

# Coconino County

Single Audit Report

Year Ended June 30, 2022



A Report to the Arizona Legislature

Lindsey A. Perry  
Auditor General





The Arizona Auditor General's mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

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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  
Coconino 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 U.S. Comptroller General, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 28, 2023.

### **Report on 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.

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. 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 were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-02, that was considered to be material weakness.

## **Report on 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 2022-01.

## **County response to findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit that 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 other 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

April 28, 2023



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  
Coconino County, Arizona

**Report on compliance for each major federal program**

***Opinion on each major federal program***

We have audited Coconino County's compliance with the types of compliance requirements identified as subject to audit 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, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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, 2022.

***Basis for opinion on each major federal program***

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 U.S. Comptroller General, 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). Our responsibilities under those standards and the Uniform Guidance are further described in the auditors' responsibilities for the audit of compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Management's responsibilities for compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

## ***Auditors' responsibilities for the audit of compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, we express no such opinion.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other matters***

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that is described in the accompanying schedule of findings and questioned costs as items 2022-101 and 2022-102. Our opinion on each major federal program is not modified with respect to these matters.

### **Report on internal control over compliance**

Our consideration of internal control over compliance was for the limited purpose described in the auditors' responsibilities for the audit of compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-101 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the noncompliance and internal control over compliance findings that 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 other 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 28, 2023, that contained unmodified opinions on those financial statements. Our audit was performed 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

May 31, 2023



# 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?	None reported
Noncompliance material to the financial statements noted?	No

### Federal awards

#### Internal control over major programs

Material weaknesses identified?	No
Significant deficiencies identified?	Yes
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)?	Yes

#### Identification of major programs

Assistance Listings number	Name of federal program or cluster
10.665	Forest Service Schools and Roads Cluster
10.691	Good Neighbor Authority
10.923	Emergency Watershed Protection Program
21.027 COVID-19	Coronavirus State and Local Fiscal Recovery Funds
93.268/93.268 COVID-19	Immunization Cooperative Agreements
93.323 COVID-19	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.391 COVID-19	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises

Dollar threshold used to distinguish between Type A and Type B programs	\$842,666
Auditee qualified as low-risk auditee?	No

# Financial statement findings

## 2022-01

The County failed to provide key financial information to auditors timely and issued its Annual Comprehensive Financial Report late, resulting in untimely financial information for decision makers

**Condition**—Contrary to State law, the County issued its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022, 10 months after the fiscal year-end, 28 days later than required. Specifically, the County’s Finance Department failed to provide key financial information, such as complete financial statements, associated note disclosures, and supporting schedules to us by established deadlines agreed upon at the beginning of the audit. This information was provided to us up to 1 month past agreed-upon deadlines. In addition, the County has not issued its required Annual Expenditure Limitation Reports (AELR) for fiscal years 2018 through 2022.

**Effect**—The County’s Finance Department did not provide timely financial information to its Board of Supervisors 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 AELR, which relies on information from the ACFR and was due 9 months after fiscal year-end, will also be issued late.<sup>1</sup>

**Cause**—The County lost many key employees in the Finance Department from 2019 through 2021 who were in charge of compiling its financial statements and AELR, which caused significant delays in issuing its fiscal years 2020 and 2021 ACFRs. Although the County has now fully staffed its Finance Department, the prior year’s delay caused the fiscal year 2022 audit to be started late. According to the County, the AELRs were significantly delayed because the County focused on completing the financial statement and federal compliance audits, and once completed, it did not have a staff member who fully understood the AELR to compile them.

**Criteria**—State law requires the County to issue its audited financial statements and AELR within 9 months after fiscal year-end, or by March 31, 2023, for the June 30, 2022, ACFR and AELR. (Arizona Revised Statutes §41-1279.07[C]).

**Recommendations**—The County should:

1. Provide key financial information to auditors by the agreed-upon deadlines established at the beginning of the audit to ensure timely issuance of its audited financial statements.
2. Comply with State law and issue its outstanding AELRs for the fiscal years ended June 30, 2018, 2019, 2020, 2021, and 2022.

