

Pima County

Single Audit Report

Year Ended June 30, 2024



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*



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
Pima County, Arizona

Report on compliance for each major federal program

Qualified and unmodified opinions

We have audited Pima 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, 2024. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified opinion on Workforce Innovation and Opportunity Act (WIOA) Cluster, Emergency Rental Assistance Program, Coronavirus State and Local Fiscal Recovery Funds, Emergency Food and Shelter National Board Program, and Shelter and Services Program

In our opinion, except for the noncompliance described in the basis for qualified and unmodified opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Workforce Innovation and Opportunity Act (WIOA) Cluster (Assistance Listings numbers 17.258, 17.259, and 17.278), Emergency Rental Assistance Program (Assistance Listings number 21.023), Coronavirus State and Local Fiscal Recovery Funds (Assistance Listings number 21.027), Emergency Food and Shelter National Board Program (Assistance Listings number 97.024), and Shelter and Services Program (Assistance Listings number 97.141) for the year ended June 30, 2024.

Unmodified opinion on each of the other major federal programs

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 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, 2024.

Basis for qualified and unmodified opinions

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 qualified and unmodified opinions 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.

Matters giving rise to qualified opinion on Workforce Innovation and Opportunity Act (WIOA) Cluster, Emergency Rental Assistance Program, Coronavirus State and Local Fiscal Recovery Funds, Emergency Food and Shelter National Board Program, and Shelter and Services Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding the major federal programs as described in the table below. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Program (or cluster) name	Assistance Listings number	Compliance Requirement	Finding Number
Workforce Innovation and Opportunity Act (WIOA) Cluster	17.258, 17.259, 17.278	Subrecipient Monitoring	2024-102
Emergency Rental Assistance Program	21.023 COVID-19	Reporting	2024-104
Coronavirus State and Local Fiscal Recovery Funds	21.027 COVID-19	Reporting Subrecipient Monitoring	2024-104 2024-102
Emergency Food and Shelter National Board Program	97.024 COVID-19	Subrecipient Monitoring	2024-102
Shelter and Services Program	97.141	Subrecipient Monitoring	2024-102

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 other instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as item 2024-101. 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and 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. We consider the deficiencies in internal control

over compliance described in the accompanying schedule of findings and questioned costs as items 2024-101, 2024-102, and 2024-104 to be material weaknesses.

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 of a federal program 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 2024-103 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, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 20, 2024, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. 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 8, 2025



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 U.S. generally accepted accounting principles **Unmodified**

Is a going concern emphasis-of-matter paragraph included in the auditors' report? **No**

Internal control over financial reporting

Material weaknesses identified? **No**

Significant deficiencies identified? **Yes**

Noncompliance material to the financial statements noted? **No**

Federal awards

Internal control over major programs

Material weaknesses identified? **Yes**

Significant deficiencies identified? **Yes**

Identification of major programs and types of auditors' reports issued on compliance

Name of federal program or cluster	Assistance Listings number	Unmodified	Qualified
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	✓	
Workforce Innovation and Opportunity Act (WIOA) Cluster	17.258, 17.259, 17.278		X
Emergency Rental Assistance Program	21.023 COVID-19		X
Coronavirus State and Local Fiscal Recovery Funds	21.027 COVID-19		X
Local Assistance and Tribal Consistency Fund	21.032	✓	
Emergency Food and Shelter National Board Program	97.024 COVID-19		X
Shelter and Services Program	97.141		X

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?

Yes

Dollar threshold used to distinguish between Type A and Type B programs

\$3,000,000

Auditee qualified as low-risk auditee?

No

Financial statement findings

Financial statement findings were reported in the separately issued 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*.

Federal award findings and questioned costs

2024-101

Assistance Listings number and name: Not applicable

Questioned costs: Not applicable

Condition—Contrary to federal regulations, the County did not accurately compile its schedule of expenditures of federal awards (SEFA). As a result, the County’s initially prepared SEFA contained errors we identified that required correction so that the County’s SEFA would contain accurate information. Specifically, the County:

- Understated total expenditures by nearly \$5.1 million.
- Understated total expenditures passed through to subrecipients by \$357,297.
- Did not correctly identify all applicable program clusters or report accurate program cluster totals.
- Misidentified pass-through entities.
- Excluded necessary Assistance Listings numbers and reported incorrect Assistance Listings numbers.

Further, the County did not submit its June 30, 2024, Single Audit Report to the federal audit clearinghouse until May 8, 2025, 38 days later than required. Specifically, the County’s Grants Management and Innovation Department (Department) failed to provide a complete and accurate SEFA to auditors by established deadlines agreed upon at the beginning of the audit. This information was provided to auditors up to 4 months past agreed-upon deadlines.

Effect—The County corrected the most significant errors we identified. However, the County risks potentially misinforming those who rely on its reported federal award expenditures and potentially wasting public monies because misstated amounts and misidentified Assistance Listings numbers could result in auditors unnecessarily auditing the wrong federal programs or programs that were not federally funded.

In addition, the County’s 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 Department did not follow its written policies and procedures to accurately prepare and review its SEFA prior to submitting it for audit. Further, the Department lacked a comprehensive listing of federal funds recorded in its accounting system.

Additionally, the Department's management reported it did not properly train staff on how to prepare its SEFA because of staff turnover and limited available staff, which also caused delays in issuing the Single Audit Report.

Criteria—Federal regulations require the County to maintain effective internal controls so that it can prepare an accurate and complete SEFA that reports all its federal award expenditures (2 CFR §§200.302 and .510[b]). Also, the County's policies and procedures include detailed SEFA preparation steps and require the Department Director and Deputy Director to review the SEFA for accuracy.¹

Additionally, federal regulations require the County to submit its Single Audit Report to the federal audit clearinghouse no later than 9 months after fiscal year-end, or by March 31, 2025, for the County's June 30, 2024, Single Audit Report (2 CFR §200.512).

Further, 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 to the County—

1. Accurately prepare the SEFA by allocating staffing resources and providing training on existing policies and procedures to perform detailed SEFA preparation steps and review the SEFA for accuracy.
2. Create and maintain a comprehensive listing of federal funds recorded in its accounting system.
3. 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 audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ Pima County. (2018, November). Grants Management & Innovation Policy number GMI-08: Single Audit.

2024-102

Cluster name:

Assistance Listings numbers and names:

Award numbers and years:

Federal agency:

Pass-through grantor:

Questioned costs:

Workforce Innovation and Opportunity Act (WIOA) Cluster

17.258 **WIOA Adult Program**

17.259 **WIOA Youth Activities**

17.278 **WIOA Dislocated Worker Formula Grants**

DI21-002286, April 1, 2022 through June 30, 2024;

Alert 23-001, July 1, 2023 through June 30, 2024;

Alert 23-003, July 1, 2023 through June 30, 2024;

Alert 24-002, July 1, 2023 through May 31, 2024

U.S. Department of Labor

Arizona Department of Economic Security

N/A

Assistance Listings number and name:

Award numbers and years:

Federal agency:

Pass-through grantors:

Questioned costs:

21.027 **COVID-19 - Coronavirus State and Local Fiscal Recovery Funds**

1505-0271, March 3, 2021 through December 31, 2024;

19418, May 31, 2023 through September 30, 2023

U.S. Department of the Treasury

Arizona Criminal Justice Commission, City of Tucson, Arizona

Housing Coalition, and Arizona Department of Public Safety

N/A

Assistance Listings number and name:

Award numbers and years:

Federal agency:

Pass-through grantor:

Questioned costs:

97.024 **COVID-19 - Emergency Food and Shelter National Board Program**

027200-048, November 1, 2021 through December 30, 2024;

027200-056, April 1, 2023 through February 29, 2024;

23*115, March 1, 2023 through February 29, 2024;

23*154, April 1, 2023 through February 29, 2024

U.S. Department of Homeland Security

United Way EFSP

\$347,345

Assistance Listings number and name:

Award number and year:

Federal agency:

Questioned costs:

Compliance requirement:

Total questioned costs:

97.141 **Shelter and Services Program**

24*039, March 1, 2023 through September 30, 2025

U.S. Department of Homeland Security

N/A

Subrecipient monitoring

\$347,345

Condition—The County's Grants Management and Innovation Department (Department) awarded over \$29 million to 27 subrecipients during fiscal year 2024, or 29% of the County's total federal expenditures for the federal programs shown in Table 1 below, but did not perform all the required monitoring of its subrecipients' activities or compliance with award terms and program requirements.

