

Cochise County Community College District

Report on Internal Control
and on Compliance

Year Ended June 30, 2021

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
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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 Governing Board of
Cochise County Community College District

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 business-type activities and discretely presented component unit of Cochise County Community College District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 2021. Our report includes a reference to other auditors who audited the financial statements of the Cochise College Foundation, Inc., the discretely presented component unit, as described in our report on the District's financial statements. The Foundation's financial statements were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and recommendations as item 2021-01, that we consider to be a significant deficiency.

Compliance and other matters

As part of obtaining reasonable assurance about whether the District'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*.

District response to finding

The District's response to the finding identified in our audit is presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's response 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 District'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 District'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

December 16, 2021



SCHEDULE OF FINDINGS AND RECOMMENDATIONS

Financial statement finding

2021-01

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

Condition—The District's control procedures were not sufficiently developed, documented, and implemented to respond to risks associated with its IT systems and data. The District's procedures for restricting access did not consistently help prevent or detect unauthorized or inappropriate access to its IT systems and data.

Effect—There is an increased risk that the District 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 District has not prioritized developing and implementing a sufficient process for assigning and reviewing account access or allocated sufficient resources to enhance authentication requirements for its IT systems.

Criteria—The District 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 by restricting access through logical access controls that help ensure systems and data are accessed by users who have a need and that access granted is appropriate.

Recommendations—The District should:

1. Allocate sufficient resources to develop and document adequate IT access policies and procedures and develop a process to ensure the procedures are being consistently followed.
2. Assign and periodically review employee user access ensuring appropriateness and compatibility with job responsibilities.
3. Enhance authentication requirements for IT systems.

The District'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.

DISTRICT RESPONSE



January 11, 2022

Lindsey Perry
Auditor General
2910 N 44th St, Suite 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*. Specifically, for this finding, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action that has been taken or is planned, and the anticipated completion date.

Sincerely,

DocuSigned by:
A handwritten signature in black ink that reads 'Wendy Davis'.

002917638870444
Wendy Davis, Ph.D.
Vice President for Administration

Financial statement findings

Restricted access - 2021-01

Develop and document comprehensive IT policies and procedures (Recommendation 1)

David Luna (CIO) and Rob Gibbs (CISO)

Cochise College has developed and implemented several IT policies and procedures and continues to enhance policies and procedures in accordance with improvements we are making to our security program.

Status: Partially complete - **Anticipated completion date:** April 30, 2022

Review employee access (Recommendations 2 and 3)

David Luna (CIO)

Cochise College views the review of employee access to data systems as a vital piece of the colleges information security program. Cochise College has conducted these reviews previously but we now have begun a more standardized and documented process for this review.

Status: Partially complete - **Anticipated completion date:** April 30, 2022