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 2021-01.

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<sup>1</sup> The County submitted its fiscal year 2018 through fiscal year 2022 AELRs to us on May 22, 2023, for review.

## 2022-02

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 IT systems and data.
- **Managing system changes**—Procedures did not ensure 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 updated its IT policies and procedures, but County management reported that it was unable to implement and follow all the policies and procedures due to shifting resources and multiple natural disasters that affected the County.

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

- **Restrict 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.
- **Manage system changes through well-defined, documented configuration management process**—Ensures the County's changes to the systems are documented, 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.

**Recommendations**—The County should:

1. Make it a priority to implement and follow its comprehensive IT policies and procedures and develop a process to ensure the procedures are being consistently followed.
2. Monitor County employees' adherence to the IT policies and procedures on a periodic basis to ensure they are consistently followed and inform employees of updates to the policies and procedures throughout the year.

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

3. Assign and periodically review employee user logical and physical access ensuring appropriateness and compatibility with job responsibilities.
4. Enhance authentication requirements for IT systems.

**Manage system changes**—To manage system changes, document and implement processes to:

5. Follow a documented change management process.
6. Document testing procedures and results, change approvals, and post-change review.
7. Document a plan to roll back changes in the event of a negative impact to IT systems.
8. Test changes prior to implementation.
9. Separate responsibilities for the change management process or, if impractical, perform a post-implementation review to ensure the change was implemented as approved.

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 2021-02.

## Federal award findings and questioned costs

### 2022-101

<b>Assistance Listings number and name:</b>	10.691 <b>Good Neighbor Authority</b>
<b>Award numbers and year:</b>	22-GN-11030400-027 January 14, 2022 through January 12, 2027
<b>Federal agency:</b>	<b>U.S. Department of Agriculture (USDA)</b>
<b>Compliance requirements:</b>	Period of Performance
<b>Questioned costs:</b>	\$42,555

**Condition**—Contrary to federal regulation and the County's grant award with the U.S. Department of Agriculture (USDA), the County's Flood Control District spent \$42,555 on unallowable purchases that it requested and received reimbursement for as part of the program's \$1.4 million total expenditures. Specifically, for 1 of 2 transactions tested, the District spent \$42,555 on construction-planning services for repairing flood damage before the time period the costs were allowed to be incurred and did not receive preapproval from the federal agency, as required.

**Effect**—The USDA may require the County to reimburse the \$42,555 in unallowable costs with other County monies and either require the County to return the monies or spend them on other allowable costs before the grant expiration date of January 12, 2027.<sup>1</sup>

**Cause**—Despite the County's grant award with USDA specifying the period of performance requirements, the County's existing policies to review reimbursement requests did not require verifying that preapprovals were obtained from the federal agency when costs were incurred before the grant award term's start date.

**Criteria**—Federal regulation and the County's grant award terms and conditions with USDA allow the Department to charge only allowable costs incurred during the performance period, or January 14, 2022 through January 12, 2027, and require any costs incurred before the start date to be preapproved by the federal agency (2 Code of Federal Regulations [CFR] §200.458 and USDA grant award terms §AA). 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 should:

1. Improve existing policies and procedures for federal grants by requiring the reviewer to verify that preapprovals were obtained from the federal agency when costs were incurred before the award term's start date.
2. Request and obtain preapproval from the federal agency for all costs incurred outside the award term's performance period.
3. Work with the U.S Department of Agriculture to resolve the \$42,555 of program monies the District spent in violation of its federal award terms, which may involve returning monies to the federal agency.<sup>1</sup>

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.

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<sup>1</sup> Federal Uniform Guidance requires federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient, the County, takes appropriate and timely corrective action (2 CFR §200.513(c)). Further, it requires that federal awarding agencies' management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (2 CFR §200.521).

