regarding, among other things, guidelines for disciplinary actions and procedures. In light of significant changes to the rules package, especially disbanding of the Disciplinary Committee, utilization of OAH, and working with the community to develop written policies, he said he supports a regular schedule for audits and periodic review by the Legislature. He added that he would appreciate any encouragement and direction the Committee can provide to the Board to enhance communication with the public and regulated community.

### **Recommendations**

**Senator Grace moved that the Committee recommend legislation to place the Arizona Board of Appraisal on a performance review cycle every ten years and require the Board to report on a yearly basis to the Legislature and JLAC on points raised in the current update.**

Discussion followed

**Senator Grace withdrew her motion.**

**Senator Grace moved that the Committee recommend that an audit be performed on the Arizona Board of Appraisal in 2004 and that the Board be placed on a ten-year audit cycle commencing on that date. Additionally, the Board shall provide the Legislature with a report in 1999 and 2000 on continuing improvements in reference to the performance audit conducted this year.**

(Tape 2, Side A)

**The motion carried.**

Without objection, the meeting adjourned at 11:40 a.m.

  
Linda Taylor, Committee Secretary

(Original minutes, attachments, and tape are on file in the Office of the Chief Clerk. A copy of minutes and attachments are on file with the Senate Secretary.)



 **Performance Audit**

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**Arizona  
Board of Appraisal  
October 1998**

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 **Introduction**

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- Background
- Finding I. Complaints are not resolved in a timely manner
- Finding II. The Board should further separate its investigation and adjudication functions

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 **Introduction**

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- Finding III. The Board needs to improve public access to information
- Finding IV. The Board should consider modifying its fee schedule
- Legislative concerns

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## Background

### Board History and Responsibilities

- Established in 1990 in response to federal changes in banking regulations
- Regulates real estate appraisers whose appraisals are used in connection with federally related transactions

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## Background (Cont.)

- Board regulates approximately 1,500 appraisers
- Board registers approximately 400 property tax agents

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## Background (Cont.)

- | Board                  | Staff                |
|------------------------|----------------------|
| 3-year terms           |                      |
| ■ 4 appraisers         | ■ Executive director |
| ■ 4 public members     | ■ 3 staff            |
| ■ 1 property tax agent |                      |




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## Board Finances

- Revenues from licensing and registration
- 90/10 agency
- Fiscal year 1997
  - ◆ \$494,000 revenues
  - ◆ \$277,139 expenditures
  - ◆ \$1,077,631 fund balance

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## Finding I

Complaints not  
resolved in a timely manner

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## Finding I

- A complaint backlog exists
  - ◆ Approximately one year's worth of complaints remain unresolved
  - ◆ 90 complaints open a median of 305 days
  - ◆ 30 of those open more than 1 year

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### Finding I

- Average time to resolve 75 cases was 224 days
  - ◆ Some complaints were resolved more quickly
  - ◆ Administrative complaints averaged 79 days
  - ◆ Complaints that did not require outside investigation averaged 169 days

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### Finding I

- Delays occur when complaints require further investigation by volunteer appraisers
  - ◆ 21 cases involving volunteer investigators averaged 489 days to close

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### Finding I

- The Board and staff are slow to refer cases to volunteer investigators
  - ◆ Committee and staff took an average 107 days to determine 21 of 75 files needed additional investigation in fiscal year 1997

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### Finding I

■ **Volunteers' investigations not timely**

- ◆ Board requests volunteers complete investigations within 90 days
- ◆ Volunteers took an average of 122 days to complete investigation reports for 21 cases

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### Recommendation

■ **The Board needs to improve its complaint investigation process by**

- ◆ Ensuring the progress of volunteer investigators is adequately monitored, or
- ◆ Hiring and training appraisers to perform investigations

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### Finding II

**Board Should Further  
Separate Its Investigation and  
Adjudication Functions**

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## Finding II

- Board needs to separate its investigation and adjudication processes
  - ◆ Majority of Board members participate in both
  - ◆ Separation promotes objective decision-making

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## Finding II

- Board should consider using the Office of Administrative Hearings to conduct formal hearings, which could:
  - ◆ Minimize perceptions of unfairness
  - ◆ Strengthen formal hearing procedures
  - ◆ Reduce cost on average




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## Recommendations

- Board needs to separate investigation and adjudication functions by
  - ◆ Eliminating the Disciplinary Committee
  - ◆ Assigning cases to one Board member for review
  - ◆ Recusing that Board member from further involvement
- Board needs to begin using OAH

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### Finding III

The Board Needs to Improve  
Public Access to Information

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### Finding III

- Public not provided complete information by telephone
  - ◆ Nature of complaints not provided
  - ◆ Number and status incorrect
- Complaint files disorganized or incomplete
  - ◆ Some files empty
  - ◆ Others do not contain sufficient documentation of Board actions

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### Recommendations

- Board should establish and implement a written policy detailing the information to be released by telephone
- Board should improve its file management to ensure complaint files contain appropriate and adequate documentation

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### Finding IV

**Board Should Consider Modifying  
Its Fee Schedule**

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### Finding IV

- Board's fund balance is nearly \$1.1 million
  - ◆ Annual budget is \$289,000
  - ◆ Could operate nearly 4 years with no additional income

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### Recommendation

- Board should consider a temporary fee reduction
  - ◆ Temporary fee reduction approved in December 1997
  - ◆ Effective December 1998

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## Legislative Concerns

- Additional legislative concerns were reviewed relating to:
  - ◆ Whether the Board complied with Open Meeting Law in processing complaints
  - ◆ Whether Board members were serving in accordance with statute
  - ◆ Whether the Board had sufficient staff to process complaints in a timely manner

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## Performance Audit

Arizona  
Board of Appraisal  
October 1998

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