

Yuma County

Annual financial statement and compliance audits

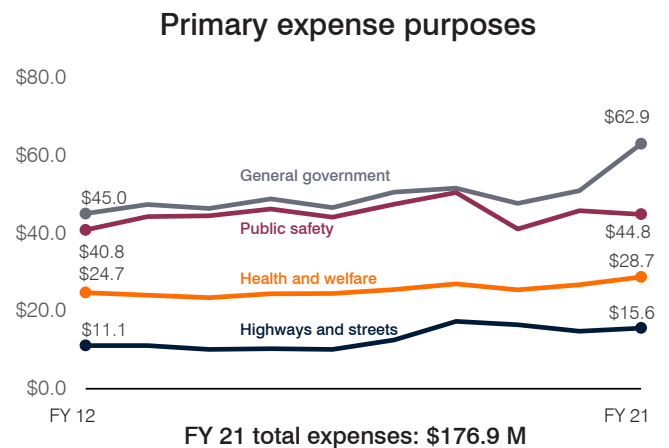
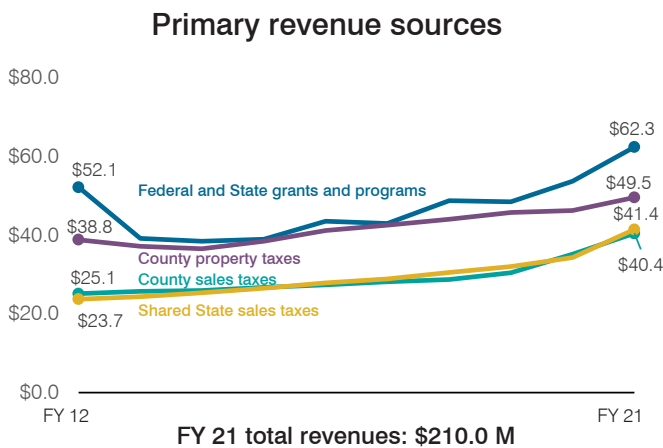
The County's fiscal year 2021 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.

Audits' purpose

To express our opinions on the County's financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

Primary revenue sources and how they were spent

Fiscal years (FY) 2012 through 2021
(In millions)



Source: Auditor General staff summary of information obtained from the County's financial statements.

Largest primary revenue sources FY 2021

- **Federal and State grants and programs 29.6%**—Includes federal and State government grants and programs awarded as assistance to the County and its residents, including highway user tax revenues for authorized transportation purposes.
- **County property taxes 23.6%**—Levied and collected from property owners based on the assessed value of real and personal property within the County.

Largest primary expense purposes FY 2021

- **General government 35.6%**—Costs for general operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections.
- **Public safety 25.3%**—Costs for protecting the County's persons and property with the largest portion for County jail operations, County Sheriff's office services, probation services, and Flood Control District operations.

County's net position increased in FY 2021

County revenues were \$33.1 million greater than its expenses, increasing total net position to \$374.1 million at June 30, 2021. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations, long-term debt, and accounts payable. None of this net position is unrestricted, meaning some is not in spendable form, and the rest is restricted by external parties.

Auditor findings and recommendations

Summarized below are our findings and recommendations included in the County's [Single Audit Report](#) where there is further information and the County's responses. The County needs to:

- Restrict payroll system access to ensure all employees' timecards are reviewed and approved by County-designated management and update and enforce its policies and procedures to require supervisors to perform and document post-payroll timecard reviews and approvals. We found that the County did not always review and approve timecards, which increased the risk of fraud and misuse of public monies.
- Develop and implement written procedures for preparing the financial statements and supporting schedules to ensure they are accurate and prepared in accordance with generally accepted accounting principles (GAAP). Additionally, management should perform detailed supervisory reviews to ensure that the financial statements are accurate, properly supported, and presented in accordance with GAAP. We found that the County failed to provide key financial information to us timely and its financial statements contained misstatements and misclassifications, which delayed their issuance and increased the risk that those relying on the reported financial information could be misinformed.
- Develop and implement written policies and procedures to indicate whether procurement cards can be used to purchase food and beverages, and if so, under what circumstances these purchases would constitute an acceptable use of public monies. The County should also train employees on these policies and procedures. We found that the County paid \$18,484 for food and beverages using procurement cards without documenting how these purchases were necessary to serve a public purpose and benefited the County and its residents, resulting in an elevated risk of misuse of public monies and possible violation of the Arizona Constitution.
- The County needs to prioritize developing, documenting, and implementing policies and procedures over its information technology (IT) systems and data, including sensitive data, to effectively prevent, detect, and respond to unauthorized or inappropriate access or use, manipulation, damage, or loss. We found that processes for managing and documenting risks and control procedures over IT systems and data were not sufficient, which may put County operations and IT systems and data at unintended and unnecessary risk of potential harm. We reported similar IT findings in prior years.
- The County's Public Health Services Department needs to follow its policies and procedures requiring it to maintain documentation in its contract files for determining sole-source procurements prior to making such purchases. We found that the Department failed to document such justification for 2 federal purchases totaling \$38,295.
- The County's Housing Department needs to improve its processes for ensuring its federal housing program reports contain accurate data and are independently reviewed against supporting documentation prior to their submission to the grantor. We found that the Department reported inaccurate data in its federal reports for 4 of 41 tenant files tested. We reported a similar finding in the prior years.
- The County's Housing Department needs to improve its processes to ensure housing program monies are included in its depository agreement with its financial institution and are deposited into interest-bearing accounts. The Department should also improve processes for ensuring its HUD contract, bank accounts, and depository agreement are reviewed periodically. We found that not all of the Department's bank accounts were interest-bearing accounts and it did not update its depository agreement with its financial institution to include 3 bank accounts.

Auditor General website report links

- The June 30, 2021, Yuma County Annual Comprehensive Financial Report and Single Audit Report that are summarized in these highlights can be found at this [link](#). These reports should be read to fully understand the County's overall financial picture and our reporting responsibilities.
- The County's reports from prior years are available at this [link](#).
- For help in understanding important information presented in these reports, please refer to our user guides at the following links:
 - [Financial Report User Guide for State and Local Governments](#).
 - [Internal Control and Compliance Reports User Guide](#).