## 2022-102

**Assistance Listings number and name:** Not applicable

**Questioned costs:** Not applicable

**Condition**—Contrary to federal regulation, the County did not submit its June 30, 2022, Single Audit Report to the federal audit clearinghouse until May 31, 2023, which was 2 months later than required.

**Effect**—The County submitting its Single Audit Report late prevents the federal government and other grantors of federal awards from having current information to effectively monitor their programs and could delay corrective actions that the County needs to take. Further, federal grantors may deny the County future federal awards or subject it to additional cash-monitoring requirements. This finding was not a result of internal control deficiencies of individual federal programs and, accordingly, did not have a direct and material effect on the compliance requirements over the County's major federal programs.

**Cause**—The County failed to prepare its June 30, 2022, Annual Comprehensive Financial Report in a timely manner for the reasons we reported in finding 2022-01, which delayed the completion of the Single Audit.

**Criteria**—Federal regulation requires the County to submit its Single Audit Report to the federal audit clearinghouse no later than 9 months after the fiscal year-end, or by March 31, 2023, for the County’s June 30, 2022, Single Audit Report (2 CFR §200.512).

**Recommendations**—The County should improve its financial reporting process, as noted in finding 2022-01, so that it can submit all future Single Audit Reports on or before the federally required submission deadline, which is no later than 9 months after fiscal year-end or by March 31 of the subsequent year.

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 and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