Table 1
Summary of subrecipients by federal program
Fiscal year 2024

Federal program name	Subrecipient information			Total federal expenditures	Subrecipient awards as a percentage of total federal expenditures
	Total number	Number tested	Total awards		
Workforce Innovation and Opportunity Act (WIOA) Cluster	4	4	\$ 568,095	\$12,253,972	4.6%
Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	17	7	17,241,445	56,862,338	30.3%
Emergency Food and Shelter National Board Program (EFS)	4	4	7,810,673	22,622,229	34.5%
Shelter and Services Program (SSP)	2	2	3,560,449	8,172,063	43.5%
Total	27	17	\$29,180,662	\$99,910,602	29.2%

While the Department performed some monitoring procedures during the year, those procedures were not sufficient to evaluate its subrecipients' use of program monies in accordance with the award terms, program requirements, and federal regulations.

Specifically, contrary to federal regulations, the Department did not perform the following required monitoring procedures:

- **Perform monitoring activities based on risk assessments performed**—The Department did not perform monitoring activities based on risk assessments performed. Specifically, the Department's risk assessment procedures identified 7 high-risk and 4 moderate-risk subrecipients, but it did not modify its monitoring activities to address the risks identified. Additional monitoring activities could include providing training or technical assistance on program-related matters and performing on-site reviews, selective audits, and/or other monitoring procedures like reviewing the subrecipient's policies and procedures obtained to ensure the subrecipients complied with award terms, program requirements, and federal regulations.
- **Document monitoring procedures, results, and actions taken**—For 4 of 4 WIOA subrecipients, 7 of 7 SLFRF subrecipients, 3 of 4 EFS subrecipients, and 1 of 2 SSP subrecipients we tested, while the Department completed and maintained a checklist of subrecipient monitoring procedures, it did not document monitoring results or Department actions taken for these subrecipients based on the checklist results.

- **Verify subrecipient single audits were conducted timely**—The Department did not verify whether 1 of its 4 WIOA subrecipients had a single audit performed.

Effect—The Department's failure to perform required monitoring contributed to \$347,345 of misspent EFS program monies that the Department may be required to return to the federal agency in accordance with federal requirements.¹ Specifically, the Department's not reviewing subrecipient procurement policies and procedures aided in allowing 1 EFS subrecipient to render services for which conflicts of interest existed. Specifically, the EFS subrecipient, Catholic Community Services (CCS), began having laundry services provided by a vendor, Amado Laundry, in April 2023, for which it then self-reported to the County a conflict-of-interest violation in May 2024. This violation was a result of a CCS employee forming a vendor relationship with Amado Laundry, which was owned by the employee's mother.

After the Department's management was made aware of the conflict of interest, they performed monitoring procedures over CCS and identified noncompliance with federal procurement guidelines totaling \$347,345, including determining that Amado Laundry charged a rate double the average rates charged by competitors. The County issued a management letter to CCS on September 27, 2024, communicating a conflict-of-interest finding and a procurement standards finding. The conflict-of-interest finding required CCS to develop new, written procurement-related conflict-of-interest procedures in compliance with federal regulations and to create and maintain an ongoing training program related to these federally compliant conflict-of-interest procedures for employees.

Further, there is an increased risk that \$29 million of program monies the Department awarded to subrecipients may not be spent in accordance with the award terms, program requirements, and federal regulations. If monies are spent inconsistent with program requirements, those who intended to benefit from the program may not receive all the services or other benefits they otherwise would have received.

Also, the Department's not verifying subrecipient single audits were conducted may result in the Department's not following up on and ensuring corrective action is taken on audit findings that could potentially affect the program and/or issue management decisions for audit findings pertaining to the federal award. Finally, the County is at risk that this finding applies to other federal programs it administers.

Cause—The Department's management reported that they did not always follow County policies and procedures and only performed limited procedures because their subrecipient monitoring policies and procedures were outdated, the number of subrecipients increased significantly during the fiscal year, and they did not have sufficient staff to monitor all subrecipients. The Department's management also reported that it prioritized transitioning to a new enterprise resource planning (ERP) system rather than monitoring all subrecipients.

Further, the County's policies lacked requirements to perform monitoring activities based on risk assessments performed and to review subrecipients' policies and procedures to ensure the subrecipients complied with award terms, program requirements, and federal regulations.

Criteria—Federal regulation requires the County to monitor subrecipients, which includes required monitoring procedures for (2 CFR §200.332):

- Assessing the risk of each subrecipient's noncompliance and performing monitoring activities based on those risk assessments, such as providing training or technical assistance on program-related matters and performing on-site reviews, selective audits, and/or other monitoring procedures.
- Reviewing financial and performance reports.

- Verifying single audits were conducted timely.
- Following up on and ensuring corrective action is taken on audit findings that could potentially affect the program.
- Issuing a management decision for audit findings pertaining to the federal award.

In addition, County policies require the County to:

- Assess subrecipient risk and establish a monitoring plan and perform monitoring procedures at least every 2 years, including verification of internal controls.^{2,3}
- Review the Federal Audit Clearinghouse at least quarterly to review subrecipient single audits and issue management decision letters, as necessary.²
- Maintain documentation of monitoring procedures, including the monitoring procedure's results and any Department actions taken.³

Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations to the County—

1. Perform required monitoring of its subrecipients and their compliance with the award terms, program requirements, and federal regulations.
2. Follow its established policies and procedures for performing and documenting monitoring reviews of subrecipients to:
 - a. Maintain documentation of monitoring procedures demonstrating they were performed, including the monitoring procedures' results and any Department actions taken, if appropriate.
 - b. Verify subrecipients receive timely single audits, follow up on and ensure that corrective action is taken on audit findings that could potentially affect the program, and issue management decisions for audit findings pertaining to the federal award.
3. Update its policies and procedures to include:
 - a. A process to determine the appropriate monitoring activities to perform based on subrecipient risk assessments performed, such as providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures.
 - b. Review subrecipients' policies and procedures, including procurement processes, to ensure the subrecipients complied with award terms, program requirements, and federal regulations.
4. Prioritize and allocate sufficient resources, such as staffing, to comply with the award terms, program requirements, federal regulations, and its updated policies, and designate an individual(s) to perform necessary subrecipient-monitoring procedures.
5. Work with U.S. Department of Homeland Security to determine if it will require the Department to reimburse \$347,345 in questioned costs.

