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AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
**AUDITOR GENERAL**

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

August 15, 2005

The Honorable Robert Blendu, Chair  
Joint Legislative Audit Committee

The Honorable Laura Knaperek, Vice Chair  
Joint Legislative Audit Committee

Dear Senator Blendu and Representative Knaperek:

Our Office has recently completed a 12-month followup of the Gila County Transportation Excise Tax Audit regarding the implementation status of the 7 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in June 2004 (Auditor General Report No. 04-L2). As the attached grid indicates:

All 7 recommendations have been implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes our follow-up work on the County's efforts to implement the recommendations resulting from the June 2004 performance audit.

Sincerely,

Debbie Davenport  
Auditor General

DD:Acm  
Attachment

cc: Steve Besich, County Manager  
Gila County

**GILA COUNTY**  
**Transportation Excise Tax**  
**12-Month Follow-Up Report To**  
**Auditor General Report No. 04-L2**

**FINDING I: Gila County transportation excise tax**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Explanation for Recommendations That Have Not Been Implemented</b>
<p>1. To ensure that excise tax monies are used only for street and highway purposes and transportation projects, Gila County should:</p> <p>a. Work with the county attorney to develop a policy regarding the types of expenditures that are appropriate uses of Road Fund monies.</p> <p>b. Provide the policy to the Public Works Division officials who are responsible for approving Road Fund expenditures.</p> <p>2. Using the policy regarding appropriate uses of Road Fund monies, Gila County should determine the magnitude of the monies spent inappropriately and then reimburse the Road Fund accordingly with revenue from its General Fund or other unrestricted revenue sources.</p>	<p style="text-align: center;"><b>Implemented at 6 Months</b></p> <p style="text-align: center;"><b>Implemented at 6 Months</b></p> <p style="text-align: center;"><b>Implemented at 12 Months</b></p>	

**GILA COUNTY**  
**Transportation Excise Tax**  
**12-Month Follow-Up Report To**  
**Auditor General Report No. 04-L2**

**FINDING I: Gila County transportation excise tax (concl'd)**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Explanation for Recommendations That Have Not Been Implemented</b>
<p>3. In order to demonstrate the impact that the transportation excise tax is having on solving transportation problems, Gila County should:</p> <ul style="list-style-type: none"> <li>a. Formalize its project planning processes and continue its efforts to develop a regional transportation plan.</li> <li>b. Continue its efforts to develop a policy and implement a process for maintaining comprehensive project records for contracted road projects.</li> <li>c. Develop and implement a policy for maintaining records for noncontracted work, such as general road maintenance.</li> <li>d. Track excise tax expenditures separately from other revenue sources' expenditures.</li> </ul>	<p style="text-align: center;"><b>Implemented at 6 Months</b></p> <p style="text-align: center;"><b>Implemented at 6 Months</b></p> <p style="text-align: center;"><b>Implemented at 6 Months</b></p> <p style="text-align: center;"><b>Implemented at 12 Months</b></p>	