

Yavapai County

Single Audit Report

Year Ended June 30, 2021



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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Annual Comprehensive 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 15, 2022.

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 2021-03 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 deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-01 and 2021-02 to be significant deficiencies.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and that is described in the accompanying schedule of findings and questioned costs as item 2021-01.

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

Lindsey A. Perry, CPA, CFE
Auditor General

September 15, 2022



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, 2021. 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 adverse and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the County's compliance.

Basis for adverse opinion on Emergency Rental Assistance Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding the Emergency Rental Assistance Program's subrecipient monitoring and reporting compliance requirements as described in items 2021-101 and 2021-102. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Adverse opinion on Emergency Rental Assistance Program

In our opinion, because of the significance of the matter discussed in the basis for adverse opinion paragraph, the County did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Emergency Rental Assistance Program for the year ended June 30, 2021.

Unmodified opinion on each of the other major federal programs

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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-101 and 2021-102, that we consider to be material weaknesses.

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.

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 compliance, and accordingly, we express no opinion on them.

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated September 15, 2022, 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

Lindsey A. Perry, CPA, CFE
Auditor General

September 30, 2022



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? Yes

Significant deficiencies identified? None reported

Type of auditors' report issued on compliance for major programs

Unmodified for all major programs except for the Emergency Rental Assistance Program (Assistance Listing 21.023), which was adverse.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? Yes

Identification of major programs

Assistance Listings number	Name of federal program or cluster
20.106	Airport Improvement Program
21.019	COVID-19 - Coronavirus Relief Fund
21.023	COVID-19 - Emergency Rental Assistance Program
93.498	COVID-19 - Provider 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

2021-01

The County issued its Annual Financial Report late, resulting in untimely financial information for decision makers

Condition—The County issued its Annual Financial Report 15 months after fiscal year-end, 6 months later than State law requires and 3 months later than long-term debt covenants require.

Effect—The County did not provide timely financial information to its governing board, creditors, and others who rely on it to make important decisions about the County's operations. Additionally, because the County had not issued timely financial statements, its Annual Expenditure Limitation Report (AELR), which relies on information from the Annual Financial Report and was due 9 months after fiscal year-end, will also be issued late. Finally, the County risks its credit rating being lost or downgraded with the rating agency because the County failed to comply with its long-term debt covenants.

Cause—The County hired a new Finance Director in July 2021 who was responsible for preparing its Annual Financial Report with the assistance of an outsourced third party. As part of this process, the Finance Director required additional time and resources to review portions of the financial statements prepared by the third party, including the implementation of GASB Statement No. 84, *Fiduciary Activities*, to ensure they were accurate and presented in accordance with GAAP before providing them for audit.

Criteria—State law required the County to issue its audited Annual Financial Report and AELR within 9 months after fiscal year-end, or by March 31, 2022 (Arizona Revised Statutes §41-1279.07[C]). Further, the County's long-term debt covenants required it to provide its June 30, 2021, audited Annual Financial Report by June 30, 2022.

Recommendation—The County should allocate or acquire sufficient resources to prepare and issue its Annual Financial Report in accordance with the required deadlines.

The County's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

2021-02

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 of potential harm

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—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 has not prioritized 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 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 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 corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2020-01.

2021-03

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 IT 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.

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 documented and tested 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.

Recommendations—The County should:

1. Make it a priority to develop, document, and implement 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. Review account access to ensure it remains appropriate and necessary.
3. Evaluate the use and appropriateness of accounts shared by 2 or more users and manage the credentials for such accounts.
4. Enhance authentication requirements for IT systems.
5. Review data center physical access periodically to determine appropriateness.

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

6. Document and test changes prior to implementation.
7. Separate responsibilities for the change management process or, if impractical, perform a post-implementation review to ensure the change was implemented as approved.
8. Maintain configurations for all system services, assets, and infrastructure; manage configuration changes; and monitor the system for unauthorized or unintended configuration changes.

The County’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2020-02.