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 2022-101 and was initially reported in fiscal year 2022.

¹ Federal Uniform Guidance requires federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient 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).

² Pima County. (2018, June). Grants Management & Innovation Policy number GMI-04: Subrecipient Risk Assessment / Management Decisions.

³ Pima County. (2018, June). Grants Management & Innovation Policy number GMI-28: Subrecipient Monitoring.

2024-103

Assistance Listings number and name: 21.032 **COVID-19 - Local and Tribal Consistency Fund**
Award number and year: 1505-0276, October 20, 2022 through March 31, 2023
Federal agency: **U.S. Department of the Treasury**

Assistance Listings number and name: 97.141 **Shelter and Services Program**
Award number and year: 24*039, March 1, 2023 through September 30, 2025
Federal agency: **U.S. Department of Homeland Security**

Compliance requirement: Reporting
Questioned costs: Not applicable

Condition—Contrary to federal regulation, the County’s Grants Management and Innovation Department (Department) did not develop, document, or implement internal control procedures to monitor compliance with the programs’ reporting requirements.

Specifically, for 5 of 7 federal program reports we tested, the Department did not perform an independent review and approval of reports prior to submitting them to the federal grantor to ensure the reported expenditures were accurate, agreed to the County’s records, and contained only allowable expenses, as follows:

- 1 annual obligation and expenditure report for the Local and Tribal Consistency Fund (LTCF) totaling \$7,924,031.
- 3 quarterly financial reports and 3 quarterly performance reports for the Shelter and Services Program (SSP) totaling \$3,092,423.

Despite lacking internal control procedures, we did not identify inaccurate program information reported to the federal agency.

Effect—Without effective internal control procedures in place, there is an increased risk that the Department may not prevent or detect and correct errors on reports it submits to federal agencies, which rely on them to effectively monitor the program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the programs’ success. Further, the Department is at risk that this finding applies to other federal programs it administers. For instance, in finding 2024-104, we found errors in its reports for the Emergency Rental Assistance Program and Coronavirus State and Local Fiscal Recovery Funds federal programs the Department also administers.

Cause—The Department’s management reported that it had performed independent reviews and approvals of all reports but did not maintain documentation of these independent reviews because the Department did not have a formal policy requiring a documented review and approval of its reports.

Criteria—Federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303). This would include developing, documenting, and implementing internal control procedures to monitor compliance with federal agency guidelines requiring the Department to report accurate and complete information for the LTCF annual obligation and expenditure report and SSP quarterly financial and performance reports.^{1,2}

Recommendations to the Department—The Department should develop, document, and implement policies and procedures, and train responsible employees, to monitor compliance with the programs' reporting requirements, including processes to perform and document an independent review and approval of all federal program reports before submitting them to the federal agency to ensure reports are accurate, agree to County records, and contain only allowable expenditures.

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.

¹ U.S. Department of the Treasury. [2022, September]. Reporting Guidance for the Local Assistance and Tribal Consistency Fund. Retrieved 4/7/2025 from <https://home.treasury.gov/system/files/136/LATCF-Reporting-Guidance.pdf>.
² U.S. Department of Homeland Security. [2023, June]. The Department of Homeland Security (DHS) Notice of Funding Opportunity (NOFO) Fiscal Year 2023 Shelter and Services Program.

2024-104

Assistance Listings number and name:	21.023 COVID-19 - Emergency Rental Assistance Program
Award numbers and years:	1505-0270, May 5, 2021 through September 30, 2025; 23*019, May 5, 2021 through September 30, 2025; 23*056, May 5, 2021 through September 30, 2025; 23*064, May 5, 2021 through September 30, 2025
Assistance Listings number and name:	21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
Award numbers and years:	1505-0271, March 3, 2021 through December 31, 2024; 19418, May 31, 2023 through September 30, 2023
Federal agency:	U.S. Department of the Treasury
Compliance requirement:	Reporting
Questioned costs:	Not applicable

Condition—Contrary to federal regulation and guidance, for information it reported to the federal agency for its Emergency Rental Assistance (ERA) Program and Coronavirus State and Local Fiscal Recovery Funds (SLFRF) programs, the County's Grants Management and Innovation Department (Department) did not retain documentation to support 8 reports we tested and did not always report accurate information or required elements. Specifically, we found that the Department:

- **Did not retain documentation for 4 ERA and 4 SLFRF reports**—The Department did not retain documentation, like system reports, screenshots, or queries, to support the information it reported for 4 ERA and 4 SLFRF quarterly reports we tested.¹

- **Did not accurately report information for 4 SLFRF reports**—The Department incorrectly reported information for the 4 SLFRF quarterly reports specified in the previous bullet. Specifically, the Department understated cumulative program expenditures by nearly \$14.6 million, or 10% of total cumulative program expenditures, as of June 30, 2024.
- **Failed to report required elements for 2 ERA reports**—The Department did not report all key performance and financial reporting data points required by the federal agency in 2 of 4 ERA quarterly reports we tested, thereby limiting the amount of data we could audit.

Specifically, the Department did not submit:

- Demographic information for the ERA2 – Q2 2023 report due August 16, 2023.
- Any performance or financial reporting data for the ERA2 – Q3 2023 report due November 15, 2023.

As of June 30, 2024, the County spent \$77.6 million, or 99% of the nearly \$77.7 million of ERA program monies, and \$147.1 million, or 72% of the over \$203.4 million of SLFRF program monies, advanced in fiscal year 2021.

Effect—The Department's failure to report required elements and accurate program information in its reports and to retain associated documentation for audit purposes resulted in us being unable to determine whether the reports were complete and accurate. Also, it results in the federal agency being unable to rely on the reports to monitor the Department's program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the program's success. Further, the Department is unable to resubmit reports because the federal agency does not allow grantees to revise reports after the reporting period has closed.^{2,4} Finally, the Department is at risk that this finding applies to other federal programs it administers.

Cause—As described in finding 2024-103, the Department did not develop, document, or implement internal control procedures to monitor compliance with the programs' reporting requirements. Specifically, the Department did not perform an independent review and approval of reports prior to submitting them to the federal grantor to ensure the reported expenditures were accurate, agreed to the County's records, and contained only allowable expenses. Department management reported that it had performed independent reviews and approvals of all reports but did not maintain documentation because the Department did not have a formal policy requiring a documented review and approval of its reports. Further, the Department did not have a process to track when each report was required to be completed and did not verify that reports were submitted by the designated due dates.

Additionally, Department management reported that it had significant staff turnover between fiscal years, resulting in current staff being unaware of how past reports were prepared and what supporting documentation was used. Further, Department management reported that there were many challenges in using the U.S. Department of the Treasury's portal, including the inability to make changes to submitted reports after the reporting period ended.

Criteria—Federal agency guidance requires the Department to report accurate and complete information for the ERA and SLFRF quarterly reports.^{3,4} Also, federal regulation and Department retention policies require the Department to retain all records relating to a federal award for a period of 3 years from the date of its submission of the final expenditure report (2 CFR §200.334).⁵

Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations to the Department—

1. Prepare and retain detailed documentation, such as system reports, screenshots, or queries, to ensure accurate and complete program information is reported to the federal agency for each federal program.
2. Follow its retention policies and procedures and federal regulation requirements to retain all records relating to a federal award for a period of 3 years from the date of its submission of the final expenditure report.
3. Develop, document, and implement policies and procedures and train responsible employees to monitor compliance with the program's reporting requirements, including processes to:
 - a. Reconcile expenditure amounts reported to the County's accounting records and investigate and resolve any differences prior to submitting the reports to the federal agencies.
 - b. Perform and document an independent review and approval of all federal program reports before submitting them to the federal agency to ensure reports are accurate, agree to County records, and contain only allowable expenditures.
 - c. Create a tracking mechanism to ensure reports are completed and submitted by the designated due dates.
4. Work with the U.S. Department of the Treasury to determine if it will require and allow the Department to adjust and resubmit previously submitted reports to correct detected errors and/or missing information.

