

Yavapai County

Single Audit Report

Year Ended June 30, 2020



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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Comprehensive Annual Financial Report



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*

Members of the Arizona State Legislature

The Board of Supervisors of
Yavapai County, Arizona

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Yavapai County as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 31, 2021.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's basic financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-02 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-01 to be a significant deficiency.

Compliance and other matters

As part of obtaining reasonable assurance about whether the County's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County response to findings

The County's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The County is responsible for preparing a corrective action plan to address each finding. The County's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindsey A. Perry, CPA, CFE
Auditor General

March 31, 2021



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

**Independent auditors' report on compliance for each major federal program;
report on internal control over compliance; and report on schedule of
expenditures of federal awards required by the Uniform Guidance**

Members of the Arizona State Legislature

The Board of Supervisors of
Yavapai County, Arizona

Report on compliance for each major federal program

We have audited Yavapai County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on each major federal program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on internal control over compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on schedule of expenditures of federal awards required by the Uniform Guidance

We have audited the financial statements of the County's governmental activities, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 31, 2021, that contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the County's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lindsey A. Perry, CPA, CFE
Auditor General

April 29, 2021



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of auditors' results

Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles Unmodified

Internal control over financial reporting

Material weaknesses identified? Yes

Significant deficiencies identified? Yes

Noncompliance material to the financial statements noted? No

Federal awards

Internal control over major programs

Material weaknesses identified? No

Significant deficiencies identified? None reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? No

Identification of major programs

Assistance Listings number	Name of federal program or cluster
10.665	Forest Service Schools and Roads Cluster
20.106	Airport Improvement Program
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? No

Financial statement findings

2020-01

The County's deficiencies in its process for managing and documenting its risks may put its operations and IT systems and data at unintended and unnecessary risk

Condition—The County's process for managing and documenting its risks did not include identifying, classifying, and inventorying sensitive information that might need stronger access and security controls.

Effect—Without correcting this deficiency, the County's administration and IT management may put the County's operations and IT systems and data at unintended and unnecessary risk.

Cause—The County lacked documented policies and procedures over the sensitive information it maintains.

Criteria—The County should follow a credible industry source such as the National Institute of Standards and Technology to help effectively manage risk at the County. The process of managing risks should address the risk of unauthorized access and use, modification, or loss of sensitive information.

Recommendations—The County should:

1. Ensure responsible administrative officials and management design and implement policies around the sensitive information the County maintains and work with IT management to design and implement procedures for managing the associated risks.
2. Evaluate and manage the risks of holding sensitive information by identifying, classifying, and inventorying the information the County holds to assess where stronger access and security controls may be needed to protect data in accordance with State statutes and federal regulations.

The County's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2019-02.

2020-02

The County's control procedures over IT systems and data were not sufficient, which increases the risk that the County may not adequately protect those systems and data

Condition—The County's control procedures were not sufficiently developed, documented, and implemented to respond to risks associated with its IT systems and data. The County lacked sufficient procedures over the following:

- **Restricting access**—Procedures did not consistently help prevent or detect unauthorized or inappropriate access to its systems and data.
- **Managing system configurations and changes**—Procedures did not ensure configuration settings were securely maintained and all IT system changes were adequately managed.

- **Securing systems and data**—IT security policies and procedures lacked controls to prevent unauthorized or inappropriate access or use, manipulation, damage, or loss.

Effect—There is an increased risk that the County may not adequately protect its IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data.

Cause—The County has not prioritized developing, documenting, and implementing its IT policies and procedures.

Criteria—The County should follow a credible industry source such as the National Institute of Standards and Technology to implement effective internal controls that protect its IT systems and help ensure the integrity and accuracy of the data it maintains, as follows:

- **Restricting access through logical and physical access controls**—Help to ensure systems and data are accessed by users who have a need, systems and data access granted is appropriate, key systems and data access is monitored and reviewed, and physical access to its system infrastructure is protected.
- **Managing system configurations and changes through well-defined, documented configuration management process**—Ensures the County’s IT system configurations are documented and that changes to the systems are identified, documented, evaluated for security implications, tested, and approved prior to implementation. This helps limit the possibility of an adverse impact on the system’s security or operation. Separating responsibilities is an important control for system changes; the same person who has authority to make system changes should not put the change into production. If those responsibilities cannot be separated, a post-implementation review should be performed to ensure the change was implemented as designed and approved.
- **Securing systems and data through IT security internal control policies and procedures**—Help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT systems and data.

