



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Financial Audit Division

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Single Audit

# Mohave County Community College District

Year Ended June 30, 2014

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**Debra K. Davenport**  
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.



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Mohave County Community College District  
Single Audit Reporting Package  
Year Ended June 30, 2014

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DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
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 Governing Board of  
Mohave County Community College District

We have audited the financial statements of the business-type activities and discretely presented component unit of Mohave County Community College District as of and for the year ended June 30, 2014, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2014. Our report includes a reference to other auditors who audited the financial statements of the Mohave Community College Foundation, the discretely presented component unit, as described in our report on the District's financial statements. We conducted our audit 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. However, the financial statements of the Mohave Community College Foundation 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 noncompliance associated with the Mohave Community College 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) to determine the 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.

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 were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control 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 District'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 2014-01 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2014-02 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 determination of financial statement amounts. 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*.

### **Mohave County Community College District's Response to Findings**

Mohave County Community College District's responses to the findings identified in our audit are presented on pages 15 through 17. The District's responses 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.

Jay Zsorey, CPA  
Financial Audit Director

December 18, 2014



DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
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 OMB Circular A-133**

Members of the Arizona State Legislature

The Governing Board of  
Mohave County Community College District

**Report on Compliance for Each Major Federal Program**

We have audited Mohave County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. The District'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 District'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 opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

### ***Basis for Qualified Opinion on Higher Education—Institutional Aid***

As described in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding its Higher Education—Institutional Aid (84.031) program's allowable costs/cost principles, level of effort, and reporting compliance requirements as described in items 2014-101 and 2014-102. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

### ***Qualified Opinion on Higher Education—Institutional Aid***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Mohave County Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Higher Education—Institutional Aid (84.031) program for the year ended June 30, 2014.

### ***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, Mohave County Community College District 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, 2014.

Mohave County Community College District's responses to the noncompliance findings identified in our audit are presented on pages 15 through 17. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

### **Report on Internal Control over Compliance**

The District'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 District'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 OMB Circular A-133, 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 District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 were not identified. However, as discussed below, we identified deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-101 and 2014-102 to be material weaknesses.

Mohave County Community College District's responses to the internal control over compliance findings identified in our audit are presented on pages 15 through 17. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

### **Purpose of this Report**

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the business-type activities and discretely presented component unit of Mohave County Community College District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 18, 2014, that contained an unmodified opinion on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of the District'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.

Jay Zsorey, CPA  
Financial Audit Director

January 28, 2015



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**Mohave County Community College District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014**

Federal agency/CFDA number (Note 2)	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number	Program expenditures
<b>National Science Foundation</b>					
47 076	Education and Human Resources				\$ 8,388
<b>Small Business Administration</b>					
59 037	Small Business Development Centers		Maricopa County Community College District	SBAHQ-13-B- 0061, SBAHQ-14- B-0050	77,900
<b>Department of Education</b>					
84 002	Adult Education—Basic Grants to States		AZ Department of Education	14FAEABE-470556- 02A, 14FAEAEF- 470556-04A	92,689
84 007	Federal Supplemental Educational Opportunity Grants	Student Financial Assistance Cluster			104,813
84 033	Federal Work-Study Program	Student Financial Assistance Cluster			103,412
84 063	Federal Pell Grant Program	Student Financial Assistance Cluster			9,017,262
84 268	Federal Direct Student Loans	Student Financial Assistance Cluster			7,170,450
	<i>Total Student Financial Assistance Cluster</i>				<u>16,395,937</u>
84 031	Higher Education—Institutional Aid				180,245
84 048	Career and Technical Education—Basic Grants to States		AZ Department of Education	13FCTDBG- 370556-01A, 14FCTDBG- 470556-01A	249,630
<b>Total Department of Education</b>					<u>16,918,501</u>
<b>Total expenditures of federal awards</b>					<u>\$ 17,004,789</u>

See accompanying notes to schedule.

Mohave County Community College District  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes Mohave County Community College District's federal grant activity and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Catalog of Federal Domestic Assistance (CFDA) Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2014 *Catalog of Federal Domestic Assistance*.

Note 3 - Subrecipients

The District did not provide federal awards to subrecipients during the year ended June 30, 2014.