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.

¹ The Department did not retain documentation for the following ERA quarterly reports: ERA2 - Q2 2023, Q3 2023, Q4 2023, and Q1 2024. Further, the Department did not retain documentation for the following SLFRF quarterly Project and Expenditure Reports: April 1, 2023 through June 30, 2023; July 1, 2023 through September 30, 2023; October 1, 2023 through December 31, 2023; and January 1, 2024 through March 31, 2024.

² On April 2, 2024, the U.S. Department of the Treasury updated its ERA2 Treasury Portal User Guide, which indicates that the grantee can only resubmit a report before the reporting deadline. (U.S. Department of the Treasury. [2024, April]. Emergency Rental Assistance Program [ERA2] Treasury Portal User Guide, Version 3.0. Retrieved 4/7/2025 from <https://home.treasury.gov/system/files/136/ERA2-Portal-Users-Guide.pdf>).

³ The U.S. Department of the Treasury requires the Department to submit accurate and complete ERA quarterly reports of cumulative programmatic and financial information covering the period from receipt of awards to the end of the current quarterly reporting period (U.S. Department of the Treasury. [2024, September]. Emergency Rental Assistance Program [ERA2] Reporting Guidance, Version 3.0. Retrieved 4/7/2025 from <https://home.treasury.gov/system/files/136/ERA2-Reporting-Guidance.pdf>).

⁴ On April 7, 2023, the U.S. Department of the Treasury updated its Project and Expenditure Report User Guide State and Local Fiscal Recovery Funds, which indicates that the grantee can only resubmit a report before the reporting deadline. Further, the U.S. Department of the Treasury requires the Department to submit accurate and complete SLFRF quarterly project and expenditure reports that provide information on projects funded, expenditures, and contracts and subawards greater than or equal to \$50,000, and other information required from recipients. (U.S. Department of the Treasury. [2023, April]. Project and Expenditure Report User Guide State and Local Fiscal Recovery Funds, Version 2. Retrieved 4/7/2025 from <https://home.treasury.gov/system/files/136/ERA2-Reporting-Guidance.pdf>).

⁵ Pima County's record retention schedule requires federal grant records to be retained after quarterly, annual, or final expenditure reports are submitted and approved or after funding agency requirements are met, whichever is longer (Pima County. [2023, December]. Pima County Record Retention Schedule).