Recommendations—The County should:

1. Make it a priority to develop and document comprehensive IT policies and procedures and develop a process to ensure the procedures are being consistently followed.

Restricting access—To restrict access to its IT systems and data, develop, document, and implement processes to:

2. Assign and periodically review employee user access ensuring appropriateness and compatibility with job responsibilities.
3. Remove terminated employees’ access to IT systems and data.
4. Review all other account access to ensure it remains appropriate and necessary.
5. Evaluate the use and appropriateness of accounts shared by 2 or more users and manage the credentials for such accounts.
6. Enhance authentication requirements for IT systems.
7. Review data center physical access periodically to determine appropriateness.

Managing system configurations and changes—To configure IT systems securely and manage system changes, develop, document, and implement processes to:

8. Establish and follow a documented change management process.
9. Review proposed changes for appropriateness, justification, and security impact.
10. Document changes, testing procedures and results, change approvals, and post-change review.
11. Develop and document a plan to roll back changes in the event of a negative impact to IT systems.
12. Test changes prior to implementation.
13. Separate responsibilities for the change management process or, if impractical, perform a post-implementation review to ensure the change was implemented as approved.
14. Maintain configurations for all system services, assets, and infrastructure; manage configuration changes; and monitor the system for unauthorized or unintended configuration changes.

Securing systems and data—To secure IT systems and data, develop, document, and implement processes to:

15. Perform proactive key user and system activity logging and log monitoring, particularly for users with administrative access privileges.

The County's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2019-03.

Federal award findings and questioned costs

None reported.