# COUNTY SECTION

**COCONINO COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 Fiscal Period 7/1/2021 - 6/30/2022

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
<b>DEPARTMENT OF AGRICULTURE</b>									
TRANSPORTATION SERVICES	10.167		BUREAU OF INDIAN AFFAIRS, NAVAJO REGIONAL OFFICE	A19AC00022	\$167,420	\$167,420		N/A	\$0
RURAL BUSINESS DEVELOPMENT GRANT	10.351				\$11,582	\$11,582		N/A	\$0
SCHOOL BREAKFAST PROGRAM	10.533		ARIZONA DEPARTMENT OF EDUCATION	ADE ED09-0001	\$1,252	\$1,252		N/A	\$0
NATIONAL SCHOOL LUNCH PROGRAM	10.555		ARIZONA DEPARTMENT OF EDUCATION	ADE ED09-0001	\$5,692	\$5,692		N/A	\$0
WIC SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN	10.557		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR043231	\$463,081	\$463,081		N/A	\$0
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561		ARIZONA DEPARTMENT OF HEALTH SERVICES	RFGA2020-001-02	\$15,335	\$335,987	\$335,987	SNAP CLUSTER	\$335,987
SCHOOLS AND ROADS - GRANTS TO STATES	10.665				\$2,137,640	\$2,137,640		FOREST SERVICE SCHOOLS AND ROADS CLUSTER	\$2,137,640
GOOD NEIGHBOR AUTHORITY	10.691				\$1,427,348	\$1,427,348		N/A	\$0
EMERGENCY WATERSHED PROTECTION PROGRAM	10.923				\$1,858,554	\$1,858,554		N/A	\$0
URBAN AGRICULTURE AND INNOVATIVE PRODUCTION	10.935				\$27,513	\$28,113	\$28,113	N/A	\$0
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>					<b>\$42,848</b>	<b>\$6,436,669</b>			
<b>DEPARTMENT OF DEFENSE</b>									
COMMUNITY ECONOMIC ADJUSTMENT ASSISTANCE FOR COMPATIBLE USE AND JOINT LAND USE STUDIES	12.610					\$335,875	\$335,875	N/A	\$0
<b>TOTAL DEPARTMENT OF DEFENSE</b>						<b>\$335,875</b>			
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>									
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218		CITY OF FLAGSTAFF	88C-19	\$46,211	\$132,787		CDBG - ENTITLEMENT GRANTS CLUSTER	\$132,787
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218		ARIZONA DEPARTMENT OF HOUSING / NARBHA	108-20	\$86,576	\$132,787		CDBG - ENTITLEMENT GRANTS CLUSTER	\$132,787
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						<b>\$132,787</b>			
<b>DEPARTMENT OF THE INTERIOR</b>									
OUTDOOR RECREATION ACQUISITION, DEVELOPMENT AND PLANNING	15.916		ARIZONA STATE PARKS AND TRAILS	04-00754		\$73,329	\$73,329	N/A	\$0
<b>TOTAL DEPARTMENT OF THE INTERIOR</b>						<b>\$73,329</b>			
<b>DEPARTMENT OF JUSTICE</b>									
COVID-19 - CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM	16.034	COVID-19				\$28,193	\$87,371	N/A	\$0
COVID-19 - CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM	16.034	COVID-19	ARIZONA CRIMINAL JUSTICE COMMISSION	ACEFS 21-017		\$59,178	\$87,371	N/A	\$0
NATIONAL CRIMINAL HISTORY IMPROVEMENT PROGRAM (NCHIP)	16.554		ARIZONA CRIMINAL JUSTICE COMMISSION	NCHIP-20-22-007		\$37,380	\$37,380	N/A	\$0
CRIME VICTIM ASSISTANCE	16.575		ARIZONA DEPARTMENT OF PUBLIC SAFETY	DPS 2020-144 DPS 2020-143 DPS 2020-142		\$210,805	\$210,805	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738		CITY OF FLAGSTAFF	2021-JAG		\$14,427	\$117,081	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738		ARIZONA CRIMINAL JUSTICE COMMISSION	DC-22-002 DC-22-022		\$102,654	\$117,081	N/A	\$0