COUNTY SECTION

PIMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2023 - 6/30/2024

<i>Federal Awarding Agency/Program Title</i>	<i>Assistance Listings Number</i>	<i>Additional Award Identification (Optional)</i>	<i>Name of Grantor Pass-Through Entity</i>	<i>Identifying Number Assigned By Grantor Pass-Through Entity</i>	<i>Total Amount Provided to Sub-Recipients</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
DEPARTMENT OF AGRICULTURE									
SCHOOL BREAKFAST PROGRAM	10.553		ARIZONA DEPARTMENT OF EDUCATION	101001000		\$22,271	\$22,271	CHILD NUTRITION CLUSTER	\$133,226
NATIONAL SCHOOL LUNCH PROGRAM	10.555		ARIZONA DEPARTMENT OF EDUCATION	101001000, ED09-0001		\$110,955	\$110,955	CHILD NUTRITION CLUSTER	\$133,226
WIC SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN	10.557		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTRO40838, CTR067929		\$2,575,875	\$2,575,875	N/A	\$0
STATE & PRIVATE FORESTRY HAZARDOUS FUEL REDUCTION PROGRAM	10.697		ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT	NPHF 22-205		\$106,538	\$106,538	N/A	\$0
LAW ENFORCEMENT AGREEMENTS	10.704					\$41,080	\$41,080	N/A	\$0
WATERSHED PROTECTION AND FLOOD PREVENTION	10.904					\$298,039	\$298,039	N/A	\$0
TOTAL DEPARTMENT OF AGRICULTURE						\$3,154,758			
DEPARTMENT OF COMMERCE									
MIDDLE MILE (BROADBAND) GRANT PROGRAM	11.033					\$53,425	\$53,425	N/A	\$0
TOTAL DEPARTMENT OF COMMERCE						\$53,425			
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
COVID-19 - COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	COVID-19			\$110,472	\$122,561	\$3,387,226	CDBG - ENTITLEMENT GRANTS CLUSTER	\$3,387,226
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218				\$1,504,103	\$3,264,665	\$3,387,226	CDBG - ENTITLEMENT GRANTS CLUSTER	\$3,387,226
EMERGENCY SOLUTIONS GRANT PROGRAM	14.231		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	CTRO66291		\$171,065	\$590,152	N/A	\$0
COVID-19 - EMERGENCY SOLUTIONS GRANT PROGRAM	14.231	COVID-19			\$192,693	\$226,201	\$590,152	N/A	\$0
EMERGENCY SOLUTIONS GRANT PROGRAM	14.231				\$172,218	\$192,886	\$590,152	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239		CITY OF TUCSON	GTAW-CR-22-127	\$150,000	\$225,098	\$225,098	N/A	\$0
COVID-19 - HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	14.241	COVID-19			\$1,378	\$1,438	\$895,743	N/A	\$0
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	14.241				\$882,592	\$894,305	\$895,743	N/A	\$0
CONTINUUM OF CARE PROGRAM	14.267		CITY OF TUCSON	194741		\$28,800	\$1,653,547	N/A	\$0
CONTINUUM OF CARE PROGRAM	14.267				\$646,240	\$1,624,747	\$1,653,547	N/A	\$0
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						\$3,659,696	\$6,751,766		
DEPARTMENT OF THE INTERIOR									
COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	15.615		ARIZONA GAME AND FISH DEPARTMENT	GTAW-SUS-23-0136		\$182,617	\$182,617	N/A	\$0
HISTORIC PRESERVATION FUND GRANTS-IN-AID	15.904				\$56,521	\$56,521	\$116,395	N/A	\$0
HISTORIC PRESERVATION FUND GRANTS-IN-AID	15.904		ARIZONA STATE HISTORIC PRESERVATION OFFICE	4423010, 4423013		\$59,874	\$116,395	N/A	\$0
TOTAL DEPARTMENT OF THE INTERIOR						\$56,521	\$299,012		
DEPARTMENT OF JUSTICE									
JUVENILE JUSTICE AND DELINQUENCY PREVENTION	16.540		GOVERNOR'S OFFICE OF YOUTH, FAITH AND FAMILY	J2-CSG-18-100118-09Y3		\$55,797	\$55,797	N/A	\$0
CRIME VICTIM ASSISTANCE	16.575		ARIZONA DEPARTMENT OF PUBLIC SAFETY	VOCA-2024-Aprob-00084, 2020-187, 2020-117		\$193,832	\$193,832	N/A	\$0
CRIME VICTIM ASSISTANCE/DISCRETIONARY GRANTS	16.582					\$4,973	\$4,973	N/A	\$0
TREATMENT COURT DISCRETIONARY GRANT PROGRAM	16.585				\$115,884	\$218,123	\$218,123	N/A	\$0
VIOLENCE AGAINST WOMEN FORMULA GRANTS	16.588		GOVERNOR'S OFFICE OF YOUTH, FAITH & FAMILY	GR-STOP-GOYFF-010124-15		\$64,061	\$64,061	N/A	\$0
GRANTS TO ENCOURAGE ARREST POLICIES AND ENFORCEMENT OF PROTECTION ORDERS PROGRAM	16.590					\$67,729	\$67,729	N/A	\$0
STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	16.606					\$313,031	\$313,031	N/A	\$0
PUBLIC SAFETY PARTNERSHIP AND COMMUNITY POLICING GRANTS	16.710					\$2,272,299	\$2,272,299	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738					\$184,510	\$270,825	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738		CITY OF TUCSON	19118, 19391, 18968, 18848		\$86,315	\$270,825	N/A	\$0
SECOND CHANCE ACT REENTRY INITIATIVE	16.812				\$202,651	\$670,853	\$670,853	N/A	\$0
INDIGENT DEFENSE	16.836				\$25,776	\$131,602	\$131,602	N/A	\$0
JUSTICE DEPARTMENT	16.000	UNKNOWN				\$31,181	\$31,181	N/A	\$0
TOTAL DEPARTMENT OF JUSTICE						\$344,311	\$4,294,306		
DEPARTMENT OF LABOR									
WIA ADULT PROGRAM	17.258		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI21-002286	\$86,300	\$4,745,398	\$4,745,398	WIOA CLUSTER	\$12,253,971
WIA YOUTH ACTIVITIES	17.259		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI21-002286, DI23-002389	\$425,121	\$3,394,097	\$3,394,097	WIOA CLUSTER	\$12,253,971
H-1B JOB TRAINING GRANTS	17.268				\$254,708	\$1,056,008	\$1,056,008	N/A	\$0
WIOA NATIONAL DISLOCATED WORKER GRANTS / WIA NATIONAL EMERGENCY GRANTS	17.277					\$29,794	\$513,339	N/A	\$0
WIOA NATIONAL DISLOCATED WORKER GRANTS / WIA NATIONAL EMERGENCY GRANTS	17.277		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	EO-ISA-2024-01		\$483,545	\$513,339	N/A	\$0
WIOA DISLOCATED WORKER FORMULA GRANTS	17.278		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	DI21-002286	\$56,674	\$4,114,476	\$4,114,476	WIOA CLUSTER	\$12,253,971
TOTAL DEPARTMENT OF LABOR						\$822,803	\$13,823,318		
DEPARTMENT OF TRANSPORTATION									
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	T0339010/030, T028201C, T0358 01X, T054001D, T054101D/030, T0495, T040501D/030		\$970,137	\$970,137	N/A	\$0
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2024-AI-015, 2024-405D-032, 2024-PTS-046, 2023-AI-025, 2023-PTS-047		\$65,800	\$65,800	HIGHWAY SAFETY CLUSTER	\$161,028
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2023-405C-015		\$95,228	\$95,228	HIGHWAY SAFETY CLUSTER	\$161,028
TOTAL DEPARTMENT OF TRANSPORTATION						\$1,131,165			
DEPARTMENT OF THE TREASURY									
EMERGENCY RENTAL ASSISTANCE PROGRAM	21.023	COVID-19			\$259,598	\$9,257,003	\$9,257,003	N/A	\$0
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	ARIZONA CRIMINAL JUSTICE COMMISSION	ACJC-VC-24-011F		\$354,313	\$56,862,338	N/A	\$0
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	CITY OF TUCSON	19418 19503		\$149,513	\$56,862,338	N/A	\$0
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	ARIZONA HOUSING COALITION	419-22		\$128,892	\$56,862,338	N/A	\$0
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	ARIZONA DEPARTMENT OF PUBLIC SAFETY	2023-318		\$73,806	\$56,862,338	N/A	\$0
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19			\$17,241,445	\$56,155,814	\$56,862,338	N/A	\$0
LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND	21.032	COVID-19				\$7,924,031	\$7,924,031	N/A	\$0
TOTAL DEPARTMENT OF THE TREASURY						\$17,501,043	\$74,043,372		
INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES									
GRANTS TO STATES	45.310		ARIZONA STATE LIBRARY	2021-0810-TeleHealth-01, 2023-0260 WIR-01		\$11,058	\$11,058	N/A	\$0

**TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL
ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE
HUMANITIES**

