



# La Paz County Single Audit Highlights

Year Ended June 30, 2001

La Paz County spent \$2.3 million of federal monies and additional required matching monies this past year for 12 programs. The major federal grants were for public assistance and child support enforcement. The County must be accountable for its use of both federal and state monies, maintain strong internal controls, and comply with federal program requirements.

## **Our Conclusion:**

The County maintained adequate internal controls over financial reporting and Federal compliance, with two exceptions. First, our report recommends that the County improve its controls to protect its information system from unauthorized use or damage. Second, the report recommends that the County establish policies and procedures that will ensure that only the proper amount of costs will be charged to its public assistance grant.

**The County's Financial  
Statements are Included  
in the Single Audit  
Reporting Package**

The County's financial statements are included in the Single Audit Reporting Package. We audited those statements, and concluded:

- ✓ The information presented is reliable
- ✓ The County should improve its controls over its information system to ensure that its electronic information files are protected from unauthorized use, damage, and loss

## **About the Single Audit**

### *What is it?*

Federal agencies used to require individual audits of each of their financial assistance awards. Now, those requirements are satisfied by one comprehensive or "single" audit of those awards. Both state and federal laws require a single audit when the County spends more than \$300,000 in federal awards.

### *Why is the single audit important?*

The audit is a report to federal grantor agencies that tells them how well the County complied with a grant's federal requirements.

Federal agencies use this report to monitor the County's administration of federal grants and enforce the terms of those grants.

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## Fact Sheet

- One weakness in financial reporting internal controls
- No material weaknesses in financial reporting internal controls
- One weakness in federal compliance internal controls
- One violation of federal program compliance requirements
- Program costs totaling \$12,808 that were questioned as a result of our audit

## Inadequate Procedures Results in \$12,808 in Questioned Federal Costs

The County is entitled to receive reimbursement related to equipment rental costs charged to the Public Assistance Grants. However, the County charged costs of rental equipment as a direct cost to the program and also included those costs on its reimbursement request for the use of County equipment. This resulted in an overpayment to the County in the amount of \$12,808.

### To obtain more information

- A copy of the full report can be obtained by calling (602) 553-0333
- Visit our Web site at:  
  
[www.auditorgen.state.az.us](http://www.auditorgen.state.az.us)
- Doug Haywood is the contact person for this report.