<b>TOTAL DEPARTMENT OF JUSTICE</b>						<b>\$452,637</b>			
<b>DEPARTMENT OF LABOR</b>									
WIOA ADULT PROGRAM	17.258		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI21-002282	\$11,162	\$305,311	\$305,311	WIOA CLUSTER	\$1,156,174
WIOA YOUTH ACTIVITIES	17.259		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI21-002282	\$22,015	\$464,700	\$464,700	WIOA CLUSTER	\$1,156,174
WIOA NATIONAL DISLOCATED WORKER GRANTS/ WIA NATIONAL EMERGENCY GRANTS	17.277		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI20-002262		\$43,594	\$43,594	N/A	\$0
WIOA DISLOCATED WORKER FORMULA GRANTS	17.278		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI21-002282	\$24,128	\$386,163	\$386,163	WIOA CLUSTER	\$1,156,174
<b>TOTAL DEPARTMENT OF LABOR</b>					<b>\$57,305</b>	<b>\$1,199,768</b>			
<b>DEPARTMENT OF TRANSPORTATION</b>									
RECREATIONAL TRAILS PROGRAM	20.219		ARIZONA STATE PARKS	471811		\$4,247	\$4,247	N/A	\$0
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	GOHS 2021-0P-005		\$8,143	\$8,143	HIGHWAY AND SAFETY CLUSTER	\$19,769
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	GOHS 2022-405D-013		\$11,626	\$11,626	HIGHWAY AND SAFETY CLUSTER	\$19,769
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>						<b>\$24,016</b>			
<b>DEPARTMENT OF TREASURY</b>									
EMERGENCY RENTAL ASSISTANCE PROGRAM	21.023					\$32,722	\$32,722	N/A	\$0
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19				\$12,649,318	\$12,835,774	N/A	\$0
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	ADMINISTRATIVE OFFICE OF THE COURTS	220300CB01		\$16,810	\$12,835,774	N/A	\$0
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	ARIZONA CRIMINAL JUSTICE COMMISSION	VC-22-003		\$18,000	\$12,835,774	N/A	\$0
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	ARIZONA OFFICE OF THE GOVERNOR	GR-ARPA-CCF-070121-01		\$142,271	\$12,835,774	N/A	\$0
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	ARIZONA STATE PARKS	672201		\$9,375	\$12,835,774	N/A	\$0
<b>TOTAL DEPARTMENT OF TREASURY</b>							<b>\$12,868,496</b>		
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES</b>									
PROMOTION OF THE ARTS PARTNERSHIP AGREEMENTS	45.025		ARIZONA COMMISSION ON THE ARTS	LSTA#2020-0010-INFOACC-03		\$5,000	\$5,000	N/A	\$0
GRANTS TO STATES	45.310		ARIZONA STATE LIBRARY DEPARTMENT	LSTA#2020-0010-INFOACC-03		\$6,601	\$6,601	N/A	\$0
<b>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES</b>							<b>\$11,601</b>		
<b>NATIONAL SCIENCE FOUNDATION</b>									
COMPUTER AND INFORMATION SCIENCE AND ENGINEERING	47.070					\$59,832	\$59,832	N/A	\$0
STEM EDUCATION (FORMERLY EDUCATION AND HUMAN RESOURCES)	47.076					\$149,833	\$149,833	N/A	\$0
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>							<b>\$209,665</b>		
<b>DEPARTMENT OF EDUCATION</b>									
SPECIAL EDUCATION GRANTS TO STATES	84.027		ARIZONA DEPARTMENT OF EDUCATION	H027A200007 H027X210007		\$16,415	\$16,415	SPECIAL EDUCATION CLUSTER (IDEA)	\$16,415

