



**STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL**

**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**WILLIAM THOMSON**  
DEPUTY AUDITOR GENERAL

May 6, 2004

Catherine R. Eden, Ph.D., Director  
Director's Office  
Department of Health Services  
150 N. 18<sup>th</sup> Ave.  
Phoenix, AZ 85007

Subject: Management Letter

Dear Dr. Eden:

In planning and conducting our single audit of the State of Arizona for the year ended June 30, 2003, we performed the following as required by *Government Auditing Standards* (GAS) and Office of Management and Budget (OMB) Circular A-133:

- Considered the Department's internal controls over financial reporting,
- Tested its internal controls over major federal programs, and
- Tested its compliance with laws and regulations that could have a direct and material effect on the State's financial statements and major federal programs.

Specifically, we performed tests of cash receipts, cash disbursements, purchasing, statutory compliance, and the following federal programs: Special Supplemental Nutrition Program for Women, Infants, and Children; the Block Grants for Prevention and Treatment of Substance Abuse; and the Centers for Disease Control and Prevention-Investigations and Technical Assistance.

All audit findings that are required to be reported by GAS and OMB Circular A-133 have been included in the State of Arizona's Single Audit Reporting Package for the year ended June 30, 2003, and have been communicated to your staff.

This letter is intended solely for the information of the Department of Health Services and is not intended to be and should not be used by anyone other than the specified party. However, this letter is a matter of public record, and its distribution is not limited.

Should you have any questions concerning its contents, please let us know.

Sincerely,

Debbie Davenport  
Auditor General