COUNTY SECTION

YAVAPAI COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2019 - 6/30/2020

Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned By Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
DEPARTMENT OF AGRICULTURE									
PARTICIPANT RESEARCH INNOVATION LABORATORY FOR ENHANCING WIC SERVICES	10.540		JOHNS HOPKINS UNIVERSITY	2004408819		\$60,103	\$60,103	N/A	\$0
SCHOOL BREAKFAST PROGRAM	10.553		ARIZONA DEPARTMENT OF EDUCATION	ED09-0001		\$18,845	\$18,845	CHILD NUTRITION CLUSTER	\$72,814
NATIONAL SCHOOL LUNCH PROGRAM	10.555		ARIZONA DEPARTMENT OF EDUCATION	ED09-0001		\$32,025	\$53,969	CHILD NUTRITION CLUSTER	\$72,814
NATIONAL SCHOOL LUNCH PROGRAM (NONCASH)	10.555		ARIZONA DEPARTMENT OF EDUCATION	ED09-0001		\$21,944	\$53,969	CHILD NUTRITION CLUSTER	\$72,814
WIC SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN	10.557		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS19-207420		\$585,190	\$585,190	N/A	\$0
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS16-106460		\$182,205	\$182,205	SNAP CLUSTER	\$182,205
SCHOOLS AND ROADS - GRANTS TO STATES	10.665					\$1,661,317	\$1,661,317	FOREST SERVICE SCHOOLS AND ROADS CLUSTER	\$1,661,317
TOTAL DEPARTMENT OF AGRICULTURE						\$2,561,629			
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII	14.228		ARIZONA DEPARTMENT OF HOUSING	107-18		\$206,818	\$206,818	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239		ARIZONA DEPARTMENT OF HOUSING	304-20		\$149,549	\$149,549	N/A	\$0
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						\$356,367			
DEPARTMENT OF JUSTICE									
MISSING CHILDREN'S ASSISTANCE	16.543		PHOENIX POLICE DEPARTMENT	150294-0		\$8,823	\$8,823	N/A	\$0
CRIME VICTIM ASSISTANCE	16.575		ARIZONA DEPARTMENT OF PUBLIC SAFETY	2018-357 2018-342		\$326,840	\$326,840	N/A	\$0
RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS	16.593		ARIZONA CRIMINAL JUSTICE COMMISSION	RSAT-19-006 RSAT-20-006		\$27,891	\$27,891	N/A	\$0
STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	16.606					\$88,451	\$88,451	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738		ARIZONA CRIMINAL JUSTICE COMMISSION	DC-20-034 DC-20-011		\$102,760	\$102,760	N/A	\$0
CRIMINAL AND JUVENILE JUSTICE AND MENTAL HEALTH COLLABORATION PROGRAM	16.745					\$62,302	\$62,302	N/A	\$0
DOMESTIC CANNABIS ERADICATION/SUPPRESSION PROGRAM	16.U01	2019-04				\$6,611	\$6,611	N/A	\$0
DOMESTIC CANNABIS ERADICATION/SUPPRESSION PROGRAM	16.U02	2020-03				\$2,701	\$2,701	N/A	\$0
TOTAL DEPARTMENT OF JUSTICE						\$626,379			
DEPARTMENT OF LABOR									
WIOA ADULT PROGRAM	17.258		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	D119-002209 D116-002118	\$482,640	\$482,640	\$482,640	WIOA CLUSTER	\$1,437,845
WIOA YOUTH ACTIVITIES	17.259		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	D119-002209 D116-002118	\$370,501	\$370,501	\$370,501	WIOA CLUSTER	\$1,437,845
WIOA DISLOCATED WORKER FORMULA GRANTS	17.278		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	D119-002209	\$584,704	\$584,704	\$584,704	WIOA CLUSTER	\$1,437,845
TOTAL DEPARTMENT OF LABOR					\$1,437,845	\$1,437,845			
DEPARTMENT OF TRANSPORTATION									
AIRPORT IMPROVEMENT PROGRAM	20.106					\$605,273	\$625,273	N/A	\$0
AIRPORT IMPROVEMENT PROGRAM	20.106	COVID-19				\$20,000	\$625,273	N/A	\$0
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-17-0006566-T		\$501,362	\$501,362	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$501,362
METROPOLITAN TRANSPORTATION PLANNING AND STATE AND NON-METROPOLITAN PLANNING AND RESEARCH	20.505		ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-17-0006566-T		\$82,663	\$82,663	N/A	\$0
FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM	20.509	COVID-19	ARIZONA DEPARTMENT OF TRANSPORTATION	AZ-2020-021 CARES10		\$41,745	\$41,745	N/A	\$0
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513		ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-18-0007119-T GRT-19-007473-T		\$86,844	\$86,844	TRANSIT SERVICES PROGRAMS CLUSTER	\$86,844
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2019-PTS-062 2019-AL-034 2020-PTS-072 2020-AL-040		\$49,869	\$49,869	HIGHWAY SAFETY CLUSTER	\$60,558
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2020-405D-060 2020-405H-021		\$10,689	\$10,689	HIGHWAY SAFETY CLUSTER	\$60,558
TOTAL DEPARTMENT OF TRANSPORTATION						\$1,398,445			
DEPARTMENT OF TREASURY									
CORONAVIRUS RELIEF FUND	21.019	COVID-19	ARIZONA OFFICE OF THE GOVERNOR	ERMT-CRF-21-1010 ERMT-20-099		\$5,682,307	\$5,682,307	N/A	\$0
TOTAL DEPARTMENT OF TREASURY						\$5,682,307			
INSTITUTE OF MUSEUM AND LIBRARY SERVICES									
GRANTS TO STATES	45.310		ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS	2018-0260-16 2018-0010-0-1 2020-0010-10 2019-0010-10 2020-0010-06		\$84,344	\$86,272	N/A	\$0
GRANTS TO STATES	45.310	COVID-19	ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS	2020-0720-49		\$1,928	\$86,272	N/A	\$0
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES						\$86,272			
DEPARTMENT OF EDUCATION									
TITLE I STATE AGENCY PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN AND YOUTH	84.013		ARIZONA DEPARTMENT OF EDUCATION	2018-0260-16 2018-0010-0-1 2020-0010-10		\$50,707	\$50,707	N/A	\$0
SPECIAL EDUCATION GRANTS TO STATES	84.027		ARIZONA DEPARTMENT OF EDUCATION	20FESCCG-013357-03A 20FESCBG-010683-09A 20FESCBG-011555-09A		\$24,312	\$24,312	SPECIAL EDUCATION CLUSTER (IDEA)	\$24,312
ENGLISH LANGUAGE ACQUISITION STATE GRANTS	84.365		ARIZONA DEPARTMENT OF EDUCATION	20FELENG-013357-66A		\$30,068	\$30,068	N/A	\$0
STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM	84.424		ARIZONA DEPARTMENT OF EDUCATION	19FT4TV-911555-01A		\$13,623	\$13,623	N/A	\$0
TOTAL DEPARTMENT OF EDUCATION						\$118,710			
ELECTION ASSISTANCE COMMISSION									
2018 HAVA ELECTION SECURITY GRANTS	90.404		ARIZONA SECRETARY OF STATE	AZ18101001 AZ20101001		\$112,407	\$112,407	N/A	\$0
TOTAL ELECTION ASSISTANCE COMMISSION						\$112,407			