IMPACT AID	84.041				\$67,697	\$67,697	N/A	\$0
JAVITS GIFTED AND TALENTED STUDENTS EDUCATION	84.206		NORTHERN ARIZONA UNIVERSITY	MA1370	\$15,243	\$15,243	N/A	\$0
RURAL EDUCATION	84.358				\$18,242	\$18,242	N/A	\$0
ENGLISH LANGUAGE ACQUISITION STATE GRANTS	84.365		ARIZONA DEPARTMENT OF EDUCATION	S365A210003 CTRO59007	\$13,569	\$13,569	N/A	\$0
EDUCATION STABILIZATION FUND	84.425	COVID-19, 84.425D	ARIZONA DEPARTMENT OF EDUCATION	S425D210038 S425D200038	\$135,282	\$135,282	N/A	\$0
<b>TOTAL DEPARTMENT OF EDUCATION</b>						<b>\$266,448</b>		
<b>DELTA REGIONAL AUTHORITY or DENALI COMMISSION or ELECTION ASSISTANCE COMMISSION or JAPAN U.S. FRIENDSHIP COMMISSION</b>								
2018 HAVA ELECTION SECURITY GRANTS	90.404		STATE OF ARIZONA	2020HAVA A218101001 2018HAVA	\$60,575	\$60,575	N/A	\$0
<b>TOTAL DELTA REGIONAL AUTHORITY or DENALI COMMISSION or ELECTION ASSISTANCE COMMISSION or JAPAN U.S. FRIENDSHIP COMMISSION</b>						<b>\$60,575</b>		
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
SPECIAL PROGRAMS FOR THE AGING, TITLE III, PART B, GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	93.044		NACOG AREA AGENCY ON AGING	202131235TSP 202112347NTR	\$3,030	\$3,030	AGING CLUSTER	\$154,990
SPECIAL PROGRAMS FOR THE AGING, TITLE III, PART C, NUTRITION SERVICES	93.045		NACOG AREA AGENCY ON AGING	202131235TSP 202112347NTR	\$134,885	\$134,885	AGING CLUSTER	\$154,990
NATIONAL FAMILY CAREGIVER SUPPORT, TITLE III, PART E	93.052		NACOG AREA AGENCY ON AGING	202131235TSP 202112347NTR	\$1,288	\$1,288	N/A	\$0
NUTRITION SERVICES INCENTIVE PROGRAM	93.053		NACOG AREA AGENCY ON AGING	202131235TSP 202112347NTR	\$17,075	\$17,075	AGING CLUSTER	\$154,990
PUBLIC HEALTH EMERGENCY PREPAREDNESS	93.069		NATIONAL ENVIRONMENTAL HEALTH ASSOCIATION	CTRO43131	\$166,598	\$166,598	N/A	\$0
FOOD AND DRUG ADMINISTRATIVE RESEARCH INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	93.103		ARIZONA DEPARTMENT OF HEALTH SERVICES	G-OATR-202111-01412	\$2,570	\$2,570	N/A	\$0
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTRO43159	\$220,144	\$220,144	N/A	\$0
COVID-19 - IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	COVID-19	ARIZONA DEPARTMENT OF HEALTH SERVICES	CTRO43250	\$49,884	\$49,884	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	COVID-19	ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS18-17767 IGA2021-056 CTRO57313 CTRO56163 CTRO59132	\$388,727	\$438,611	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	COVID-19	ARIZONA DEPARTMENT OF HEALTH SERVICES	IGA2021-056 CTRO57313 CTRO56163 CTRO59133	\$1,038,435	\$1,470,044	N/A	\$0
COVID-19 - PUBLIC HEALTH EMERGENCY RESPONSE: COOPERATIVE AGREEMENT FOR EMERGENCY RESPONSE: PUBLIC HEALTH CRISIS RESPONSE	93.354	COVID-19	ARIZONA DEPARTMENT OF HEALTH SERVICES	CTRO43131 CTR 055208	\$18,908	\$18,908	N/A	\$0
COVID-19 - ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STL) HEALTH DEPARTMENT RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES	93.391	COVID-19	ARIZONA DEPARTMENT OF HEALTH SERVICES	CTRO55991	\$894,326	\$1,016,462	\$1,016,462	N/A
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	COVID-19	ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI-20-002262	\$162,540	\$162,540	N/A	\$0
CHILD SUPPORT ENFORCEMENT	93.563		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	KR18-0694 DI18-002172	\$24,221	\$24,221	N/A	\$0
LOW-INCOME HOME ENERGY ASSISTANCE	93.568		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI-20-002262	\$370,858	\$829,745	N/A	\$0
LOW-INCOME HOME ENERGY ASSISTANCE	93.568	COVID-19	ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI-20-002262	\$458,887	\$829,745	N/A	\$0
COMMUNITY SERVICES BLOCK GRANT	93.569		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI-20-002262	\$211,278	\$248,168	N/A	\$0
COMMUNITY SERVICES BLOCK GRANT DISCRETIONARY AWARDS	93.569	COVID-19	ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI-20-002262	\$36,890	\$248,168	N/A	\$0
CHILDCARE AND DEVELOPMENT BLOCK GRANT	93.575		ARIZONA DEPARTMENT OF HEALTH SERVICES	GRA-STATE-19-0969-01-Y4	\$34,417	\$34,417	CCDF CLUSTER	\$34,417
GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS	93.597		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI16-002155	\$8,101	\$8,101	N/A	\$0
FOSTER CARE TITLE IV-E	93.658		ADMINISTRATIVE OFFICE OF THE COURTS	TITLE IV-E	\$74,438	\$74,438	N/A	\$0
SOCIAL SERVICES BLOCK GRANT	93.667		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI-20-002262	\$41,032	\$41,032	N/A	\$0
OPIOID STR	93.788		HEALTH CHOICE ARIZONA, INC.	1H79T083320-01	\$26,694	\$26,694	N/A	\$0
HIV CARE FORMULA GRANTS	93.917		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS18-193951 CTRO43151	\$250,756	\$250,756	N/A	\$0
HIV PREVENTION ACTIVITIES HEALTH DEPARTMENT BASED	93.940		ARIZONA DEPARTMENT OF HEALTH SERVICES	ADHS18-188829 CTRO43154	\$20,324	\$20,324	N/A	\$0
BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.959		GOVERNOR'S OFFICE OF YOUTH, FAITH AND FAMILY	SABG-DSG-20-100120-04	\$199,877	\$199,877	SUBSTANCE ABUSE BLOCK GRANT	\$199,877
SEXUALLY TRANSMITTED DISEASES (STD) PREVENTION AND CONTROL GRANTS	93.977		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTRO40474	\$147,612	\$147,612	N/A	\$0
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991		ARIZONA DEPARTMENT OF HEALTH SERVICES	IGA 2020-016 CTRO55326	\$115,089	\$115,089	N/A	\$0
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994		ARIZONA DEPARTMENT OF HEALTH SERVICES	IGA2020-047 CTRO55271 CTRO43352 CTRO43264	\$97,370	\$97,370	N/A	\$0
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					<b>\$894,326</b>	<b>\$5,769,999</b>		
<b>DEPARTMENT OF HOMELAND SECURITY</b>								
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042	COVID-19	ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS (DEMA)	EMF 2021-EP-00016-18	\$236,747	\$236,747	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	200106-06	\$3,050	\$10,249	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	20-AZDOHS-HSGP-200101-02 21-AZDOHS-HSGP-210100-01	\$7,199	\$10,249	N/A	\$0
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>						<b>\$246,996</b>		
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS</b>					<b>\$994,479</b>	<b>\$28,088,861</b>		