Federal award findings and questioned costs

2021-101

Assistance Listings number and name:	21.023 COVID-19 Emergency Rental Assistance (ERA) Program
Award number and year:	1505-0266, January 12, 2021 through December 31, 2021
Federal agency:	U.S. Department of Treasury
Compliance requirement:	Subrecipient monitoring
Questioned costs:	Unknown

Condition—The County’s administration awarded \$3.17 million, or 99 percent of the County’s \$3.18 million total federal expenditures for this federal program, to a State agency, which it considered to be its sole subrecipient, during fiscal year 2021, but did not perform the required monitoring of the State agency’s activities or of its compliance with the award terms and program requirements.

Effect—The County was unable to provide effective oversight of program monies it awarded. Consequently, there is an increased risk that the \$3.17 million of program monies the County awarded to the State agency may not have been spent in accordance with the award terms and program requirements. In addition, the County is at risk of having to return program monies to the federal agency if the monies are misspent by the State agency.

Cause—Despite the subrecipient monitoring requirements being included in the federal regulations, the County’s administration reported that it did not have enough personnel to provide adequate oversight of the State agency. Further, the County had not developed written policies and procedures for performing the various monitoring procedures for its subrecipients, including how it considers and assesses risk of each subrecipient and carries out required and various other monitoring procedures based on those risk assessments.

Criteria—Federal regulations require the County to monitor subrecipients use of program monies, which includes required monitoring procedures for assessing the risk of each subrecipient’s noncompliance and monitoring activities based on those risk assessments; verifying single audits were conducted timely; following up on and ensuring corrective action is taken on audit findings that could potentially affect the program; and issuing a management decision for audit findings pertaining to the federal award. Those federal regulations also provide that monitoring procedures may include reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures (2 CFR §§200.332[b] and [d – e]). Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The County’s administration should ensure it performs required monitoring of its subrecipients and their compliance with the award terms and program requirements by developing and implementing policies and procedures to:

1. Assess the risk of its subrecipients and carry out monitoring activities based on those risk assessments such as reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures.

2. Verify its subrecipients receive a timely single audit, follow up on and ensure that corrective action is taken on any audit findings that could potentially affect the program, and issue management decisions for any audit findings pertaining to the federal award.
3. Maintain documentation of monitoring procedures performed, including the monitoring procedures' results and any County actions taken.

The County's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

2021-102

Assistance Listings number and name:	21.023 COVID-19 Emergency Rental Assistance (ERA) Program
Award number and year:	1505-0266, January 12, 2021 through December 31, 2021
Federal agency:	U.S. Department of Treasury
Compliance requirement:	Reporting
Questioned costs:	N/A

Condition—The County's administration reported inaccurate program information to the federal agency even after it amended its quarterly reports when compared to underlying program records. Specifically, we tested the County's amended April through June 2021 quarterly report, which contained the following inaccuracies:

- Understatements of \$34,879, or 1.1 percent of the nearly \$3.18 million of total program expenditures, of the amounts reported as approved and paid to participating households during the quarter.
- Overstatements of \$789,984, or 24.8 percent of the nearly \$3.18 million of total program expenditures, of the amounts reported as current quarter obligations and expenditures.
- An understatement of 14 applicants, or 5.6 percent of the program's total 250 applicants, who represent the number of unique households that received their initial emergency rental assistance during the quarter.
- Overstatements averaging 3 applicants for various other report line items capturing details about the number of unique households that received emergency rental assistance during the quarter.

In addition, the County's administration incorrectly reported the entire amount of \$2,385,720 that it passed through to its sole subrecipient, a State agency, during the quarter April through June 2021. It incorrectly reported this entire amount as administrative expenses; however, it should have reported amounts the State agency awarded to participating households as rent, utilities and home energy costs, and other housing costs in addition to the County's and State agency's administrative expenses.

Effect—The County's reporting inaccurate program information results in the federal agency being unable to rely on the reports to effectively monitor the County's program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the program's success.