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PUBLIC HEALTH EMERGENCY PREPAREDNESS	93.069		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS17-132201	\$279,569	\$279,569	N/A	\$0
FOOD AND DRUG ADMINISTRATION, RESEARCH	93.103				\$70,000	\$71,280	N/A	\$0
FOOD AND DRUG ADMINISTRATION, RESEARCH	93.103		ASSOCIATION OF FOOD AND DRUG OFFICIALS	G-T-1910-07945	\$1,280	\$71,280	N/A	\$0
INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	93.136		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS16-110838	\$121,479	\$121,479	N/A	\$0
FAMILY PLANNING, SERVICES	93.217		ARIZONA ALLIANCE FOR COMMUNITY HEALTH CENTERS	N/A	\$89,464	\$465,927	N/A	\$0
FAMILY PLANNING, SERVICES	93.217		ARIZONA FAMILY HEALTH PARTNERSHIP	N/A	\$376,463	\$465,927	N/A	\$0
CONSOLIDATED HEALTH CENTERS (COMMUNITY HEALTH CENTERS, MIGRANT HEALTH CENTERS, HEALTH CARE FOR THE HOMELESS, AND PUBLIC HOUSING PRIMARY CARE)	93.224				\$389,076	\$605,743	HEALTH CENTER PROGRAM CLUSTER	\$2,424,597
CONSOLIDATED HEALTH CENTERS (COMMUNITY HEALTH CENTERS, MIGRANT HEALTH CENTERS, HEALTH CARE FOR THE HOMELESS, AND PUBLIC HOUSING PRIMARY CARE)	93.224	COVID-19			\$216,667	\$605,743	HEALTH CENTER PROGRAM CLUSTER	\$2,424,597
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES, PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243				\$100,566	\$100,566	N/A	\$0
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS18-177692	\$120,445	\$120,445	N/A	\$0
PUBLIC HEALTH EMERGENCY RESPONSE: COOPERATIVE AGREEMENT FOR EMERGENCY RESPONSE: PUBLIC HEALTH CRISIS RESPONSE	93.354		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS 17-133201	\$20,164	\$185,118	N/A	\$0
PUBLIC HEALTH EMERGENCY RESPONSE: COOPERATIVE AGREEMENT FOR EMERGENCY RESPONSE: PUBLIC HEALTH CRISIS RESPONSE	93.354	COVID-19	ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS 17-133201	\$164,954	\$185,118	N/A	\$0
IMPROVING THE HEALTH OF AMERICANS THROUGH PREVENTION AND MANAGEMENT OF DIABETES AND HEART DISEASE AND STROKE	93.426		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR041516 CTR046530	\$53,136	\$53,136	N/A	\$0
AFFORDABLE CARE ACT (ACA) GRANTS FOR NEW AND EXPANDED SERVICES UNDER THE HEALTH CENTER PROGRAM	93.527				\$1,818,854	\$1,818,854	HEALTH CENTER PROGRAM CLUSTER	\$2,424,597
CHILD SUPPORT ENFORCEMENT GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS	93.563		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	G1804AZ4004	\$213,168	\$213,168	N/A	\$0
CHILD SUPPORT ENFORCEMENT GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS	93.597		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	1601AZSAVP	\$8,482	\$8,482	N/A	\$0
STATE PUBLIC HEALTH ACTIONS TO PREVENT AND CONTROL DIABETES, HEART DISEASE, OBESITY AND ASSOCIATED RISK FACTORS AND PROMOTE SCHOOL HEALTH FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDING (PPHF)	93.757		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS16-113864	\$23,478	\$23,478	N/A	\$0
OPIOID STR	93.788		STEWART HEALTH CHOICE ARIZONA	YCSO	\$52,920	\$120,424	N/A	\$0
OPIOID STR	93.788		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS16-110838	\$67,504	\$120,424	N/A	\$0
CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL AND TRIBAL ORGANIZATIONS	93.898		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS19-00008459	\$164,678	\$164,678	N/A	\$0
HIV CARE FORMULA GRANTS	93.917		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS18-193922	\$38,102	\$38,102	N/A	\$0
HIV PREVENTION ACTIVITIES, HEALTH DEPARTMENT BASED	93.940		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS18-188824	\$17,264	\$17,264	N/A	\$0
PREVENTIVE HEALTH SERVICES, SEXUALLY TRANSMITTED DISEASES CONTROL GRANTS	93.977		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR042499	\$10,746	\$28,497	N/A	\$0
PREVENTIVE HEALTH SERVICES, SEXUALLY TRANSMITTED DISEASES CONTROL GRANTS	93.977		ARIZONA FAMILY HEALTH PARTNERSHIP	N/A	\$17,751	\$28,497	N/A	\$0
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS16-098338	\$59,922	\$59,922	N/A	\$0
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS16-098338	\$147,001	\$147,001	N/A	\$0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES						<u>\$4,643,133</u>		
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE								
AMERICORPS	94.006		ARIZONA SUPREME COURT	N/A	\$1,865	\$1,865	N/A	\$0
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE						<u>\$1,865</u>		
DEPARTMENT OF HOMELAND SECURITY								
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042		ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS	EMF-2019-EP-00010	\$192,397	\$192,397	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	180510-01 180511-01	\$117,139	\$117,139	N/A	\$0
TOTAL DEPARTMENT OF HOMELAND SECURITY						<u>\$309,536</u>		
TOTAL EXPENDITURE OF FEDERAL AWARDS					<u>\$1,437,845</u>	<u>\$17,334,895</u>		

