



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Single Audit

Navajo County

Year Ended June 30, 2011



Debra K. Davenport
Auditor General

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Navajo County
Single Audit Reporting Package
Year Ended June 30, 2011

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program and on
Internal Control over Compliance in Accordance with OMB Circular A-133**

Members of the Arizona State Legislature

The Board of Supervisors of
Navajo County, Arizona

Compliance

We have audited Navajo County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

As described in items 11-102 and 11-104 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding procurement and suspension and debarment and matching that are applicable to its JAG Program Cluster and Child Support Enforcement program, respectively. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, Navajo 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 major federal programs for the year ended June 30, 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133, and that are described in the accompanying Schedule of Findings and Questioned Costs as items 11-101, 11-103, and 11-105.

Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and another that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 11-101 through 11-104 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 11-105 to be a significant deficiency.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Navajo County as of and for the year ended June 30, 2011, and have issued our report thereon dated December 19, 2011. Our report was modified as to consistency because of the implementation of Governmental Accounting Standards Board Statement No. 54. 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 OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navajo County's responses to the findings identified in our audit are presented on pages 19 through 21. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, management, others within the County, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Jay Zsorey, CPA
Financial Audit Director

March 27, 2012, except for the
Schedule of Expenditures of Federal
Awards, for which the date is December 19, 2011

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Navajo County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Federal Grantor/Program Title/ Pass-Through Grantor	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture			
Special Supplemental Nutrition Program for Women, Infants, and Children, passed through the Arizona Department of Health Services	10.557	HG861085, HG050273	\$ 286,338
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, passed through the Arizona Department of Health Services	10.561	HI050085	<u>157,448</u>
Total SNAP Cluster			<u>157,448</u>
Schools and Roads Cluster:			
Schools and Roads—Grants to States	10.665		<u>2,533,523</u>
Total Schools and Roads Cluster			<u>2,533,523</u>
Total U.S. Department of Agriculture			<u>2,977,309</u>
U.S. Department of Housing and Urban Development			
CDBG—State-Administered CDBG Cluster:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii, passed through the Arizona Department of Housing	14.228	152-08, 156-08	<u>34,932</u>
U.S. Department of the Interior			
Payments in Lieu of Taxes	15.226		1,341,507
Distribution of Receipts to State and Local Governments	15.227		<u>6,856</u>
Total U.S. Department of the Interior			<u>1,348,363</u>
U.S. Department of Justice			
Federal Equitable Sharing Agreement	16.unknown		173,027
Domestic Cannabis Eradication/Suppression Program	16.unknown		2,500
Program Development and Expansion, passed through National Children's Alliance	16.unknown	HOLB-AZ-PDE10	1,100
Crime Victim Assistance, passed through the Arizona Department of Public Safety	16.575	2010-082	38,061
Crime Victim Assistance/Discretionary Grants, passed through the National Association of VOCA Administrators	16.582	11-106	4,997
Bulletproof Vest Partnership Program	16.607		3,966
Southwest Border Prosecution Initiative Program	16.755		86,957
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		20,273
ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories, passed through the Arizona Criminal Justice Commission	16.803	DC-10-023, DC-10-001	371,452
ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804		<u>60,932</u>
Total JAG Program Cluster			<u>452,657</u>
ARRA—Recovery Act—Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	16.810		<u>137,547</u>
Total U.S. Department of Justice			<u>900,812</u>
U.S. Department of Labor			
WIA Cluster:			
WIA Adult Program, passed through the Arizona Department of Economic Security	17.258	DE101049001, DE111011001	105,537

(Continued)

See accompanying notes to schedule.

Navajo County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011
(Continued)

Federal Grantor/Program Title/ Pass-Through Grantor	CFDA Number	Pass-Through Grantor's Number	Expenditures
WIA Youth Activities, passed through the Arizona Department of Economic Security	17.259	DE101049001, DE111011001	\$ 110,734
ARRA—WIA Youth Activities, passed through the Arizona Department of Economic Security	17.259	DE091202001	2,498
WIA Dislocated Workers, passed through the Arizona Department of Economic Security	17.260	DE101049001, DE111011001	66,029
ARRA—WIA Dislocated Workers, passed through the Arizona Department of Economic Security	17.260	DE091202001	<u>3,253</u>
Total WIA Cluster			<u>288,051</u>
Total U.S. Department of Labor			<u>288,051</u>
U.S. Department of Transportation			
Reservation Roadway Maintenance, passed through the Arizona Department of Transportation	20.unknown	JPA 06-017T	76,379
Highway Planning and Construction Cluster:			
Highway Planning and Construction, passed through the Arizona Department of Transportation	20.205	JPA 08-008T	<u>4,882</u>
Total Highway Planning and Construction Cluster			<u>4,882</u>
Highway Safety Cluster:			
State and Community Highway Safety, passed through the Governor's Office of Highway Safety	20.600	2011-AL-036	10,981
Alcohol Impaired Driving Countermeasures Incentive Grants I, passed through the Governor's Office of Highway Safety	20.601	2011-410-023	<u>13,600</u>
Total Highway Safety Cluster			<u>24,581</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants, passed through the Arizona Department of Emergency and Military Affairs	20.703	None	<u>3,000</u>
Total U.S. Department of Transportation			<u>108,842</u>
Institute of Museum and Library Services			
Grants to States, passed through the Arizona State Library, Archives and Public Records	45.310	2009-32201-08, 2009-34501-04	<u>6,963</u>
U.S. Department of Energy			
ARRA—State Energy Program, passed through the Arizona School Facilities Board	81.041	SOL-090199000-9999-001	168,702
ARRA—Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128		<u>165,508</u>
Total U.S. Department of Energy			<u>334,210</u>
U.S. Department of Education			
Title I State Agency Program for Neglected and Delinquent Children and Youth, passed through the Arizona Supreme Court	84.013	KR10-0024	19,936
Special Education Cluster (IDEA):			
Special Education—Grants to States, passed through the Arizona Department of Education	84.027	H027A100007	10,701
Special Education—Grants to States, passed through the Arizona Supreme Court	84.027	KR10-0024	16,499