Cause—As described in finding 2021-101, the County's administration did not perform the required monitoring of the State agency's activities or of its compliance with the award terms and program requirements and had not developed written policies and procedures for performing monitoring

procedures for its subrecipients. Consequently, the County did not obtain the State agency's underlying program records to review financial and performance information prepared by the State agency to ensure the information reported in the County's quarterly reports agreed to the State agency's underlying program records prior to submitting the reports to the federal agency.

Criteria—Federal law and guidance require the County to report accurate and complete program information to the federal agency. Accordingly, the County's intergovernmental agreement with the State agency required it to provide the County with the required information, including the number of applications submitted and determined eligible to participate in the program; payments made to participating households by type, such as rent, utility or home energy assistance, etc.; the amount of assistance provided to participating households; and household income and other demographics.¹ Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The County's administration should:

1. Report accurate and complete program information to the federal agency, ensuring the information reported agrees to underlying program records.
2. Develop and implement policies and procedures for monitoring its subrecipients by implementing corrective action on our recommendations in finding 2021-101 to ensure that its subrecipient complied with award terms and program requirements.

The County's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 (Public Law 116-136), Section 15011(b)(1)(A) and the Consolidated Appropriations Act of 2021 (Public Law 116-260), Division N, Title V, Subtitle A, Section 501, required the County to report, as specified by the U.S. Treasury, for the Emergency Rental Assistance Program. Such federal guidance required certain quarterly and monthly reporting of program data and participant demographics on households that applied for and received federal assistance for their rent and utilities (U.S. Treasury [2021]. Emergency Rental Assistance Program Reporting Guidance, obtained from U.S. Treasury's website at <https://home.treasury.gov/system/files/136/ERA-Reporting-Guidance-v2.pdf>).