					\$11,058				
ENVIRONMENTAL PROTECTION AGENCY									
AIR POLLUTION CONTROL PROGRAM SUPPORT	66.001				\$414,622	\$414,622	N/A	\$0	
SURVEYS, STUDIES, RESEARCH, INVESTIGATIONS, DEMONSTRATIONS, AND SPECIAL PURPOSE ACTIVITIES RELATING TO THE CLEAN AIR ACT	66.034				\$13,162	\$254,899	\$254,899	N/A	\$0
CLIMATE POLLUTION REDUCTION GRANTS	66.046				\$71,976	\$234,024	\$234,024	N/A	\$0
CONGRESSIONALLY MANDATED PROJECTS	66.202					\$81,162	\$81,162	N/A	\$0
TOTAL ENVIRONMENTAL PROTECTION AGENCY					\$85,138	\$984,707			
DEPARTMENT OF ENERGY									
WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS	81.042		ARIZONA DEPARTMENT OF HOUSING	228-23, 206-24		\$44,768	\$44,768	N/A	\$0
TOTAL DEPARTMENT OF ENERGY						\$44,768			
DEPARTMENT OF EDUCATION									
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010		ARIZONA DEPARTMENT OF EDUCATION	241CSGBA-410267-01A,23FTITTI-310267-01A,23CSIGRA-310267-01A,21FECSIM-110267-01A,21MTSS-110267-01A		\$134,590	\$134,590	N/A	\$0
SPECIAL EDUCATION_ GRANTS TO STATES	84.027		ARIZONA DEPARTMENT OF EDUCATION	23FESCGB-310267-09A, 24ICSGBA-410267-01A		\$26,506	\$26,506	SPECIAL EDUCATION CLUSTER (IDEA)	\$26,506
STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM	84.424		ARIZONA DEPARTMENT OF EDUCATION	24FT4TV-410267-01A		\$10,015	\$10,015	N/A	\$0
EDUCATION STABILIZATION FUND	84.425	COVID-19, 84.425U	ARIZONA DEPARTMENT OF EDUCATION	21FESIII-110267-01A		\$37,382	\$37,382	N/A	\$0
TOTAL DEPARTMENT OF EDUCATION						\$208,493			
ELECTION ASSISTANCE COMMISSION PROGRAM									
HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS	90.401		ARIZONA SECRETARY OF STATE	AZ18101001		\$131,261	\$131,261	N/A	\$0
TOTAL ELECTION ASSISTANCE COMMISSION PROGRAM						\$131,261			
DEPARTMENT OF HEALTH AND HUMAN SERVICES									
PUBLIC HEALTH EMERGENCY PREPAREDNESS	93.069		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR055217		\$1,238,100	\$1,238,100	N/A	\$0
FOOD AND DRUG ADMINISTRATION RESEARCH	93.103					\$145,864	\$145,864	N/A	\$0
PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAMS	93.116		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR064394		\$126,888	\$126,888	N/A	\$0
INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	93.136					\$556,642	\$659,203	N/A	\$0
INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	93.136		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR063749		\$102,561	\$659,203	N/A	\$0
COMMUNITY PROGRAMS TO IMPROVE MINORITY HEALTH GRANT PROGRAM	93.137	COVID-19			\$568,398	\$1,300,249	\$1,300,249	N/A	\$0
FAMILY PLANNING SERVICES	93.217		ARIZONA FAMILY HEALTH PARTNERSHIP	FPHPA006520, SFPHPA006520-02-00, FPHPA006520-01-00		\$832,165	\$832,165	N/A	\$0
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243					\$645,208	\$645,208	N/A	\$0
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	COVID-19	ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR062571	\$13,098	\$2,233,671	\$2,400,343	N/A	\$0
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTRS09891		\$166,672	\$2,400,343	N/A	\$0
RACIAL AND ETHNIC APPROACHES TO COMMUNITY HEALTH	93.304					\$58,238	\$58,238	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR048597, CTR060545, CTR057423, IGA2021-061/CTR059175		\$111,465	\$826,147	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	COVID-19	ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR048597		\$714,682	\$826,147	N/A	\$0
PUBLIC HEALTH EMERGENCY RESPONSE: COOPERATIVE AGREEMENT FOR EMERGENCY RESPONSE: PUBLIC HEALTH CRISIS RESPONSE	93.354		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR066616		\$16,840	\$16,840	N/A	\$0
ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (SLTL) HEALTH DEPARTMENT RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES	93.391	COVID-19			\$702,068	\$1,555,263	\$1,555,263	N/A	\$0
STRENGTHENING PUBLIC HEALTH SYSTEMS AND SERVICES THROUGH NATIONAL PARTNERSHIPS TO IMPROVE AND PROTECT THE NATION'S HEALTH	93.421	COVID-19	NATIONAL ASSOCIATION OF COUNTY AND CITY HEALTH OFFICIALS	2022-021602	\$72,700	\$152,607	\$242,852	N/A	\$0
STRENGTHENING PUBLIC HEALTH SYSTEMS AND SERVICES THROUGH NATIONAL PARTNERSHIPS TO IMPROVE AND PROTECT THE NATION'S HEALTH	93.421		NATIONAL ASSOCIATION OF COUNTY AND CITY HEALTH OFFICIALS	2022-082202,2023-040702,2023-073103	\$29,123	\$90,245	\$242,852	N/A	\$0
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558		ARIZONA DEPARTMENT OF SECURITY	ADES18-206221 Amendment 4		\$9,993	\$9,993	N/A	\$0
LOW-INCOME HOME ENERGY ASSISTANCE	93.568		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	D120-002265	\$583,167	\$1,082,725	\$1,167,145	N/A	\$0
LOW-INCOME HOME ENERGY ASSISTANCE	93.568	COVID-19	ARIZONA DEPARTMENT OF ECONOMIC SECURITY	D120-002265		\$2,156	\$1,167,145	N/A	\$0
LOW-INCOME HOME ENERGY ASSISTANCE	93.568		ARIZONA DEPARTMENT OF HOUSING	217-22, 206-24		\$82,264	\$1,167,145	N/A	\$0
COMMUNITY SERVICES BLOCK GRANT	93.569		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	D120-002265	\$386,000	\$1,114,293	\$1,114,293	N/A	\$0
GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS	93.597		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	D116-002144		\$25,446	\$25,446	N/A	\$0
FOSTER CARE TITLE IV-E	93.658		ARIZONA DEPARTMENT OF CHILD SAFETY, ARIZONA SUPREME COURT	DE101072001		\$2,130,651	\$2,130,651	N/A	\$0
SOCIAL SERVICES BLOCK GRANT	93.667		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	D123-002346		\$30,038	\$30,038	N/A	\$0
PPHF: RACIAL AND ETHNIC APPROACHES TO COMMUNITY HEALTH PROGRAM FINANCED SOLELY BY PUBLIC PREVENTION AND HEALTH FUNDS	93.738				\$208,392	\$34,013	\$579,314	N/A	\$0
PPHF: RACIAL AND ETHNIC APPROACHES TO COMMUNITY HEALTH PROGRAM FINANCED SOLELY BY PUBLIC PREVENTION AND HEALTH FUNDS	93.738	COVID-19				\$545,301	\$579,314	N/A	\$0
OPIOID STR	93.788		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR063749	\$53,269	\$265,834	\$265,834	N/A	\$0
MATERNAL, INFANT AND EARLY CHILDHOOD HOMEVISITING GRANT PROGRAM	93.870	COVID-19	ARIZONA DEPARTMENT OF HEALTH SERVICES	RFGA2022-003-008		\$268,805	\$404,557	N/A	\$0
MATERNAL, INFANT AND EARLY CHILDHOOD HOMEVISITING GRANT PROGRAM	93.870		ARIZONA DEPARTMENT OF HEALTH SERVICES	RFGA2022-003-008		\$135,752	\$404,557	N/A	\$0
CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL AND TRIBAL ORGANIZATIONS	93.898		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTRS09661	\$24,398	\$474,042	\$474,042	N/A	\$0
HIV CARE FORMULA GRANTS	93.917		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR068203, ADHS18-193947-1		\$211,617	\$211,617	N/A	\$0
HIV PREVENTION ACTIVITIES HEALTH DEPARTMENT BASED BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.940		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTRS09758, CTR066159		\$406,542	\$406,542	N/A	\$0
GOVERNOR'S OFFICE OF YOUTH, FAITH & FAMILY	93.959			GR-SABG-GOYFF-100123-16	\$353	\$12,281	\$12,281	N/A	\$0
CENTERS FOR DISEASE CONTROL AND PREVENTION COLLABORATION WITH ACADEMIA TO STRENGTHEN PUBLIC HEALTH	93.967				\$14,943	\$1,336,497	\$1,336,497	N/A	\$0
SEXUALLY TRANSMITTED DISEASES (STD) PREVENTION AND CONTROL GRANTS	93.977		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR068852, CTR040484		\$351,215	\$351,215	N/A	\$0
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR060592		\$84,718	\$84,718	N/A	\$0
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994		ARIZONA DEPARTMENT OF HEALTH SERVICES	CTR040353, CTR055267, CTR068229		\$462,871	\$462,871	N/A	\$0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES						\$2,655,908	\$19,114,414		
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE									
AMERICORPS STATE AND NATIONAL 94.006	94.006		ADMINISTRATIVE OFFICE OF THE COURTS	SA-AC-AOC-090123-01		\$28,423	\$28,423	N/A	\$0

TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE									
						\$28,423			
EXECUTIVE OFFICE OF THE PRESIDENT									
HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM	95.001					\$829,238	\$829,238	N/A	\$0
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT						\$829,238			
DEPARTMENT OF HOMELAND SECURITY									
EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	97.024	COVID-19	UNITED WAY EFSP	ARPA-R 027200		\$7,726	\$22,622,229	N/A	\$0
EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	97.024			HR23-HAFR, EFSP CR23, EFSP HR23, EFSP HR22	\$7,810,673	\$22,614,503	\$22,622,229	N/A	\$0
HAZARD MITIGATION GRANT	97.039		ARIZONA DEPARTMENT OF EMERGENCY & MILITARY AFFAIRS	HMGP FM-5310-003-03R		\$192,169	\$192,169	N/A	\$0
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042		ARIZONA DEPARTMENT OF EMERGENCY & MILITARY AFFAIRS	JBMBVGUKSLF1		\$491,735	\$491,735	N/A	\$0
COOPERATING TECHNICAL PARTNERS	97.045					\$133,717	\$133,717	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	220403-01		\$75,000	\$75,000	N/A	\$0
SHELTER AND SERVICES PROGRAM	97.141					\$3,560,449	\$8,172,063	N/A	\$0
TOTAL DEPARTMENT OF HOMELAND SECURITY						\$11,371,122	\$31,686,913		
TOTAL EXPENDITURE OF FEDERAL AWARDS									
						\$36,496,542	\$156,590,397		

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.