(Continued)

See accompanying notes to schedule.

Navajo County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011
(Continued)

Federal Grantor/Program Title/ Pass-Through Grantor	CFDA Number	Pass-Through Grantor's Number	Expenditures
ARRA—Special Education—Grants to States, Recovery Act, passed through the Arizona Supreme Court	84.391	KR10-0024	\$ 21,368
Total Special Education Cluster			<u>48,568</u>
Fund for the Improvement of Education	84.215		58,682
Educational Technology State Grants Cluster:			
Educational Technology State Grants, passed through Pima County	84.318	S318X090003	60,294
Total Educational Technology State Grants Cluster			<u>60,294</u>
Rural Education	84.358		2,974
Improving Teacher Quality State Grants, passed through the Arizona Department of Education	84.367	S367A00049	9,840
Improving Teacher Quality State Grants, passed through the Arizona Supreme Court	84.367	KR10-0024	10,463
Total Improving Teacher Quality State Grants			<u>20,303</u>
State Fiscal Stabilization Fund Cluster:			
ARRA—State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act, passed through the Governor's Office of Economic Recovery	84.394	ISA GOER-FY2010-506-E	12,133
ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act, passed through the Governor's Office of Economic Recovery	84.397	OER-11-IGA-GS-35, OER-11-IGA-GS-156	146,865
Total State Fiscal Stabilization Fund Cluster			<u>158,998</u>
ARRA—Education Jobs Fund, passed through the Governor's Office of Economic Recovery	84.410	ISA OER-11-ISA-EJ-001	11,611
Total U.S. Department of Education			<u>381,366</u>
U.S. Election Assistance Commission			
Help America Vote Act Requirements Payments, passed through the Arizona Secretary of State	90.401	None	<u>16,180</u>
U.S. Department of Health and Human Services			
Medical Reserve Corps Small Grant Program, passed through the National Association of County and City Health Officials	93.008	MRC 11 945	276
Public Health Emergency Preparedness, passed through the Arizona Department of Health Services	93.069	HG754201	258,212
Family Planning—Services, passed through the Arizona Department of Health Services	93.217	HG854251	40,910
Grants to States to Support Oral Health Workforce Activities, passed through the Arizona Department of Health Services	93.236	HG061187	51,147
Immunization Cluster:			
Immunization Grants, passed through the Arizona Department of Health Services	93.268	HG854290	58,220
ARRA—Immunization, passed through the Arizona Department of Health Services	93.712	HG854290	68
Total Immunization Cluster			<u>58,288</u>
Child Support Enforcement, passed through the Arizona Department of Economic Security	93.563	G04-04-AZ-4004, G11-04-AZ-4004	494,125
Voting Access for Individuals with Disabilities—Grants to States, passed through the Arizona Secretary of State	93.617	None	4,890

(Continued)

See accompanying notes to schedule.

Navajo County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011
(Continued)

Federal Grantor/Program Title/ Pass-Through Grantor	CFDA Number	Pass-Through Grantor's Number	Expenditures
Children's Justice Grants to States, passed through the Arizona Governor's Office	93.643	CJ-CSG-09-9273-04Y2	\$ 8,134
HIV Prevention Activities—Health Department Based, passed through the Arizona Department of Health Services	93.940	HG852272	7,889
Preventive Health Services—Sexually Transmitted Diseases Control Grants, passed through the Arizona Department of Health Services	93.977	HG854320	5,721
Preventive Health and Health Services Block Grant, passed through the Arizona Department of Health Services	93.991	HG854373	42,195
Maternal and Child Health Services Block Grant to the States, passed through the Arizona Department of Health Services	93.994	HG754060-008, HG161082	<u>80,492</u>
Total U.S. Department of Health and Human Services			<u>1,052,279</u>
Executive Office of the President			
High Intensity Drug Trafficking Areas Program	95.001		<u>79,020</u>
U.S. Department of Homeland Security			
Disaster Grants—Public Assistance (Presidentially Declared Disasters), passed through the Arizona Department of Emergency and Military Affairs	97.036	PA-09-AZ-1888	460,030
Emergency Management Performance Grants, passed through the Arizona Department of Emergency and Military Affairs	97.042	None	99,426
Homeland Security Cluster: Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	09-AZDOHS-HSGP-555101-02, 09-AZDOHS-HSGP-555102-01, 09-AZDOHS-HSGP-555102-02, 09-AZDOHS-HSGP-555102-06, 09-AZDOHS-HSGP-555107-02, 10-AZDOHS-HSGP-777102-02, 10-AZDOHS-HSGP-777102-03, 10-AZDOHS-HSGP-777102-04, 10-AZDOHS-HSGP-777111-01	<u>145,412</u>
Total Homeland Security Cluster			<u>145,412</u>
Total U.S. Department of Homeland Security			<u>704,868</u>
Total Expenditures of Federal Awards			<u>\$ 8,233,195</u>