COUNTY SECTION

YAVAPAI COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2020 - 6/30/2021

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 204436295		\$75,510	\$75,510	N/A	\$0
SCHOOL BREAKFAST PROGRAM	10.553		ARIZONA DEPARTMENT OF EDUCATION	ED09-0001		\$18,967	\$18,967	CHILD NUTRITION CLUSTER	\$68,824
NATIONAL SCHOOL LUNCH PROGRAM	10.555		ARIZONA DEPARTMENT OF EDUCATION	ED09-0001		\$33,108	\$49,857	CHILD NUTRITION CLUSTER	\$68,824
NATIONAL SCHOOL LUNCH PROGRAM (NONCASH)	10.555		ARIZONA DEPARTMENT OF EDUCATION	ED09-0001		\$16,749	\$49,857	CHILD NUTRITION CLUSTER	\$68,824
WIC SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN	10.557		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS19-207420		\$569,980	\$569,980	N/A	\$0
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS16-106460 RFGA2020-001-006		\$169,110	\$169,110	SNAP CLUSTER	\$169,110
SCHOOLS AND ROADS - GRANTS TO STATES	10.665					\$1,464,099	\$1,464,099	FOREST SERVICE SCHOOLS AND ROADS CLUSTER	\$1,464,099
TOTAL DEPARTMENT OF AGRICULTURE						\$2,347,523			
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239		ARIZONA DEPARTMENT OF HOUSING	304-20		\$306,842	\$306,842	N/A	\$0
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						\$306,842			
DEPARTMENT OF JUSTICE									
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM	16.034	COVID-19	ARIZONA CRIMINAL JUSTICE COMMISSION	ACESF-21-053		\$155,689	\$172,786	N/A	\$0
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM	16.034	COVID-19	ARIZONA SUPREME COURT	N/A		\$17,097	\$172,786	N/A	\$0
MISSING CHILDREN'S ASSISTANCE	16.543		PHOENIX POLICE DEPARTMENT	150294-0 2018-342 2018-357 2020-202 2020-209		\$6,177	\$6,177	N/A	\$0
CRIME VICTIM ASSISTANCE	16.575		ARIZONA DEPARTMENT OF PUBLIC SAFETY			\$320,799	\$320,799	N/A	\$0
RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS	16.593		ARIZONA CRIMINAL JUSTICE COMMISSION	RSAT-20-006		\$43,779	\$43,779	N/A	\$0
STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	16.606					\$71,323	\$71,323	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738					\$5,982	\$137,224	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738		ARIZONA CRIMINAL JUSTICE COMMISSION	DC-21-011 DC-21-034		\$131,242	\$137,224	N/A	\$0
CRIMINAL AND JUVENILE JUSTICE AND MENTAL HEALTH COLLABORATION PROGRAM	16.745					\$13,935	\$13,935	N/A	\$0
EQUITABLE SHARING PROGRAM	16.922					\$32,506	\$32,506	N/A	\$0
DOMESTIC CANNABIS ERADICATION/SUPPRESSION PROGRAM	16.U01	2020-03				\$12,411	\$12,411	N/A	\$0
DOMESTIC CANNABIS ERADICATION/SUPPRESSION PROGRAM	16.U02	2021-03				\$431	\$431	N/A	\$0
TOTAL DEPARTMENT OF JUSTICE						\$811,371			
DEPARTMENT OF LABOR									
WIOA ADULT PROGRAM	17.258		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI19-002209 DI21-002290	\$384,300	\$384,300	\$384,300	WIOA CLUSTER	\$1,321,064
WIOA YOUTH ACTIVITIES	17.259		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI19-002209 DI21-002290	\$509,971	\$509,971	\$509,971	WIOA CLUSTER	\$1,321,064
WIOA DISLOCATED WORKER FORMULA GRANTS	17.278		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI19-002209 DI21-002290	\$426,793	\$426,793	\$426,793	WIOA CLUSTER	\$1,321,064
TOTAL DEPARTMENT OF LABOR						\$1,321,064	\$1,321,064		
DEPARTMENT OF TRANSPORTATION									
AIRPORT IMPROVEMENT PROGRAM	20.106					\$2,131,241	\$2,422,419	N/A	\$0
COVID-19 - AIRPORT IMPROVEMENT PROGRAM	20.106	COVID-19				\$291,178	\$2,422,419	N/A	\$0
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-19-0007313-T		\$585,470	\$585,470	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$585,470
METROPOLITAN TRANSPORTATION PLANNING AND STATE AND NON-METROPOLITAN PLANNING AND RESEARCH	20.505		ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-19-0007313-T		\$35,814	\$35,814	N/A	\$0
FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM	20.509	COVID-19	ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-19-0007473-T		\$35,214	\$35,214	N/A	\$0
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513		ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-19-0007473-T 2020-AL-040 2020-PTS-072 2021-405H-023		\$39,428	\$39,428	TRANSIT SERVICES PROGRAMS CLUSTER	\$39,428
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-AL-037 2021-PTS-078 2020-405D-060 2020-405H-021 2020-CIOT-027		\$40,703	\$40,703	HIGHWAY SAFETY CLUSTER	\$55,178
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-CIOT-027		\$14,475	\$14,475	HIGHWAY SAFETY CLUSTER	\$55,178
TOTAL DEPARTMENT OF TRANSPORTATION						\$3,173,523			
DEPARTMENT OF TREASURY									
CORONAVIRUS RELIEF FUND	21.019	COVID-19	ARIZONA OFFICE OF THE GOVERNOR	ERMT-20-099 ERMT-21-2604 ERMT-CRF-21-1010		\$5,027,603	\$5,027,603	N/A	\$0
EMERGENCY RENTAL ASSISTANCE PROGRAM	21.023	COVID-19			\$3,168,008	\$3,182,823	\$3,182,823	N/A	\$0
TOTAL DEPARTMENT OF TREASURY						\$3,168,008	\$8,210,426		
INSTITUTE OF MUSEUM AND LIBRARY SERVICES									
GRANTS TO STATES	45.310		ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS	2019-0010-10 2020-0010-06 2020-0010-07 2020-0010-08 2020-0010-CAP-06 2020-0260-07 2021-0810-MOVFOR-09		\$125,256	\$143,838	N/A	\$0
COVID-19 - GRANTS TO STATES	45.310	COVID-19	ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS	2020-0720-49 2020-0730-10		\$8,657	\$143,838	N/A	\$0
COVID-19 - GRANTS TO STATES (NONCASH)	45.310	COVID-19	ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS	N/A		\$9,925	\$143,838	N/A	\$0
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES						\$143,838			
DEPARTMENT OF EDUCATION									
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010		ARIZONA DEPARTMENT OF EDUCATION	21FT1TTI-111555-01A		\$7,436	\$7,436	N/A	\$0
TITLE I STATE AGENCY PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN AND YOUTH	84.013		ARIZONA DEPARTMENT OF EDUCATION	21FLCCCL-113357-02A		\$59,282	\$59,282	N/A	\$0
SPECIAL EDUCATION GRANTS TO STATES	84.027		ARIZONA DEPARTMENT OF EDUCATION	21FESCBG-110683-09A 21FESCBG-111555-09A		\$21,004	\$21,004	SPECIAL EDUCATION CLUSTER (IDEA)	\$21,004
ENGLISH LANGUAGE ACQUISITION STATE GRANTS	84.365		ARIZONA DEPARTMENT OF EDUCATION	21FELENG-113357-66A		\$54,165	\$54,165	N/A	\$0

