

**Office of the Governor
Management Letter
Year Ended June 30, 2001**



STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

November 20, 2001

The Honorable Jane Dee Hull, Governor
Office of the Governor
1700 West Washington Street
Phoenix, AZ 85007

Subject: Management Letter

Dear Governor Hull:

In planning and conducting our single audit of the State of Arizona for the year ended June 30, 2001, we performed the following as required by *Government Auditing Standards* (GAS) and Office of Management and Budget (OMB) Circular A-133:

- Tested internal controls over major federal programs, and
- Tested compliance with laws and regulations that could have a direct and material effect on major federal programs.

Specifically, we performed tests on the Juvenile Accountability Incentive Block Grants (Catalog of Federal Domestic Assistance Number 16.523).

One audit finding concerning monitoring of subrecipients that is required to be reported by OMB Circular A-133 will be included in the State of Arizona's Single Audit Reporting Package for the year ended June 30, 2001. This finding addresses a weakness in procedures that resulted in the Governor's Community Policy Office not receiving audit reports from all subrecipients. Federal regulations require the review of audit reports as a means of ensuring subrecipients are complying with laws and regulations. This finding has been communicated to Elizabeth R. Reich, Executive Director, of the Governor's Community Policy Office.

This letter is intended solely for the information of the Office of the Governor 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