See accompanying notes to schedule.

Navajo County
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Note 1 - Basis of Accounting

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

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

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2011 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program and when there was no federal contract number, the two-digit federal agency identifier, a period, and the word "unknown" were used.

Note 3 - Subrecipients

Navajo County did not have any subrecipients for the year ended June 30, 2011.

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Navajo County
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2011

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:		Unqualified	
		Yes	No
Internal control over financial reporting:			
Material weaknesses identified?	X	—	
Significant deficiency identified?	X	—	
Noncompliance material to the financial statements noted?	—	X	

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	X	—	
Significant deficiency identified?	X	—	
Type of auditors' report issued on compliance for major programs: Unqualified for all major programs except for the JAG Program Cluster and the Child Support Enforcement program, which were qualified.			
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])?	X	—	

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.665	Schools and Roads Cluster
15.226	Payments in Lieu of Taxes
16.738, 16.803, 16.804	JAG Program Cluster
93.563	Child Support Enforcement
97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)
97.067	Homeland Security Cluster

Dollar threshold used to distinguish between Type A and Type B programs:		\$300,000	
Auditee qualified as low-risk auditee?		—	X

Other Matters

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])?		X	
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Navajo County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

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

11-101

CFDA No.: 97.036 **Disaster Grants—Public Assistance (Presidentially Declared Disasters)**

Passed through the Arizona Department of Emergency and Military Affairs

Award Period: March 18, 2010 through September 18, 2011

Award Number: PA-09-AZ-1888

U.S. Department of Homeland Security

Homeland Security Cluster:

CFDA No.: 97.067 **Homeland Security Grant Program**

Passed through the Arizona Department of Homeland Security

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: 09-AZDOHS-HSGP-555101-02, 09-AZDOHS-HSGP-555102-01, 09-AZDOHS-HSGP-555102-02, 09-AZDOHS-HSGP-555102-06, 09-AZDOHS-HSGP-555107-02, 10-AZDOHS-HSGP-777102-02, 10-AZDOHS-HSGP-777102-03, 10-AZDOHS-HSGP-777102-04, and 10-AZDOHS-HSGP-777111-01

U.S. Department of Homeland Security

Questioned Cost: N/A

Criteria: OMB Circular A-133, §.300 and 2 Code of Federal Regulations (CFR), §225, Appendices A and B, require the County to identify, in its accounts, all federal awards received and expended, the federal programs under which they were received, and prepare appropriate financial statements, including a Schedule of Expenditures of Federal Awards (SEFA). The SEFA should report the amount of federal awards expended during the year in accordance with generally accepted accounting principles. In addition, OMB Circular A-133, §.310(b) requires the SEFA to include the *Catalog of Federal Domestic Assistance* title and number, the name of the federal awarding agency, and, if applicable, the name and identifying number of the pass-through grantor for each of the County's federal awards.

Condition and context: The County did not always properly identify federal awards in its records and accounting system so that it could prepare an accurate and complete SEFA. Specifically, auditors noted that the County incorrectly reported expenditures or other required information for many of its federal programs.

Effect: The County understated its expenditures of federal award for both major and nonmajor federal programs by a net amount of \$577,546. The most significant misstatements were the Disaster Grants—Public Assistance program that was understated by \$460,030 and the Homeland Security Cluster, which was overstated by \$75,000. The County adjusted its SEFA for all significant errors noted. This finding is a material weakness in internal control over compliance and noncompliance with OMB Circular A-133.

Navajo County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Cause: The County did not have policies and procedures in place to ensure that federal monies are identifiable in its accounting system and properly recorded on the SEFA. Also, federal award expenditures were not reconciled to amounts reimbursed to determine completeness of the schedule, and county departments did not provide sufficient detail to the Finance Department to correctly prepare the SEFA.

Recommendation: To help ensure that the County prepares its SEFA in compliance with OMB Circular A-133, the County should implement the following policies and procedures:

- Record and identify federal program expenditures accurately on the general ledger system.
- Require departments to reconcile federal award expenditures on the general ledger system to accounting records and reimbursements.
- Record federal award expenditures when goods or services are received, as prescribed by generally accepted accounting principles.
- Require departments to provide sufficient detail to the County's Finance Department to accurately report federal award information required by OMB Circular A-133 on the County's SEFA.