PIMA COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2023 - 6/30/2024

Significant Accounting Policies Used in Preparing the SEFA

Expenditures reported 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 are 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 elected 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 Pima County's federal grant activity for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Federal Assistance Listings number

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the *2024 Federal Assistance Listings* as well as SAM.GOV and Grants.gov websites. When no Federal Assistance Listings number had been assigned to a program, the 2-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the 2-digit federal agency identifier and the word unknown were used.

Coronavirus State & Local Fiscal Recovery Funds (SLFRF - 21.027) Revenue Loss

The County elected to claim the \$10 million revenue loss standard allowance rather than using the calculated revenue loss option. The expenditure amount reported on this schedule is the aggregate expenditure amount for all four eligible use categories and not the result of the revenue loss calculation or standard allowance.

COUNTY RESPONSE



May 1, 2025

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

Pima County has 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, Pima County is 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 blue ink, appearing to read "Ken Walker", followed by a long horizontal line.

Ken Walker
Director (Interim), Grants Management & Innovation

Pima County, Arizona
Corrective Action Plan
Year Ended June 30, 2024

Finding 2024-101

Assistance Listings Number: Not applicable

Program Name: Not applicable

Name of contact person: Ken Walker, Director (Interim), Grants Management & Innovation; Art Cuarón, Director, Finance and Risk Management

Anticipated completion date: June 30, 2026

Response: Concur. There were four factors that contributed to Pima County submitting an inaccurate schedule of expenditures of federal awards (SEFA). Two key Grants Management & Innovation (GMI) staff who oversaw the GMI finance staff and who had been responsible for submitting the SEFA the previous two years resigned from County employment. The circumstances of their departures prevented the transfer of important information and processes. During FY24 the deputy director's position overseeing the grants finance division left the department and a decision was made not to replace that position. The County was in the process of onboarding a new enterprise resource planning system throughout FY24 and continuing into FY25, which further strained the department's capacity due to the need for ongoing data migration, integration, training, and troubleshooting labor. Pima County Department of Grants Management & Innovation (GMI) also experienced significant staff turnover during this period. These factors combined to substantially delay the work and training of personnel newly compiling the SEFA, which, in turn, impacted error rates.

Corrective Actions made to date and planned.

- 1) Despite these challenges, GMI staff corrected "the most significant errors" in the SEFA—as stated in the finding.
- 2) In March 2025, Pima County Administration moved the Grants Finance division of GMI into the Pima County Department of Finance & Risk Management (FRMG) to provide additional financial support and oversight to grant supervisors and accountants.
- 3) With the transition of the Grants Finance team from GMI to Finance and Risk Management, the Finance Grants team is collaborating with the Financial Control and Reporting division to review and update existing SEFA-related policies and procedures and create a SEFA audit checklist to ensure we have tighter control and oversight of the grant financial reporting life cycle. Additionally, staff cross training will commence which will further strengthen staff capacity to carry out these policies and procedures to ensure SEFA accuracy and timeliness.
- 4) GMI and FRMG collaborating to ensure a comprehensive and consistent method for the identification of federal revenue and expenditures across the new ERP system—specifically between Workday and AmpliFund. These two ERP applications work together to identify federal grant revenues and expenditures in Workday. This identification process then points back to detailed grant records in the AmpliFund database. AmpliFund is being built and maintained as the sole source-of-truth data repository for Pima County's grants in order to centralize and improve grants data integrity including the accuracy of assistance listing numbers, program clusters, and pass-through entities.

Pima County, Arizona
Corrective Action Plan
Year Ended June 30, 2024

Finding 2024-102

**Assistance Listings numbers
and names:**

17.258 **WIOA Adult Program**
17.259 **WIOA Youth Activities**
17.278 **WIOA Dislocated Worker Formula Grants**
21.027 **Coronavirus State and Local Fiscal Recovery Funds**
97.024 **Emergency Food and Shelter National Board Program**
97.141 **Shelter and Services Program**

Name of contact person:

Ken Walker, Director (Interim), Grants Management & Innovation

Anticipated completion date:

June 30, 2026

Response: Concur. The Pima County Department of Grants Management & Innovation (GMI) has re-organized its structure to include a division called Monitoring, Analysis, and Performance (MAP), which is now the lead on monitoring of all County sub-recipients and has begun the process of improving its sub-recipient monitoring processes and practices. The new process combines a more robust analysis of each subrecipient's required core documents including the entity's most recent financial audits as well as relevant policies and procedures with an updated fiscal and programmatic compliance review protocol that is aligned with specific award terms and with federal regulations. For example,

1. GMI has institutionalized the use of standardized written communication and timelines regarding monitoring all sub-recipients - e.g., entrance letters, corrective action requests, and exit letters.
2. GMI is currently piloting a new risk assessment methodology. Once it is finalized the County will communicate the new methodology to all subrecipient entities with an explanation of the revised system elements. The new methodology includes first-hand scoring of the degree to which the materials provided by each entity align with grantor and federal requirements.
3. GMI is developing a standardized method for initiating special terms and conditions with out-of-compliance sub-recipients. Corrective action steps will be incremental and may include increased meeting or reporting frequencies, technical assistance, and/or required training completion to help the entity attain regulatory compliance. Serious, on-going issues or refusal to correct may result in suspending payment until the items are corrected and contract termination as a last resort.
4. MAP will work with its Grants Data Management division colleagues to integrate monitoring scheduling and activities, results, and documents into *Amplifund*, the County's new grants management plug-in to its new ERP, *Workday*.

Additionally, to address the ongoing challenge of geometric growth in subrecipients over the last several fiscal years without added personnel capacity, GMI is working to achieve efficiency through the County's new grants management database, *AmpliFund*, as the centralized data repository for all subrecipient related reporting. Since go-live of the County's new ERP in July 2024, GMI has been providing training to all County subrecipients regarding how to interact

Pima County, Arizona
Corrective Action Plan
Year Ended June 30, 2024

with *AmpliFund* to be responsive to GMI monitoring and federal compliance. The County continues to work on the implementation of the full functionality of the new ERP software and its ancillary systems. Full functionality will allow real time updates to track subrecipient monitoring activities with visibility for both County departments and subrecipient entities.

Pima County, Arizona
Corrective Action Plan
Year Ended June 30, 2024

Finding 2024-103

**Assistance Listings numbers
and names:**

21.032 Local and Tribal Consistency Fund
97.141 Shelter and Services Program

Name of contact person:

Art Cuaron, Director, Finance and Risk Management; Ken Walker, Director (Interim), Grants Management & Innovation

Anticipated completion date:

June 30, 2026

Response: Concur. The Pima County Department of Grants Management & Innovation (GMI) has developed a new procedure and form, which it is now using to document review and approval of reports prior to submitting them to the federal grantor. This new workflow is designed to ensure accuracy and track data source locations in County records to tie to reporting.