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.

**COCONINO COUNTY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Period 7/1/2021 - 6/30/2022**

**Significant Accounting Policies Used in Preparing the SEFA**

Expenditures reporting 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 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 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 Coconino County federal grant activity for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (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 of the 2022 Federal Assistance listings.

# COUNTY RESPONSE



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May 31, 2023

Lindsey A. Perry  
Auditor General  
2910 N. 44th Street, 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* 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,

A handwritten signature in black ink that reads "Siri Mullaney".

Siri Mullaney  
Chief Fiscal Officer

Coconino County  
Corrective Action Plan  
Year Ended June 30, 2022

## Financial Statement Findings

### 2022-01

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**The County failed to provide key financial information to auditors timely and issued its Annual Comprehensive Financial Report late, resulting in untimely financial information for decision makers**

**Contact Persons:** Siri Mullaney, Finance Director

**Completion date:** March 31, 2023

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Corrective Action: Concur. Coconino County has experienced turnover from 2019 to 2021 of all audit and accounting staff that compile its financial statements and AELR. Due to labor market conditions, the County was challenged with filling a number of these key positions and hired a CPA firm to prepare financial statements for fiscal year 2021. Despite this support, the impact of low staffing levels continued to impact timely and accurate preparation of financial statements and schedules for fiscal year 2021.

The County has now filled all accounting and audit positions and will continue to employ a CPA firm that specializes in governmental accounting to ensure that financial statements are prepared in accordance with GAAP and GASB.

### 2022-02

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**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**

**Contact Persons:** Matt Fowler, IT Director/CIO

**Completion date:** June 30, 2023

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Corrective Action: Concur. Coconino County has successfully implemented NIST 800-53 rev5 best practices to identify risks and applied multi-layered defense safeguards. Comprehensive IT policies and procedures are implemented with a high emphasis on access control, least privilege, disaster recovery, internal audits, external audits, and incident response; further promoting governance, risk, and compliance. We operate a continuous diagnostics and mitigation (CDM) program with strict remediation timelines. All systems are hardened utilizing Defense Information System Agency (DISA) Security Technical Implementation Guides (STIG). We are passionate about IT Security and always encourage 3<sup>rd</sup> party audits to enhance our

Coconino County  
Corrective Action Plan  
Year Ended June 30, 2022

security posture. All auditor findings are taken seriously as we maintain the Confidentiality, Integrity, and Availability of Coconino County infrastructure.

Access Control – County IT will continue to work with the department Elected Officials ensuring routine internal audits take place for systems not managed by County IT and will integrate role-based, least privilege, access controls where vendor compatibility is available.

Change Management – County IT will automate standard language into our change management process, capturing routine rollback/testing considerations utilizing our existing enterprise software.

This finding will be fully resolved for FY23 audit.