This finding is similar to a prior-year finding.

11-102

JAG Program Cluster

CFDA No.: 16.738 **Edward Byrne Memorial Justice Assistance Grant Program**

CFDA No.: 16.803 **ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant**

Program/Grants to States and Territories, passed through the Arizona Criminal Justice Commission

CFDA No.: 16.804 **ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant**

Program/Grants to Units of Local Government

Award Period: July 1, 2009 through June 30, 2011

March 1, 2009 through February 28, 2013

October 1, 2009 through September 30, 2013

Award Numbers: 2010-DJ-BX-1316, DC-10-001, DC-10-023, and 2009-SB-B9-3026

U.S. Department of Justice

Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Procurement and Suspension and Debarment

Questioned Cost: None

Criteria: In accordance with OMB Circular A-133, §.210 and 28 CFR §66.36(b), respectively, the County is responsible for ensuring compliance with the Cluster's requirements for vendor transactions and should follow its policies and procedures when procuring and contracting for goods and services. Additionally, Arizona Revised Statutes (A.R.S.) §11-952 requires that services obtained from another governmental entity be in writing, including the purpose, duration, and financing of services. Further, to comply with 28 CFR §66.35, the County should verify that contracts and subawards over \$25,000 are not granted to an entity that has been suspended or debarred from doing business with the federal government.

Navajo County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Condition and context: The County reimbursed three local governmental entities amounts totaling \$152,736 to provide detective services for the Cluster for grant award numbers DC-10-001 and DC-10-023. However, the County did not have a written agreement with each local government that specified the services to be performed, the period of time services are to be provided, amounts to be paid, and guidelines for requesting reimbursement of costs. In addition, the County did not have procedures to ensure that the local governments had not been excluded from receiving federal awards.

Effect: Without an agreement, the County risks paying for services that may not be in accordance with the cluster's activities allowed or unallowed and allowable costs compliance requirements, and also risks paying federal monies to an entity that has been suspended or debarred from doing business with the federal government. Auditors were able to determine that the amounts paid to the local governments were for allowable activities and costs, and that the local governments were not excluded from receiving federal awards; therefore, no questioned costs were noted. This finding is a material weakness in internal control over compliance with the cluster's requirements for activities allowed or unallowed, allowable costs/cost principles, and procurement and suspension and debarment and material noncompliance with the cluster's requirements for procurement and suspension and debarment.

Cause: As part of the grant application process with the pass-through grantor, the County had received letters of participation from the other local governmental entities as evidence of their intent to participate in the grant cluster. However, the letter did not outline the services to be performed or an understanding of the procedures and requirements to follow for receiving payment. Additionally, the County did not have policies and procedures for verifying whether an entity had been suspended or debarred prior to making federal subawards.

Recommendation: The County should prepare a written agreement with local governments that is signed by both parties and that describes the services to be performed, the period of time services are to be provided, amounts to be paid, guidelines for requesting reimbursement for costs, and any other information that may affect the County's ability to comply with federal requirements. Further, the County should establish policies and procedures for ensuring that other governments and vendors it pays with federal monies have not been suspended or debarred from doing business with the federal government.

This finding is similar to a prior-year finding.

Navajo County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-103

JAG Program Cluster

CFDA No.: 16.738 **Edward Byrne Memorial Justice Assistance Grant Program**

CFDA No.: 16.803 **ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant Program/Grants to States and Territories**, passed through the Arizona Criminal Justice Commission

CFDA No.: 16.804 **ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government**

Award Period: July 1, 2009 through June 30, 2011

March 1, 2009 through February 28, 2013

October 1, 2009 through September 30, 2013

Award Numbers: 2010-DJ-BX-1316, DC-10-001, DC-10-023, and 2009-SB-B9-3026

U.S. Department of Justice

Cash Management, Program Income, and Reporting

Questioned Cost: Unknown

Criteria: To comply with the American Recovery and Reinvestment Act (ARRA) of 2009, P.L. 111-5, Section 1512(C), and 28 CFR §66.20(b)(3), the ARRA 1512 Report, federal financial reports, and the calculation of program income should be compiled accurately and in accordance with the grant's requirements. In addition, the County should have effective internal controls to help ensure that reports and information are independently reviewed prior to their submission to the grantor. Further, for the ARRA 1512 Report, if incorrect amounts are reported, the amounts should be corrected during the continuous edit period as outlined with the reporting guidance issued by OMB Circular M-10-14, *Updated Guidance on the American Recovery and Reinvestment Act*.

Condition and context: The County did not ensure the ARRA 1512 Reports and financial reports used to request reimbursement for expenditures and report program income were independently reviewed or approved for accuracy prior to submitting them to the federal agency or pass-through grantor. Specifically, auditors noted that seven of ten reports tested were prepared and approved by the same individual.