Mohave County Community College District  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2014

**Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Unmodified	
	<b>Yes</b>	<b>No</b>
Internal control over financial reporting:		
Material weaknesses identified?	<u>X</u>	___
Significant deficiency identified?	<u>X</u>	___
Noncompliance material to the financial statements noted?	___	<u>X</u>

**Federal Awards**

Internal control over major programs:		
Material weakness identified?	<u>X</u>	___
Significant deficiency identified?	___	<u>X</u> (None reported)
Type of auditors' report issued on compliance for major programs: Unmodified for all major programs except for the Higher Education—Institutional Aid program, which was qualified.		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])?	<u>X</u>	___

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
	Student Financial Assistance Cluster:
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.031	Higher Education—Institutional Aid

Mohave County Community College District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

	<b>Yes</b>	<b>No</b>
Auditee qualified as low-risk auditee?	<u>    </u>	<u>  X  </u>

**Other Matters**

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])?	<u>  X  </u>	<u>    </u>
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Mohave County Community College District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

Financial Statement Findings

**2014-01**

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**The District should improve procedures over its information technology systems**

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Criteria: The District's information technology (IT) systems process and store information that is vital to its daily operations. Therefore, the District should have effective controls to prevent and detect unauthorized access to its financial information system and data and unauthorized use, damage, or loss of information, including confidential or sensitive information. In addition, to help ensure that the District can recover its IT systems and data and continue to process its transactions in the event of a system or equipment failure or other interruption, the District should test and evaluate its disaster recovery plan annually.

Condition and context: The District did not adequately control access to its financial information system during the year. Specifically, the District did not always ensure that the authorized access was compatible with an employee's job responsibilities and ensure that the access granted agreed with the access requested. In addition, the District did not have policies and procedures in place for monitoring the activities of those users with elevated system access and did not have adequate written policies and procedures over its financial information system's password protection. Further, the District did not test its disaster recovery plan for all its IT systems during the fiscal year and was unable to provide documentation of its most recent test.

Effect: There is an increased risk that the District may not adequately prevent or detect unauthorized use, damage, loss, or manipulation of programs, information, and data, including sensitive and confidential information. In addition, the District may be unable to recover financial, student, or grant information, and therefore, conduct daily operations in the event of a system or equipment failure or other interruption.

Cause: The District did not establish policies and procedures to secure its IT systems and applications, and the data they contain against unauthorized access and loss.

Recommendation: To help prevent and detect unauthorized access to its financial information system and data and unauthorized use, damage, or loss of information, the District should establish policies and procedures that include the following:

- Periodically perform a comprehensive review of all existing users to help ensure that access granted is needed and compatible with job responsibilities.
- Monitor the access of those users with elevated access.
- Require user passwords to be changed on a regular basis and that passwords be composed of specified lengths and characters.

In addition, to help ensure that the District can recover its IT systems and data and continue to process its transactions in the event of a system or equipment failure or other interruption, the District should test and evaluate its disaster recovery plan annually and retain documentation of all disaster recovery plan tests and those tests' results.

A similar finding was noted in the previous year.

Mohave County Community College District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

**2014-02**

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**The District should establish procedures to accurately record and report financial information**

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Criteria: The District's internal controls should include policies and procedures to help ensure that it prepares an accurate and complete *Comprehensive Annual Financial Report* in accordance with generally accepted accounting principles.

Condition and context: The District's Governing Board and management depend on accurate information to fulfill their oversight responsibilities and to report accurate information to the public and agencies from which the District receives funding. However, the District's financial statements, notes, and other reported information contained misstatements that ranged from mathematical errors to noncompliance with financial reporting framework requirements. For example, capital assets and long-term liabilities were not always accurately accounted for and reported, and other amounts did not agree within the report.

Effect: The District's financial statements could omit important and required information or contain other misstatements. The District adjusted its financial statements, notes, and other reported information within the *Comprehensive Annual Financial Report* to report the correct amounts and information.

Cause: During fiscal year 2014, the District implemented a review process to help ensure the financial statements' accuracy; however, the process did not include a detailed review of the District's *Comprehensive Annual Financial Report* by a reviewer who was aware of accounting standards. In addition, the District lacked comprehensive written procedures needed to accurately prepare and review financial statements.

Recommendation: To help ensure that the financial statements are accurate and prepared in accordance with generally accepted accounting principles, the District should:

- Develop and follow comprehensive written procedures for compiling and presenting financial data within the financial statements and accompanying notes, including detailed instructions for obtaining information not readily available from the accounting system but necessary for financial statement preparation.
- Allocate the appropriate resources, and monitor and enforce completion dates for compiling, preparing, and reviewing the financial statements and supporting schedules.
- Train other employees in financial reporting responsibilities.
- Have an appropriate employee who is aware of accounting standards and did not prepare the financial statements review them and the accompanying notes. The reviewer should make sure that the amounts are accurate and properly supported and the financial statements are presented in accordance with generally accepted accounting principles.

