

Office of the Arizona State Treasurer

Annual financial statement audit

The Arizona State Treasurer’s fiscal year 2024 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting, summarized on the next page.

Audit purpose

To express our opinion on the Arizona State Treasurer’s financial statements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

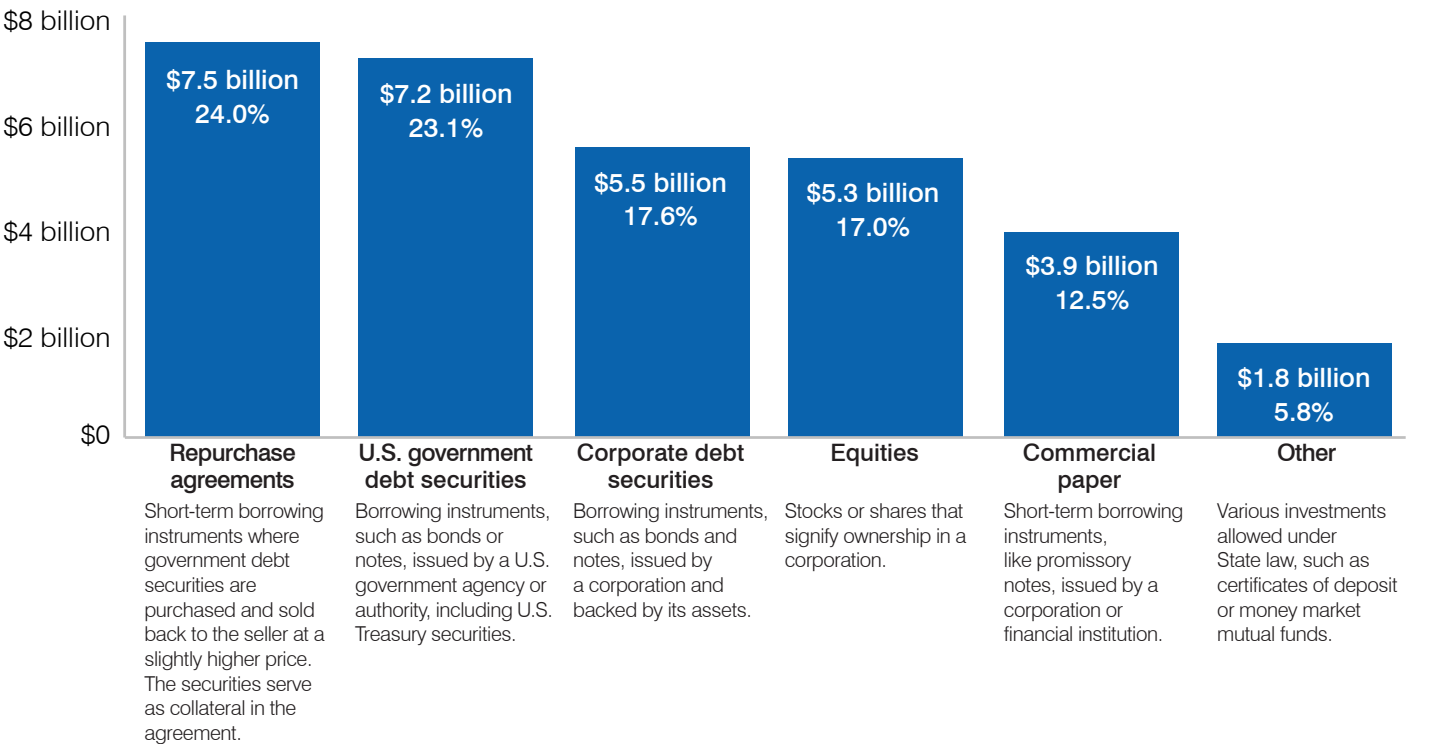
Treasurer manages the State’s and local governments’ investments

The Arizona State Treasurer’s primary function is holding and investing monies on behalf of State agencies including land trust funds and local governments such as cities and towns, special taxing districts, counties, and community college districts. It is responsible for maintaining effective internal controls that ensure the integrity of its financial and accounting information and accountability for its stewardship and use of public monies.

On behalf of:	Investments at June 30, 2024
State of Arizona	\$23.5 billion
Local governments	\$7.7 billion
Total	\$31.2 billion

Treasurer diversifies investments to help reduce risk

\$31.2 billion total investments by type
June 30, 2024



Auditor findings and recommendations

Summarized below are our findings and recommendations included in the Treasurer's [Report on Internal Control and on Compliance](#) where there is further information and the Treasurer's Office's responses. The Treasurer's Office needs to:

- Restrict bank account and investment portfolio access to only authorized employees to safeguard public monies. This includes developing policies and procedures to periodically review and recertify access and immediately request and verify that the financial institutions remove all access for terminated employees. We found that the Treasurer's Office allowed 2 terminated deputy treasurers inappropriate access to 8 bank accounts and 1 financial investment portfolio totaling over \$1.2 billion, increasing the risk of fraud and misuse of public monies. After we brought this to the Office's attention, they removed the terminated employees' access.
- Document, implement, and monitor compliance with policies and procedures to respond to risks associated with its information technology (IT) systems and data to effectively manage system configurations and changes and ensure operations continue. We found that some control procedures over IT systems and data were not sufficient, which increases the risk that the Treasurer's Office may not adequately protect those systems and data. This finding was initially reported in 2023.

Auditor General website report links

- The June 30, 2024, Arizona State Treasurer annual financial statement report and Report on Internal Control and on Compliance that are summarized in these highlights can be found at this [link](#). These reports should be read to fully understand the Arizona State Treasurer's overall financial picture and our reporting responsibilities.
- The Arizona State Treasurer's reports from prior years are available at this [link](#).