Effect: Expenditures reported on the ARRA 1512 Report for grant number 2009-B9-3026 were understated by \$55,598. In addition, in its financial report for grant number DC-10-001, the County understated program income spent by \$6,216. Auditors performed further auditing procedures on the reports tested and noted no questioned costs. Further, auditors verified that program income earned was properly spent. However, it was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance with the cluster's cash management, program income, and reporting requirements and noncompliance with the cluster's reporting requirements.

Cause: The County did not implement procedures to ensure that accurate financial data was included on federal reports and require that an employee independent of the report preparation process review and approve the reports prior to submitting them to the federal agency or pass-through grantor.

Navajo County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Recommendation: The County should assign an employee independent of the report preparation process to recalculate program income and review the ARRA 1512 and financial reports to ensure that they are complete and accurate before they are submitted to the federal agency or pass-through grantor. In addition, if any errors in the ARRA 1512 Report are subsequently noted, the County should correct them during the continuous edit period.

This finding is similar to a prior-year finding.

11-104

CFDA No.: 93.563 **Child Support Enforcement**

Passed through the Arizona Department of Economic Security

Award Period: October 1, 2005 through September 30, 2010

October 1, 2011 through September 30, 2015

Award Numbers: G04-04-AZ-4004 and G11-04-AZ-4004

U.S. Department of Health and Human Services

Matching

Questioned Cost: Unknown

Criteria: In accordance with its grant agreement, the County is required to match 34 percent of total program expenditures with nonfederal monies. The amount matched by the County should be supported by its records to comply with 45 CFR §92.24.

Condition and context: The County did not adequately record County matching expenditures and monitor the program to ensure that federal award expenditures were matched with allowable nonfederal funding sources. The County relied on its indirect cost recoveries and other sources to help match program expenditures, but did not maintain adequate records to demonstrate the allowability of the funding sources used to meet the program's matching requirements. Specifically, the County included salaries and wages for employees who indirectly worked for the program as part of its matching expenditures. However, three of the ten employees' salaries used to match the program were also included within the County's indirect cost plan, whereas for the other seven employees' salaries, the County did not have adequate documentation to support the percentage allocated to the program. As a result, auditors were unable to determine whether \$62,407 of county matching expenditures was properly supported and allowable.

Effect: The County was unable to demonstrate that it had fully met its matching requirement for the federal program with allowable resources. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the program's matching requirements.

Cause: The County used salaries and wages for several of the employees' salaries that were included within the County's indirect cost allocation plan. In addition, for the other employees who indirectly worked on the program, the County did not have adequate documentation to support the percentage allocated to the program.

Navajo County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Recommendation: To help ensure that only allowable funding sources are used to match federal expenditures and that the matching requirement is met, the County should establish policies and procedures for recording and monitoring its matching expenditures. In addition, the County should maintain records to demonstrate that the matching requirements were met with allowable nonfederal sources.

This finding is similar to a prior-year finding.

11-105

CFDA No.: 93.563 **Child Support Enforcement**

Passed through the Arizona Department of Economic Security

Award Period: October 1, 2005 through September 30, 2010

October 1, 2011 through September 30, 2015

Award Numbers: G04-04-AZ-4004 and G11-04-AZ-4004

U.S. Department of Health and Human Services

Allowable Costs/Cost Principles

Questioned Cost: Unknown

Criteria: The County should have policies and procedures to ensure that employee compensation charged to federal programs is supported by records and represents employees' actual time and effort worked on federal programs. Specifically, 2 CFR §225, Appendix B, Section 8(h), requires the County to maintain records that certify or confirm on an after-the-fact basis that employee compensation charged to federal programs represents a reasonable distribution of employees' actual time and effort worked on federal programs. In addition, such records should be retained for at least 3 years to comply with 45 CFR §92.42(b).

Condition and context: The County's Office of the Clerk of the Court did not always retain employee time sheets to document hours worked and supervisor approval, and to certify employees' time and effort. Specifically, for 1 of 14 employees tested, the County was unable to provide the employee's time sheets supporting \$10,446 of the employees' compensation charged to the program for the period July 1, 2010 through December 31, 2010.

Effect: There is a risk that payroll was incorrectly charged to the program. Auditors were able to perform additional auditing procedures to determine that the employee was authorized to work full time on the program. However, it was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a significant deficiency in internal control over compliance and noncompliance with the program's allowable costs/cost principles requirements.

Cause: The County was unable to locate the employee's time sheets maintained at the Office of the Clerk of the Court for the period July 1, 2010 through December 31, 2010.

Navajo County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Recommendation: To help ensure that employee compensation charged to federal programs is allowable and documented, the County should establish policies and procedures to retain records, such as time sheets, and to certify employees' actual time and effort spent on federal programs. This certification should be retained for at least 3 years after the last financial report has been submitted for the funding period to the pass-through agency and should be prepared and signed by the employee. In addition, the employee's supervisor should review and approve the certification.