A similar finding was noted in the previous year.

Mohave County Community College District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

Federal Award Findings and Questioned Costs

**2014-101**

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**CFDA No. and Name:** 84.031 **Higher Education—Institutional Aid**  
**Award Numbers and Years:** P031A080013-12; October 1, 2012 through September 30, 2013  
**Federal Agency:** **Department of Education**  
**Compliance Requirements:** Allowable Costs/Cost Principles and Level of Effort  
**Questioned Costs:** Unknown

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Criteria: In accordance with 2 Code of Federal Regulations (CFR) §220, Appendix A, Section J(10), the District is required to maintain records that certify or confirm on an after-the-fact basis that employee compensation charged to federal programs represents a reasonable distribution of employees' actual time and effort worked on federal programs. In addition, such records should be retained for at least 3 years to comply with 34 CFR §80.42. Finally, the District's grant agreement stipulated for the level of effort requirement that 100 percent of the program director's time and effort be spent on program activities.

Condition and context: The District had two salaried and four hourly employees working on the program during the fiscal year. For the two salaried employees, expenditures were charged to the program based on budgeted distribution percentages established in the payroll system. The District did not require the employees to prepare documents to certify or confirm their compensation charged to the federal program represented the actual time spent on the program. As a result, the budgeted distribution percentages were not compared to actual costs and revised as necessary to reflect actual time spent working on the program. In addition, the District's program director did not certify or confirm that 100 percent of his time and effort was spent on program activities to support that the District achieved the level of effort its grant agreement required.

Effect: The District did not comply with the cost principles requirements outlined in 2 CFR §220, Appendix A, Section J(10). It was not practical to extend our auditing procedures to determine questioned costs, if any, that may have resulted from this finding. This finding has the potential to affect other federal programs the District administers. In addition, the District did not comply with the level of effort requirement stipulated in the grant agreement for the program director.

Cause: The District lacked policies and procedures for certifying or confirming employees' time and effort spent on federal programs.

Recommendation: The District should implement policies and procedures to ensure that salaries and wages charged to the program represent actual costs. In addition, the District should establish policies and procedures for certifying or confirming on an after-the-fact basis employees' time and effort on federal programs.

A similar finding was noted in the previous year.



Mohave County Community College District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

**2014-102**

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**CFDA No. and Name:** 84.031 **Higher Education—Institutional Aid**  
**Award Numbers and Years:** P031A080013-12; October 1, 2012 through September 30, 2013  
**Federal Agency:** **Department of Education**  
**Compliance Requirements:** Reporting  
**Questioned Costs:** None

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**Criteria:** The District is required under 34 Code of Federal Regulations (CFR) §74.51 to submit an annual performance report. The annual performance report should demonstrate whether substantial progress has been made toward meeting program objectives and the program performance measures, and also includes financial data regarding the program's budget and current and prior period expenditures. The District is also required under 34 CFR §74.53 to maintain supporting documents for 3 years from the final report submission date.

**Condition and context:** The District was unable to substantiate the \$247,711 reported as being spent under the student services and outcomes focus area. Additionally, the District did not review and approve the report prior to submission.

**Effect:** The District did not comply with the program's reporting requirements. Noncompliance with these requirements could potentially result in a reduction or discontinuation of program awards in future periods.

**Cause:** The District failed to maintain adequate supporting documentation for its annual performance report. In addition, the District did not have procedures for reviewing or approving the report prior to submission.

**Recommendation:** The District should ensure adequate documentation is maintained to support data submitted on its annual performance reports. Additionally, the District should evaluate and improve its internal controls over annual performance reports and develop procedures to ensure the reports are reviewed prior to submission.

January 28, 2015

Debbie Davenport  
Auditor General  
2910 N. 44<sup>th</sup> St., Ste. 410  
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying Corrective Action Plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by U.S. Office of Management and Budget Circular A-133. Specifically, we are providing you with the corrective action planned for each financial reporting finding and the names of the contact persons responsible for corrective action, the corrective action planned, and the anticipated completion date for each federal award finding included in the current year's Schedule of Findings and Questioned Costs.