Please Note:

Italicized award lines indicate pass-through funding

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

YAVAPAI COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2019 - 6/30/2020

Significant Accounting Policies Used in Preparing the SEFA

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

10% De Minimis Cost Rate

The County did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

Basis of presentation

The accompanying schedule of expenditures of federal awards (schedule) includes Yavapai County's federal grant activity for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Federal Assistance Listings number

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2020 Federal Assistance Listings. When no Federal Assistance Listings number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used.

Donated Personal Protective Equipment (PPE)

The fair market value of donated personal protective equipment the County received for the COVID-19 response for the year ended June 30, 2020 was \$810,209.

COUNTY RESPONSE



YAVAPAI COUNTY
FINANCE
Lars Johnson, Director
www.yavapai.us/finance

1015 Fair Street, Room 221
Prescott, AZ 86305
928-771-3238

April 29, 2021

Lindsey Perry
Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for each finding, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Lars Johnson
Finance Director

Yavapai County
Corrective action plan
Year ended June 30, 2020

Financial statement findings

2020-01

The County's deficiencies in its process for managing and documenting its risks may put its operations and IT systems and data at unintended and unnecessary risk

Name of contact person: Pat Galassi, ITS Director
Completion date: 10/21/2020, 2/17/2021

In accordance with the finding, ITS has implemented nine new Board-approved policies that are improving current procedures to assist in mitigating risk as part of an ongoing effort to secure and protect the County's sensitive data from undesirable incidents and outcomes.

Five policies were approved on 10/21/2020 and the other four on 2/17/2021. The ITS department continues to develop policies addressing critical concerns and deficiencies.

2020-02

The County's control procedures over IT systems and data were not sufficient, which increases the risk that the County may not adequately protect those systems and data

Name of contact person: Pat Galassi, ITS Director
Completion date: 10/21/2020, 2/17/2021

In accordance with the finding, ITS has implemented two new Board-approved policies, Change Management and Configuration Management. These policies address how the County manages change and limits access to significant systems.

- Security reviews will be scheduled on an annual basis for those users that have direct access to the County's significant systems and the findings will be documented.
- Active Directory (AD) account reviews will also be conducted annually to ensure that the defined account management procedure is sufficient and being observed appropriately.
- ITS has implemented a new Board-approved password protection policy for all users and accounts with both regular and elevated privileges.
- Facilities department has updated its Key Control policy after ITS discussed its concerns.
- Data and system recovery concerns are being addressed with a comprehensive Continuity of Operations Plan (COOP).



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April 29, 2021

Lindsey Perry
Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

Lars Johnson
Finance Director

Yavapai County

Summary schedule of prior audit findings

Year ended June 30, 2020

Status of financial statement findings

The County Treasurer's Office put the County's and other County governmental entities' monies at risk by not properly managing them, which also delayed the County's financial statement issuance

Finding number: 2019-01. This finding initially occurred in fiscal year 2019.

Status: Fully Corrected

Managing Risk

Finding number: 2019-02. This finding initially occurred in fiscal year 2018.

Status: Partially corrected

Five ITS policies were Board approved on 10/21/2020 and the other four on 2/17/2021. The ITS department continues to develop policies addressing critical concerns and deficiencies.

Information technology (IT) controls—access, configuration and change management, and security

Finding number: 2019-03. This finding initially occurred in fiscal year 2018.

Status: Partially Corrected

Five ITS policies were Board approved on 10/21/2020 and the other four on 2/17/2021. The ITS department continues to develop policies addressing critical concerns and deficiencies.