NAVAJO COUNTY

FINANCE DEPARTMENT

James Menlove • Finance Director

Mary Springer • Deputy Finance Director

"Proudly Serving, Continuously Improving"

March 23, 2012

Debbie Davenport
Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Circular A-133. Specifically, we are providing you with the name of the contact person responsible for corrective action, the corrective action planned, and the anticipated completion date for each audit finding included in the current year's Schedule of Findings and Questioned Costs.

Sincerely,

W/James Menlove, CPA
Finance Director

Navajo County
Corrective Action Plan
Year Ended June 30, 2011

Federal Award Findings and Questioned Costs

11-101

CFDA No.: 97.036 **Disaster Grants—Public Assistance (Presidentially Declared Disasters)**

Homeland Security Cluster:

CFDA No.: 97.067 **Homeland Security Grant Program**

Anticipated completion date: June 30, 2012

Contact person: James Menlove, Finance Director, (928) 524-4343

County Response: Concur

County Corrective Action Plan:

To help ensure that the County prepares its schedule of expenditures of federal awards (SEFA) in compliance with OMB Circular A-133, the County will implement the following policies and procedures:

- Record and identify federal program expenditures accurately on the general ledger system.
- Require departments to reconcile federal award expenditures on the general ledger system to accounting records and reimbursements.
- Record federal award expenditures when goods or services are received, as prescribed by generally accepted accounting principles.
- Require departments to provide sufficient detail to the County's Finance Department to accurately report federal award information required by OMB A-133 on the County's SEFA.

11-102

JAG Program Cluster:

CFDA No.: 16.738 **Edward Byrne Memorial Justice Assistance Grant Program**

CFDA No.: 16.803 **ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant Program/Grants to States and Territories**

CFDA No.: 16.804 **ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government**

Anticipated completion date: June 30, 2012

Contact person: James Menlove, Finance Director, (928) 524-4343

County Response: Concur

County Corrective Action Plan:

The County will prepare a written agreement with each local government that is signed by both parties and that describes the services to be performed, the period of time services are to be provided, amounts to be paid, and any other information that may affect the County's ability to comply with federal requirements. Further, the County will establish policies and procedures for ensuring that other governments and vendors it pays with federal monies have not been suspended or debarred from doing business with the federal government.

Navajo County
Corrective Action Plan
Year Ended June 30, 2011

11-103

JAG Program Cluster:

CFDA No.: 16.738 **Edward Byrne Memorial Justice Assistance Grant Program**

CFDA No.: 16.803 **ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories**

CFDA No.: 16.804 **ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government**

Anticipated completion date: June 30, 2012

Contact person: James Menlove, Finance Director, (928) 524-4343

County Response: Concur

County Corrective Action Plan:

The County will assign an employee independent of the report preparation process to review the ARRA 1512 and financial reports to ensure that they are complete and accurate before they are submitted to the federal agency or pass-through grantor. In addition, if any errors in the ARRA 1512 Report are subsequently noted, the County will correct them during the continuous edit period.

11-104

CFDA No.: 93.563 **Child Support Enforcement Program**

Anticipated completion date: June 30, 2012

Contact person: James Menlove, Finance Director, (928) 524-4343

County Response: Concur

County Corrective Action Plan:

To help ensure that only allowable funding sources are used to match federal expenditures and that the matching requirement is met, the County will establish policies and procedures for monitoring its matching expenditures. In addition, the County will maintain records to demonstrate that the matching requirements were met with allowable nonfederal sources. Further, during fiscal year ended June 30, 2011, the County did not request or receive more than the allowed rate of 66% of its program expenditures.

11-105

CFDA No.: 93.563 **Child Support Enforcement**

Anticipated completion date: June 30, 2012

Contact person: James Menlove, Finance Director, (928) 524-4343

County Response: Concur

County Corrective Action Plan:

To ensure that employee compensation charged to federal programs is allowable, the County will establish policies and procedures to maintain records, such as time sheets, to certify employees' actual time and effort spent on federal programs. In addition, effective January 1, 2011, the County's Office of the Clerk of the Court has maintained all time sheets for its employees.

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NAVAJO COUNTY

FINANCE DEPARTMENT

James Menlove • Finance Director

Mary Springer • Deputy Finance Director

"Proudly Serving, Continuously Improving"

March 23, 2012

Debbie Davenport
Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

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

Sincerely,

W. James Menlove, CPA
Finance Director

Navajo County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

Status of Federal Award Findings and Questioned Costs

03-105

CFDA No.: 10.557 Special Supplemental Nutrition Program for Women, Infants and Children
10.904 Watershed Protection and Flood Prevention
14.228 Community Development Block Grants/State's Program
14.239 HOME Investments Partnerships Program
Workforce Investment Act Cluster:
17.258 WIA Adult Program
17.259 WIA Youth Activities
17.260 WIA Dislocated Workers
83.554 Public Assistance Grant
83.566 Fire Management Assistance Grant
93.563 Child Support Enforcement Grant

