

Cochise County

Annual financial statement and compliance audits

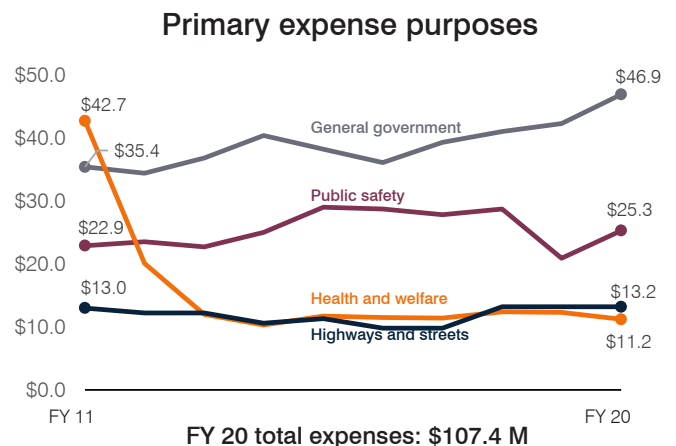
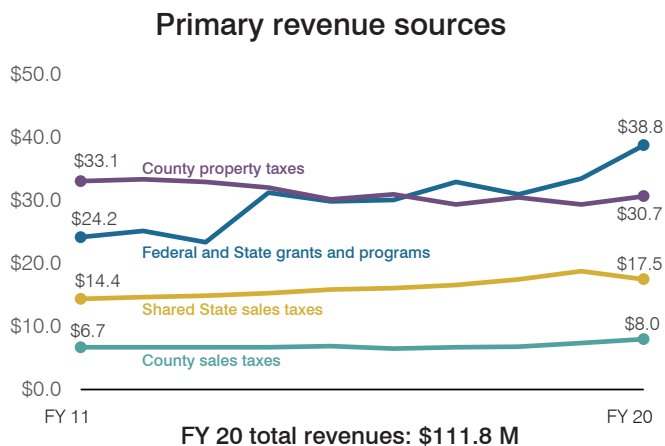
The County's fiscal year 2020 reported financial information is reliable, and we did not report any noncompliance. However, we reported deficiencies over financial reporting, summarized on the next page.

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) 2011 through 2020
(In millions)



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

Largest primary revenue sources

- **Federal and State grants and programs—34.7% FY 20:** Includes federal and State government grants and programs awarded as assistance to the County and its citizens, including highway user tax revenues for authorized transportation purposes.
- **County property taxes—27.5% FY 20:** Levied and collected from property owners based on the assessed value of real and personal property within the County.

Largest primary expense purposes

- **General government—43.7% FY 20:** Costs for general operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections.
- **Public safety—23.6% FY 20:** 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 20

County revenues were \$4.4 million greater than its expenses, increasing total net position to \$116.8 million at June 30, 2020. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations 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 combined [Annual Financial and Single Audit Reports](#) where there is further information and the County's responses.

- The County needs to develop and implement policies and procedures for processing payroll to prevent and detect overpayments to employees that could result from unauthorized or inappropriate changes to the employee pay rates and therefore payroll amounts. We reported a similar finding in the prior year.
- The County needs to require its Human Resources Department to enforce all County departments to use its prescribed form for authorizing and supporting employee pay rate changes to prevent employees being given unapproved pay rate increases causing employee overpayments. Also, this documentation should be retained within the employee personnel records.
- The County needs to continue to develop, document, and implement policies and procedures to effectively respond to risks and to prevent, detect, and respond to unauthorized or inappropriate access, damage, or loss, to its information technology systems and data, including financial and sensitive data. We reported similar findings in the prior year.

Auditor General website report links

- The June 30, 2020, Cochise County combined Annual Financial and Single Audit Reports 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](#).