Sincerely,

Jess Jacobs  
Associate Dean of Business

**Mohave County  
Community College  
District Office**  
1971 Jagerson Ave.  
Kingman, AZ 86409  
928.757.4331

**Bullhead City Campus**  
3400 Highway 95  
Bullhead City, AZ 86442  
928.758.3926

**Distance Education Campus**  
1971 Jagerson Ave.  
Kingman, AZ 86409  
928.757.0867

**Lake Havasu City Campus**  
1977 Acoma Blvd. West  
Lake Havasu City, AZ 86403  
928.855.7812

**Neal Campus - Kingman**  
1971 Jagerson Ave.  
Kingman, AZ 86409  
928.757.4331

**North Mohave Campus**  
480 S. Central  
Colorado City, AZ 86021  
928.875.2799  
1.800.678.3992

**[www.mohave.edu](http://www.mohave.edu)  
1.866.664.2832**

Mohave County Community College District  
Corrective Action Plan Year  
Ended June 30, 2014

Financial Statement Findings

**2014-01**

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**The District should improve procedures over its information technology systems**

Contact person: William Farmer, Executive Director of IT

Anticipated completion date: June 30, 2015

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While the procedures for software permissions processes have been dramatically improved, there have continued to be instances in which permissions were not adequately addressed. The District accepts this finding and recognizes the deficiencies in the creation and maintenance of system permissions. The District has completed the redesign of this process and believes there will be no further instances of inconsistency. Permissions have been restructured and formalized. Additionally, a system for monitoring activities of users with elevated system access will be created along with written policies and procedures over password protection of the financial system.

The District recognizes it was unable to provide documentation that testing of IT systems had taken place. The District is committed to improve documentation of these exercises going forward. The District will continue to invest to prevent intrusion and ensure recoverability.

**2014-02**

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**The District should establish procedures to accurately record and report financial information**

Contact person: Jess Jacobs, Associate Dean of Business

Anticipated completion date: June 30, 2015

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The District has utilized the existing Finance and Audits Committee to ensure statements are accurately finalized prior to auditor review. However, the District agrees that the internal review process for financial statements and note disclosures should be expanded to train other employees in preparation of the financial statements. Additionally, employees that have a greater expertise in financial statements and do not prepare the statements will review the statements as well as thoroughly document that these reviews have been completed.

Mohave County Community College District  
Corrective Action Plan Year  
Ended June 30, 2014

Federal Award Findings and Questioned Costs

**2014-101**

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CFDA No.: 84.031 **Higher Education-Institutional Aid**

Contact person: Jess Jacobs, Associate Dean of Business

Anticipated completion date: N/A

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This particular grant expired in fiscal year 2014 before any corrective action could be implemented. However, the District will ensure procedures are in place to stay in compliance with federal grant requirements for after-the-fact time and effort reporting.

**2014-102**

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CFDA No.: 84.031 **Higher Education-Institutional Aid**

Contact person: Jess Jacobs, Associate Dean of Business

Anticipated completion date: N/A

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This particular grant expired in fiscal year 2014 before any corrective action could be implemented. However, the District will work to ensure any future grants will have annual performance reports prepared that comply with written procedures for reviewing and approving the report prior to submission.

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January 28, 2015

Debbie Davenport  
Auditor General  
2910 N. 44<sup>th</sup> St., Ste. 410  
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying Summary Schedule of Prior Audit Findings as required by U.S. Office of Management and Budget Circular A-133. Specifically, we are reporting the status of audit findings included in the prior audit's Schedule of Findings and Questioned Costs related to federal awards. This schedule also includes audit findings reported in the prior audit's Summary Schedule of Prior Audit Findings that were not corrected.

Sincerely,

Jess Jacobs  
Associate Dean of Business

**Mohave County  
Community College  
District Office**  
1971 Jagerson Ave.  
Kingman, AZ 86409  
928.757.4331

**Bullhead City Campus**  
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928.758.3926

**Distance Education Campus**  
1971 Jagerson Ave.  
Kingman, AZ 86409  
928.757.0867

**Lake Havasu City Campus**  
1977 Acoma Blvd. West  
Lake Havasu City, AZ 86403  
928.855.7812

**Neal Campus - Kingman**  
1971 Jagerson Ave.  
Kingman, AZ 86409  
928.757.4331

**North Mohave Campus**  
480 S. Central  
Colorado City, AZ 86021  
928.875.2799  
1.800.678.3992

**www.mohave.edu**  
**1.866.664.2832**

Mohave County Community College District  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2014

Status of Federal Award Findings and Questioned Costs

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CFDA No.: 84.031 **Higher Education—Institutional Aid**

Finding No.: 2013-101

Status: Partially corrected

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The District recognizes that it did not keep adequate after-the-fact documentation to ensure employee compensation charged to federal programs represented the actual time and effort worked. The prior year finding was not noted until well into fiscal year 2014. With the Title III federal grant expiring on December 31, 2013, the District was unable to implement corrective action in time to ensure the 2013-14 grant year was in compliance. However, internal policy regarding time and effort reporting for all federal programs going forward has been implemented.