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

04-101

CFDA No.: 10.557 Special Supplemental Nutrition Program for Women, Infants and Children
15.226 Payments in Lieu of Taxes
16.579 Byrne Formula Grant Program
Workforce Investment Act Cluster:
17.258 WIA Adult Program
17.259 WIA Youth Activities
39.011 Election Reform Payments
93.563 Child Support Enforcement Grant
97.004 State Domestic Preparedness Equipment Support Program

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

05-101

CFDA No.: 15.226 Payments in Lieu of Taxes
16.579 Byrne Formula Grant Program
Workforce Investment Act Cluster:
17.258 WIA Adult Program
17.259 WIA Youth Activities
93.283 Centers for Disease Control and Prevention—Investigations and Technical Assistance
93.563 Child Support Enforcement Grant

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

Navajo County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

06-101

CFDA No.: 10.557 Special Supplemental Nutrition Program for Women, Infants and Children
10.923 Emergency Watershed Protection Program
14.228 Community Development Block Grants/State's Program
15.226 Payments in Lieu of Taxes
93.283 Centers for Disease Control and Prevention—Investigations and Technical Assistance
93.563 Child Support Enforcement Grant
Homeland Security Grant Program Cluster:
97.004 State Domestic Preparedness Equipment Support Program
97.067 Homeland Security Grant Program

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

06-103

CFDA No.: 10.557 Special Supplemental Nutrition Program for Women, Infants and Children
10.923 Emergency Watershed Protection Program
14.228 Community Development Block Grants/State's Program
15.226 Payments in Lieu of Taxes
93.283 Centers for Disease Control and Prevention—Investigations and Technical Assistance
93.563 Child Support Enforcement Grant
Homeland Security Grant Program Cluster:
97.004 State Domestic Preparedness Equipment Support Program
97.067 Homeland Security Grant Program

Status: Not warranting further action

Contact person: James Menlove, Finance Director, (928) 524-4343

No further action is required because the federal awarding agencies and pass-through entities are no longer following up with the County on this audit finding.

06-107

CFDA No.: 10.923 Emergency Watershed Protection Program
Homeland Security Grant Program Cluster:
97.004 State Domestic Preparedness Equipment Support Program
97.067 Homeland Security Grant Program

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

07-101

CFDA No.: Not applicable

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

Navajo County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

07-102

CFDA No.: 10.664 Cooperative Forestry Assistance

93.268 Immunization Grants

93.283 Centers for Disease Control and Prevention—Investigations & Technical Assistance

Status: Not warranting further action

Contact person: James Menlove, Finance Director, (928) 524-4343

No further action is required because the federal awarding agencies and pass-through entities are no longer following up with the County on this audit finding.

08-101

CFDA No.: Not applicable

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

08-102

CFDA No.: 10.665 Schools and Roads – Grants to States

WIA Cluster:

17.258 WIA Adult Program

17.259 WIA Youth Activities

17.260 WIA Dislocated Workers

93.069 Public Health Emergency Preparedness

93.563 Child Support Enforcement

Status: Not corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

The County will establish written policies and procedures to ensure the proper recording of federal program expenditures in our accounting system used to prepare the SEFA.

08-104

CFDA No.: 10.664 Cooperative Forestry Assistance

Status: No longer valid

Contact person: James Menlove, Finance Director, (928) 524-4343

The finding is no longer valid as the program ended during FY 2010.

08-106

CFDA No.: 93.563 Child Support Enforcement Program

Status: Not corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

The County will establish policies and procedures to monitor the program's matching requirements, and the level of state and local monies spent for the program. All monies used to match the program's federal award expenditures will be transferred into the designated program fund during the period of time when the expenditures are incurred. Further, the County will retain documentation to demonstrate that matching requirements are met.

Navajo County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

08-107

CFDA No.: 93.563 Child Support Enforcement Program

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

08-108

CFDA No.: 93.563 Child Support Enforcement Program

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

09-101

CFDA No.: Not applicable

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

09-102

CFDA No.: 10.664 Cooperative Forestry Assistance

10.665 Schools and Roads—Grants to States

WIA Cluster:

17.258 WIA Adult Program

17.258 ARRA—WIA Adult Program

17.259 WIA Youth Activities

17.259 ARRA—WIA Youth Activities

17.260 WIA Dislocated Workers

17.260 ARRA—WIA Dislocated Workers

93.069 Public Health Emergency Preparedness

93.563 Child Support Enforcement

Status: Not corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

The County will establish written policies and procedures to ensure the proper recording of federal program expenditures in our accounting system used to prepare the SEFA.

09-103

CFDA No.: 10.664 Cooperative Forestry Assistance

Status: No longer valid

Contact person: James Menlove, Finance Director, (928) 524-4343

This finding is no longer valid as the program ended during FY 2010.