COMPREHENSIVE LITERACY DEVELOPMENT	84.371		ARIZONA DEPARTMENT OF EDUCATION	21FCLSDG-113357-01A	\$19,394	\$19,394	N/A	\$0
EDUCATION STABILIZATION FUND	84.425	COVID-19	ARIZONA DEPARTMENT OF EDUCATION	20FERFNT-011555-01A 20FERFNT-013357-01 21FEIINT-113357-01A	\$103,438	\$103,438	N/A	\$0
TOTAL DEPARTMENT OF EDUCATION					\$264,719			
ELECTION ASSISTANCE COMMISSION								
2018 HAVA ELECTION SECURITY GRANTS	90.404		ARIZONA SECRETARY OF STATE	AZ18101001 AZ20101001	\$94,427	\$94,427	N/A	\$0
ELECTION ASSISTANCE COMMISSION					\$94,427			
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
PUBLIC HEALTH EMERGENCY PREPAREDNESS	93.069		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS17-132201	\$278,433	\$278,433	N/A	\$0
INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	93.136		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS16-110838 IGA2021-068	\$200,393	\$200,393	N/A	\$0
FAMILY PLANNING SERVICES	93.217		ARIZONA FAMILY HEALTH PARTNERSHIP	N/A	\$326,467	\$326,467	N/A	\$0
HEALTH CENTER PROGRAM (COMMUNITY HEALTH CENTERS, MIGRANT HEALTH CENTERS, HEALTH CARE FOR THE HOMELESS, AND PUBLIC HOUSING PRIMARY CARE)	93.224				\$477,388	\$2,158,383	HEALTH CENTER PROGRAM CLUSTER	\$3,875,877
COVID-19 - HEALTH CENTER PROGRAM (COMMUNITY HEALTH CENTERS, MIGRANT HEALTH CENTERS, HEALTH CARE FOR THE HOMELESS, AND PUBLIC HOUSING PRIMARY CARE)	93.224	COVID-19			\$1,680,995	\$2,158,383	HEALTH CENTER PROGRAM CLUSTER	\$3,875,877
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES_PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243				\$97,462	\$97,462	N/A	\$0
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS18-177692	\$106,036	\$186,031	N/A	\$0
COVID-19 - IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	COVID-19	ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS18-177692	\$79,995	\$186,031	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	COVID-19	ARIZONA DEPARTMENT OF HEALTH SERVICES	IGA2021-065	\$129,506	\$129,506	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	\$248,687	\$248,687	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	CTR046530	\$54,732	\$54,732	N/A	\$0
PROVIDER RELIEF FUND	93.498	COVID-19			\$199,102	\$199,102	N/A	\$0
GRANTS FOR NEW AND EXPANDED SERVICES UNDER THE HEALTH CENTER PROGRAM	93.527				\$1,717,494	\$1,717,494	HEALTH CENTER PROGRAM CLUSTER	\$3,875,877
CHILD SUPPORT ENFORCEMENT	93.563		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	G1804A24004	\$211,402	\$211,402	N/A	\$0
GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS	93.597		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	1601AZSAVP	\$11,079	\$11,079	N/A	\$0
FOSTER CARE TITLE IV-E	93.658		ARIZONA SUPREME COURT	N/A	\$74,171	\$74,171	N/A	\$0
OPIOID STR	93.788		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS16-110838 IGA2021-068	\$55,033	\$113,582	N/A	\$0
OPIOID STR	93.788		HEALTH CHOICE ARIZONA	YCSO	\$58,549	\$113,582	N/A	\$0
CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL AND TRIBAL ORGANIZATIONS	93.898		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR041895	\$220,885	\$220,885	N/A	\$0
HIV PREVENTION ACTIVITIES_HEALTH DEPARTMENT BASED SEXUALLY TRANSMITTED DISEASES (STD) PREVENTION AND CONTROL GRANTS	93.940		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS18-188824	\$15,177	\$15,177	N/A	\$0
SEXUALLY TRANSMITTED DISEASES (STD) PREVENTION AND CONTROL GRANTS	93.977		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR040481 CTR042499	\$10,034	\$13,827	N/A	\$0
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991		ARIZONA DEPARTMENT OF HEALTH SERVICES	IGA2020-024	\$96,154	\$96,154	N/A	\$0
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994		ARIZONA DEPARTMENT OF HEALTH SERVICES	IGA2020-041	\$124,969	\$124,969	N/A	\$0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$6,477,936			
DEPARTMENT OF HOMELAND SECURITY								
HAZARD MITIGATION GRANT	97.039		ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS	HMGP #5183-8-8R	\$19,466	\$19,466	N/A	\$0
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042		ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS	EMF-2020-EP-00009	\$132,719	\$132,719	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	190514-01	\$10,264	\$10,264	N/A	\$0
TOTAL DEPARTMENT OF HOMELAND SECURITY					\$162,449			
TOTAL EXPENDITURE OF FEDERAL AWARDS					\$4,489,072	\$23,314,118		