Coconino County  
Corrective Action Plan  
Year Ended June 30, 2022

## Federal Award Findings and Questioned Costs

### 2022-101

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**CFDA No. and Name:** 10.691 Good Neighbor Authority

**Responsible Persons:** Siri Mullaney, Finance Director

**Anticipated completion date:** June 30, 2023

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Corrective Action: Concur. In fiscal year 2023, the Flood Control District was moved from the Public Works Department and formed into a stand-alone department, allowing for the hire of new staff dedicated to the management of federal awards. This increase in oversight will provide the capacity to accurately account for federal awards and comply with requirements such as adherence to the award start and end dates and the receipt of pre-approval by the federal agency for pre-award costs. The County will continue to provide technical assistance and resources to departments managing federal awards.

### 2022-102

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**CFDA No. and Name:** Not applicable

**Responsible Persons:** Siri Mullaney, Finance Director

**Completion date:** March 31, 2023

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Corrective Action: Concur. Due to a vacancy in the key position responsible for preparation of the SEFA, there was a delay in the preparation. Additionally, in response to the fiscal year 2021 single audit finding regarding accuracy of the schedule of expenditure of federal awards, the County implemented a process to better identify and account for federal awards and conduct an independent and thorough review of SEFA data. Both the vacancy and additional tasks increased the preparation timeline. The County has now filled the key position. They have also implemented improved procedures for obtaining federal expenditure information from departments managing federal awards and the subsequent review process that will expedite the preparation of the SEFA for fiscal year 2023.



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May 31, 2023

Lindsey A. Perry  
Auditor General  
2910 N. 44th Street, Suite 410  
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements to 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.

Sincerely,

A handwritten signature in black ink that reads "Siri Mullaney".

Siri Mullaney  
Chief Fiscal Officer

Coconino County  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2022

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**Status of Financial Statement Findings**

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**The County failed to provide key financial information to auditors timely, and its initial 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**

Finding No: 2021-01, 2020-03. This finding initially occurred in fiscal year 2020.

Status: Partially Corrected

Explanation: Coconino County has experienced turnover from 2019 to 2021 of all audit and accounting staff that compile its financial statement and AELR. Due to labor market conditions, the County was unsuccessful in filling key positions and hired a CPA firm to prepare several of the fiscal year 2021 statements. Despite this support, the impact of low staffing levels continued to impact timely and accurate preparation of financial statements and schedules.

The County has now filled all accounting and audit positions and will continue to employ a CPA firm that specializes in governmental accounting to ensure that financial statements are prepared in accordance with GAAP and GASB. The County estimates that this finding will be fully corrected by March 31, 2023.

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**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 No: 2021-02. This finding initially occurred in fiscal year 2017.

Status: Partially corrected

Explanation: The Information Technology department resolved all enterprise access control and security issues identified during the audit year with the exception of non-departmental audits not managed by County IT. Our organization will continue to work with the identified areas, ensuring County IT Security policies are followed and continue efforts to satisfy this finding. The contingency planning finding has been fully resolved. We have dedicated IT Security staff providing separation of duties and continue to perform continuous diagnostic mitigation 24x7x365 leveraging a layered defense topology. The change management finding was fully corrected in FY20 and resurfaced as a finding in FY21 and FY22. The change management policy has since been revised to ensure consistency with respect to the change management process. This finding is anticipated to be fully resolved for the FY23 audit.

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Coconino County  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2022

**Status of Federal Award Findings and Questioned Costs**

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CFDA No: N/A  
Finding No: 2021-101  
Status: Partially Corrected

Explanation: The County implemented a process to better identify and account for federal awards and conduct an independent and thorough review of SEFA data, resolving the accuracy element of the finding. Due to a vacancy in the key position responsible for its preparation, the SEFA was delayed. This position has now been filled. Additionally, the County has implemented improved procedures for obtaining federal expenditure information from departments managing federal awards that will expedite the preparation of the SEFA for fiscal year 2023.

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CFDA No: 93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  
Finding No: 2021-102  
Status: Fully Corrected

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CFDA No: 93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  
Finding No: 2021-103  
Status: Fully Corrected

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