Navajo County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

09-104

CFDA No.: WIA Cluster:

- 17.258 WIA Adult Program
- 17.258 ARRA—WIA Adult Program
- 17.259 WIA Youth Activities
- 17.259 ARRA—WIA Youth Activities
- 17.260 WIA Dislocated Workers
- 17.260 ARRA—WIA Dislocated Workers

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

09-106

CFDA No.: 93.069 Public Health Emergency Preparedness

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

09-107

CFDA No.: 93.563 Child Support Enforcement

Status: Not corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

The County will establish policies and procedures to monitor the program's matching requirements, and the level of state and local monies spent for the program. All monies used to match the program's federal award expenditures will be transferred into the designated program fund during the period of time when the expenditures are incurred. Further, the County will retain documentation to demonstrate that matching requirements are met.

09-108

CFDA No.: 93.563 Child Support Enforcement

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

09-109

CFDA No.: 93.563 Child Support Enforcement

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

09-110

CFDA No.: 97.067 Homeland Security Cluster

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

Navajo County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-101

CFDA No.: Not applicable

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

10-102

CFDA No.: 10.665 Schools and Roads—Grants to States

CDBG—State Administered Small Cities Program Cluster:

CFDA No.: 14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

CFDA No.: 16.803 ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories

Status: Not corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

The County will establish written policies and procedures to ensure the proper recording of federal program expenditures in our accounting system used to prepare the SEFA.

10-103

CFDA No.: 14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Status: Not corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

The County will establish policies and procedures to ensure that all Completion Reports are submitted to the pass-through grantor by the required deadlines.

10-104

CFDA No.: 16.803 ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories

Status: Not corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

The County will prepare a written agreement with each local government that is signed by both parties and that describes the services to be performed, the period of time services are to be provided, amounts to be paid, and any other information that may affect the County's ability to comply with federal requirements. Further, the County will establish policies and procedures for ensuring that other governments and vendors it pays with federal monies have not been suspended or debarred from doing business with the federal government.

Navajo County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-105

CFDA No.: 16.803 ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG)
Program/Grants to States and Territories

Status: Not corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

The County will establish policies and procedures that require an employee independent of the financial reports' preparation to review the reports for accuracy prior to submitting them to the pass-through grantor.

10-106

WIA Cluster:

CFDA No.: 17.258 WIA Adult Program

17.258 ARRA—WIA Adult Program

17.259 WIA Youth Activities

17.259 ARRA—WIA Youth Activities

17.260 WIA Dislocated Workers

17.260 ARRA—WIA Dislocated Workers

Status: Partially corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

To help ensure that it meets cash management, earmarking, and reporting requirements, the County will establish procedures requiring a person independent of financial report preparation to review and approve the reports prior to submitting them to the pass-through grantor by the deadline included in the grant agreement.

10-107

CFDA No.: 81.128 ARRA—Energy Efficiency and Conservation Block grant Program (EECBG)

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

10-108

CFDA No.: 81.128 ARRA—Energy Efficiency and Conservation Block grant Program (EECBG)

Status: Not corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

The County will establish a detailed review process by someone independent of the report preparation process to help ensure federal reports are complete, accurate, and reported consistently with other financial reports for the same period of time before they are submitted to the federal awarding agency. In addition, if any errors are subsequently noted within the ARRA 1512 Report, the errors will be corrected through the continuous edit period.

Navajo County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-109

CFDA No.: 84.394 ARRA—State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act
Status: Fully corrected
Contact person: James Menlove, Finance Director, (928) 524-4343

10-110

CFDA No.: 93.069 Public Health Emergency Preparedness
Status: Partially corrected
Contact person: James Menlove, Finance Director, (928) 524-4343

To help ensure that only allowable funding sources are used to match federal expenditures and that the program's matching requirement is met, the County will establish policies and procedures for monitoring its matching expenditures. In addition, the County will maintain records to demonstrate that the matching requirements were met, and to support that the program is matched with allowable nonfederal sources or in-kind contributions. Also, monies used to match the program's federal award expenditures will be transferred into the designated program fund during the period of time when the expenditures are incurred.

10-111

CFDA No.: 93.069 Public Health Emergency Preparedness
Status: Fully corrected
Contact person: James Menlove, Finance Director, (928) 524-4343

10-112

CFDA No.: 93.563 Child Support Enforcement Program
Status: Not corrected
Contact person: James Menlove, Finance Director, (928) 524-4343

To help ensure that only allowable funding sources are used to match federal expenditures and that the matching requirement is met, the County will establish policies and procedures for monitoring its matching expenditures. In addition, the County will maintain records to demonstrate that the matching requirements were met, and to support that the program is matched with allowable nonfederal sources or in-kind contributions. Specifically, monies used to match the program's federal award expenditures will be transferred into the designated program fund during the period of time when the expenditures are incurred.

10-113

CFDA No.: 93.563 Child Support Enforcement Program
Status: Fully corrected
Contact person: James Menlove, Finance Director, (928) 524-4343

10-114

CFDA No.: 93.563 Child Support Enforcement Program
Status: Fully corrected
Contact person: James Menlove, Finance Director, (928) 524-4343

Navajo County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-115

CFDA No.: 97.067 Homeland Security Grant Program

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343

10-116

CFDA No.: 97.067 Homeland Security Grant Program

Status: Fully corrected

Contact person: James Menlove, Finance Director, (928) 524-4343