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 7/1/2020 - 6/30/2021

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, 2021. 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 2021 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, 2021 was \$1,852,354.

COUNTY RESPONSE



YAVAPAI COUNTY
FINANCE
Connie DeKemper, Director
www.yavapaiaz.gov/finance

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

September 30, 2022

Lindsey A. Perry
Arizona 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,

Connie DeKemper
Finance Director

Yavapai County
Corrective action plan
Year ended June 30, 2021

Financial statement findings

2021-01

The County issued its Annual Financial Report late, resulting in untimely financial information for decision makers

Name of contact person: Connie DeKemper, Finance Director

Completion date: 03/31/2023

The Finance Department has contracted with an outside vendor for the development of the financial statements. Due to staffing issues with the vendor, the financial statements were delayed. In the future, the financial statements will be completed in-house. This includes hiring staff and additional staff training that will allow the work to be distributed and completed in a timely manner. The Department is in the process of documenting and developing procedures for the completion of the financial statements. This will build an effective and timely financial statement process that allows for a thorough review prior to providing the financial statements to the auditor.

The implementation of GASB 84 delayed the issuance of the financial statements as significant time was spent by the Finance Director to understand the Treasurer and the Court financial processes and systems. The Finance Director has taken the necessary time to understand these systems and will continue to document the process of creating the fiduciary statements. This will provide continuity and timeliness of this function.

The Finance Director was hired at the beginning of the audit process and time was needed to understand the Finance Department personnel functions and duties as well as the Finance Director responsibilities. The Finance Director will continue to document these functions and review them for efficiencies as well as internal control risks.

2021-02

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 of potential harm

Name of contact person: Pat Galassi, ITS Director

Completion date: 6/30/23

ITS will work with the Yavapai County Board of Supervisors, Yavapai County Clerk of the Board, and departmental record custodians to update the current County Records Policy. Additionally, ITS will commit to developing a data classification policy and seek to have that policy approved by the Yavapai County Board of Supervisors.

The above corrective action plan item is subject to staff availability and resource constraints.