The Pima County Department of Finance and Risk Management is also developing new procedures, modeled after its existing financial preparation processes, for use by the Finance Grants Division. These procedures will guide the division in preparing financial data for grant-related activities, including documentation of multiple levels of reviews to ensure consistency, accuracy, and alignment with County financial records before submission to federal grantors. Finance will also provide appropriate training to the Finance Grants team to ensure compliance with the programs' reporting requirements are accurate, agreed to the general ledger and contain only allowable expenditures and permitted in the grant award.

Pima County, Arizona
Corrective Action Plan
Year Ended June 30, 2024

Finding 2024-104

Assistance Listings number and name: **21.023 COVID-19 - Emergency Rental Assistance Program**

Award numbers and years: 1505-0270, May 5, 2021 through September 30, 2025
23*019, May 5, 2021 through September 30, 2025
23*056, May 5, 2021 through September 30, 2025
23*064, May 5, 2021 through September 30, 2025

Assistance Listings number and name: **21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds**

Award numbers and years: 1505-0271, March 3, 2021 through December 31, 2024
19418, May 31, 2023 through September 30, 2023

Federal agency: U.S. Department of the Treasury

Name of contact person: Ken Walker, Director (Interim), Grants Management & Innovation; Art Cuarón, Director, Finance and Risk Management

Anticipated completion date: June 30, 2026

Response: Concur. The Pima County Department of Grants Management & Innovation (GMI) acknowledges the finding related to noncompliance with federal reporting requirements for the Emergency Rental Assistance (ERA) and Coronavirus State and Local Fiscal Recovery Funds (SLFRF) programs. We recognize the critical importance of maintaining accurate, complete, and well-documented reporting in accordance with federal regulations, and we are committed to addressing the deficiencies noted in this finding. GMI recently adjusted the scope and activities of one of its divisions to address this concern. The division's new title is Monitoring, Analysis, and Performance (MAP) and its responsibility is to ensure that required reporting documentation is appropriately collected and retained and that related policies and procedures are up-to-date and followed.

Corrective Actions Taken and Planned:

1. Documentation and Retention Procedures

The Department has implemented a formalized process to ensure that all program reports are supported by comprehensive documentation. This includes:

- Capturing and retaining system-generated reports, screenshots, and data queries used in the preparation of ERA and SLFRF quarterly submissions. Each grant specific folder contains subfolders for:
 - Relevant emails
 - Screenshots of uploaded information and portal submissions
 - A copy of the *Departmental Approval Form* (review form acknowledging the review and agreement to submit programmatic and financial reports into its respective portal.)
 - A downloaded PDF of the data submitted for the respective quarter.

Pima County, Arizona
Corrective Action Plan
Year Ended June 30, 2024

- Establishing a secure digital repository to store supporting documentation for each report, ensuring accessibility and retention in accordance with **2 CFR §200.334** and the County's record retention policies.
 - Reporting Guidance
 - Compliance Supplements
 - Resources (programmatic and/or service codes, definitions, etc.)
 - Copies of raw data provided and coding scripts for applicable data sets.
- Conducting periodic internal audits to verify documentation compliance.
 - The MAP Monitoring manager will oversee periodic internal audits for all federal grants.

2. Policy and Procedure Development

The Department is finalizing written policies and procedures that establish clear internal controls over the federal reporting process. These policies will require:

- A formal reconciliation process of reported expenditures against the County's general ledger prior to submission.
- An independent review and documented approval of all reports to ensure accuracy and compliance with federal guidelines.
- Designated accountability roles within the reporting workflow, with approvals required at each stage. This includes electronic approvals within *Amplifund* and *Workday*. *Amplifund* is now the central repository of all grant documentation and *Workday* is the County's system of financial records.

3. Training and Staff Development

In response to staff turnover, which created institutional knowledge gaps, the Department has launched a training initiative to ensure all relevant personnel are familiar with ERA and SLFRF reporting requirements. Training covers:

- Reporting timelines and content requirements,
- Use of the U.S. Treasury's reporting portals, and
- Internal compliance expectations, including documentation standards and retention policies. The performance of staff assigned to these tasks will be monitored and corrective action, including re-training, will be taken to address any failures.

4. Reporting Calendar and Tracking Mechanism

To improve timeliness and oversight, the Department has initiated a centralized reporting calendar and task-tracking system (*Amplifund*). This system:

- Sends automated reminders of upcoming reporting deadlines,
- Tracks task completion by staff, and
- Tracks workflows

Pima County, Arizona
Corrective Action Plan
Year Ended June 30, 2024

5. Coordination with Federal Grantor

The Department is actively engaging with the U.S. Department of the Treasury to determine whether any corrections can be submitted for previously reported ERA and SLFRF data. U.S. Treasury staff has informed grantees that they are to correct mistakes made in a previous report in the current report. So, while federal guidance currently limits the ability to resubmit reports after the reporting deadline, the County is exploring whether exception-based resubmissions are permissible in cases of material reporting error.

Conclusion

The County is committed to enhancing and upholding best practice internal controls and fully aligning with federal grant requirements. Staff recognize the impact of these reporting deficiencies and are taking decisive steps to improve accountability and audit readiness across all federal programs. The corrective actions outlined above are designed to address the current finding and to mitigate similar risks for other grant programs administered by the County.



March 14, 2025

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required 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, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

A handwritten signature in blue ink, appearing to read "RK Kelly", with a stylized flourish at the end.

RK Kelly
Director, Grants Management & Innovation
(Federal award finding)

A handwritten signature in blue ink, appearing to read "Art Cuaron", with a stylized flourish at the end.

Art Cuaron
Director, Finance and Risk Management
(Financial statement findings)

Pima County

Summary schedule of prior audit findings

Year ended June 30, 2024

Status of financial statement findings

County Procurement Department's lack of verification over vendor information changes allowed public monies totaling \$42,739 to be stolen by fraudsters and would have allowed another \$4 million to be stolen had the bank not alerted the County

Finding number: 2022-02

This finding initially occurred in fiscal year 2022.

Status: Fully corrected.

Status of federal award findings and questioned costs

Assistance Listings number and program name: 97.024 Emergency Food and Shelter National Board Program

Finding number: 2022-101

This finding initially occurred in fiscal year 2022.

Status: Partially corrected.

The County Department of Grants Management & Innovation (GMI) has built a team solely dedicated to subrecipient monitoring to effectively and timely monitor all subrecipients every fiscal year. This team is now a part of the GMI Research & Analysis division in order to emphasize in-depth analysis of all monitoring components. This team has established specific metrics to drive a new risk management tool to determine which subrecipients need special terms and conditions as well as technical assistance to achieve federal compliance. This team works in partnership with the GMI Training division, which is responsible for system administration of AmpliFund, the grants management software component of the County's new ERP. The monitoring team is now uploading to AmpliFund all funder-required reporting, data, and programmatic key performance indicators. The GMI Training division is also providing training to all subrecipients regarding how to upload key documents into AmpliFund in order to be responsive to GMI monitoring and federal compliance. The County continues to work on implementation of the full functionality of the new ERP software and its ancillary systems. Full functionality will allow real time updates regarding monitoring for GMI and its subrecipients through dashboards and reports.

