



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

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

July 23, 2007

Major General David P. Rataczak, Adjutant General
Arizona Department of Emergency and Military Affairs
5636 East McDowell Road
Phoenix, AZ 85008-3495

Subject: Management Letter

Dear Major General Rataczak:

In planning and conducting our single audit of the State of Arizona for the year ended June 30, 2006, 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 disbursements, payroll, the National Guard Military Operations and Maintenance (O&M) Projects program, the Homeland Security Grant Program cluster, and the Urban Areas Security Initiative program.

All audit findings that are required to be reported in the GAS and OMB Circular A-133 reports have been included in the State of Arizona's Single Audit Reporting Package for the year ended June 30, 2006, and have been communicated to your staff.

This letter is intended solely for the information of the Department 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,

Dennis L. Mattheisen, CPA
Financial Audit Director