Yavapai County
Corrective action plan
Year ended June 30, 2021

2021-03

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: 6/30/23

ITS will work with the Yavapai County Board of Supervisors and departmental stake holders to update and enforce ITS County policies.

ITS will continue to review account access and ensure it remains appropriate and necessary.

ITS has implemented managed service accounts and will continue to evaluate the appropriateness and use of shared accounts.

ITS will continue to enhance authentication security requirements through logical and physical solutions. This will include multi-factor authentication and identity security management appliances.

ITS is currently working with our Facilities department to card key all of our data closets and critical infrastructure locations.

ITS has implemented an ITIL-based change management model.

ITS has created a Change Advisory Board (CAB) to review planned and completed changes.

ITS has a Configuration Management policy in place and continues to develop configuration baseline documentation.

All of the above corrective action plan items are subject to staff availability and resource constraints.

Federal award findings

2021-101

COVID-19 Emergency Rental Assistance Program – Subrecipient monitoring

Name of contact person: Connie DeKemper, Finance Director
Completion date: 12/31/2022

The Finance Director for the County was hired several months after the program was implemented which caused a delay in completing the necessary grant requirements for the Emergency Rental Assistance Program (ERAP). The County Attorney's Office was in the process of developing an ARPA manual documenting the policies and procedures for the American Rescue Plan Act including the Emergency Rental Assistance Program. The manual

Yavapai County

Corrective action plan

Year ended June 30, 2021

was completed and approved by the Board of Supervisors in December 2021. The Finance Director completed a risk assessment of the subrecipient in January 2022 and has been in ongoing communication with the subrecipient for development of the data required to both complete grant monitoring and file the required reports timely and accurately.

Additionally, with the receipt and management of the State and Local Fiscal Recovery and the Emergency Rental Assistance Program (ERAP) grants, the Finance Department found itself understaffed and without the required experience to ensure proper grant monitoring. The Finance Department is in the process of hiring additional staff and contracted with an outside firm to assist with the analysis of the ERAP data as well as design a grant monitoring program. The outside firm will assist the County to assure that documentation of the monitoring process will be complete.

2021-102

COVID-19 Emergency Rental Assistance Program – Reporting

Name of contact person: Connie DeKemper, Finance Director
Completion date: 01/31/2023

The County is in the process of correcting the errors identified in the finding. Actions taken by the County include 1) contacting the US Treasury to open the quarterly reports so they can be updated; 2) modifications to the reporting software developed by the US Treasury that allowed for correcting past quarterly information in future quarterly reporting windows; and, 3) the elimination of collection of some data when the reporting system was modified. The County has been in constant contact with the subrecipient in developing the data requirements needed to complete accurate reporting as well as reconcile between data reports.

Due to system deficiencies of the subrecipient, the County is currently working with the subrecipient to accurately identify the beneficiary population for the closeout reporting that will be required in December 2022. The County has contracted with a consulting firm that specializes in federal grants to assist us with the collection of data from the State agency and reporting of the data accurately.



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

September 30, 2022

Lindsey A. Perry
Arizona 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,

A handwritten signature in cursive script that reads "Connie M DeKemper".

Connie DeKemper
Finance Director

Yavapai County

Summary schedule of prior audit findings

Year ended June 30, 2021

Status of financial statement findings

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

Finding number: 2020-01. This finding initially occurred in fiscal year 2018.

Status: Not corrected

As anticipated, resource constraints and the requirements of operations and maintenance for existing technologies along with significant software updates have not allowed for adequate budget or time to implement the corrective action plan.

ITS continues to work on updating County policies and procedures. A County data classification policy is still needed to address this finding. However, this type of control is problematic for ITS to enforce with the custodian of record residing with the individual departments. Additionally, ITS is currently working on a comprehensive IT Governance strategy to address the deficiencies in managing and documenting the County's risk associated with a lack of a data classification policy.

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

Finding number: 2020-02. This finding initially occurred in fiscal year 2018.

Status: Partially corrected

As anticipated, resource constraints and the requirements of operations and maintenance for existing technologies along with significant software updates have not allowed for adequate budget or time to implement the corrective action plan entirely.

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).

