



Report on Internal Control and on Compliance Year Ended June 30, 2025

Cochise County Community College District



Lindsey A. Perry
Auditor General

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The Arizona Auditor General's mission is to provide independent and impartial information, impactful recommendations, and stakeholder education to improve Arizona government for its citizens. To this end, the Office conducts financial statement audits and provides certain accounting services to the State and political subdivisions, investigates possible criminal violations involving public officials and public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

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Representative **Steve Montenegro** (ex officio)

Audit staff

Katherine Edwards Decker, Director

Taryn Stangle, Manager

Contact information

 **(602) 553-0333**

 contact@azauditor.gov

 www.azauditor.gov

2910 N. 44th St., Ste. 410
Phoenix, AZ 85018-7271

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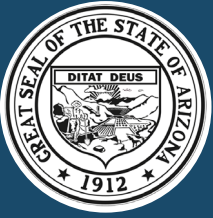
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The District's control procedures over IT systems and data were not sufficient, which increases the risk that the District may not adequately protect those systems and data

DISTRICT RESPONSE AND CORRECTIVE ACTION PLAN

REPORT ISSUED SEPARATELY

Annual Comprehensive Financial Report



ARIZONA AUDITOR GENERAL

Lindsey A. Perry, 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
Cochise County Community College District

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General, the financial statements of the business-type activities and discretely presented component unit of Cochise County Community College District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2025. Our report includes a reference to other auditors who audited the financial statements of the Cochise College Foundation, Inc., the discretely presented component unit, as described in our report on the District's financial statements. The Foundation's financial statements 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 reportable noncompliance associated with the Foundation.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and recommendations as item 2025-01, that we consider to be a significant deficiency.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit that are presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Purpose of this report The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

December 22, 2025

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

The subsequent pages present the Arizona Auditor General's finding and recommendations resulting from our audit of the District's financial statements.

The District's control procedures over IT systems and data were not sufficient, which increases the risk that the District may not adequately protect those systems and data

Condition

The District's control procedures were not sufficiently implemented to consistently help prevent or detect unauthorized or inappropriate access to its information technology (IT) systems and data.

Effect

There is an increased risk that the District may not adequately protect its IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data.

Cause

The District's administration and IT management reported it did not fully implement processes for assigning and reviewing account access for all employees because of limited staffing resources, and it was in the process of transitioning to a new system that would require review of all employees' account access.¹

Criteria

Implementing effective internal controls that follow a credible industry source, such as the National Institute of Standards and Technology, helps the District to protect its IT systems and ensure the integrity and accuracy of the data it maintains as it seeks to achieve its financial reporting, compliance, and operational objectives.² Effective internal controls include restricting access through logical controls to help ensure systems and data are accessed by users who have a need, systems and data access granted is appropriate, and key systems and data access is monitored and reviewed.

¹ In October 2025, the District's management reported it postponed its implementing a new general ledger system because of uncertainty with the company it contracted with who has entered into Chapter 11 bankruptcy.

² The U.S. Department of Education (ED) requires the District to comply with the Gramm-Leach-Bliley Act (Pub. L. No. 106-102) in their student financial assistance program participation agreement with ED. The Act's "Safeguards Rule" requires institutions of higher education to safeguard sensitive student data in accordance with 16 Code of Federal Regulations, Parts 313 and 314.

Recommendations to the District

1. Prioritize implementing IT policies and procedures over restricting access and data and developing a process to ensure the procedures are being consistently followed.
2. Restrict access to its IT systems and data by implementing processes to assign and periodically review employee user access, ensuring appropriateness and compatibility with job responsibilities.

This finding is similar to prior-year finding 2024-02 and was initially reported in fiscal year 2017.

Views of responsible officials

The District'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.

The subsequent pages were written by the District to provide a response to the finding and to indicate its intention regarding implementation of the recommendations resulting from the audit conducted by the Arizona Auditor General.



901 NORTH COLOMBO AVENUE • SIERRA VISTA, AZ 85635-2317 • (800) 966-7943 • COCHISE.EDU

January 23, 2026

Lindsey Perry
Auditor General
2910 N 44th St, Suite 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for these findings, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action that has been taken or is planned, and the anticipated completion date.

Sincerely,

Wendy Davis, Ph.D.
Executive Vice President for Administration

Financial statement findings

2025-01

The District's control procedures over access to IT systems and data were not sufficient, which increases the risk that the District may not adequately protect those systems and data

Name of contact person and title: Rob Gibbs (CISO)

Anticipated completion date: June 30, 2026

Agency's response: Concur

Cochise College has identified a risk-based approach to addressing the user account review and least access assignment criteria in the audit. The college will complete the reporting and periodic reviews necessary to demonstrate a process for ensuring users have appropriate access and access is reviewed for high risk information on a predictable cadence.