



Maricopa County

REPORT HIGHLIGHTS SINGLE AUDIT

Subject

Maricopa County is responsible for demonstrating accountability for its use of both federal and state monies, maintaining strong internal controls, and complying with federal program requirements. As the auditors, our job is to determine whether the County met its responsibilities.

Our Conclusion

The County maintained adequate internal controls for five of ten federal programs tested and complied with federal compliance requirements. However, auditors found material internal control weaknesses and instances of noncompliance with program requirements for five programs. For one federal program tested, auditors found material noncompliance with program requirements.



2009

Year Ended June 30, 2009

The County Did Not Materially Comply with Compliance Requirements for the Child Nutrition Cluster

The Juvenile Probation Department did not comply with the Child Nutrition Cluster's activities allowed or unallowed, allowable costs/cost principles, and reporting compliance requirements. The Department failed to perform on-site reviews of meal-counting procedures, perform edit checks of meals counted, document training to personnel involved in the meal-counting process, or maintain supporting documentation of all meals claimed for reimbursement.

The Department also did not submit accurate reimbursement claim forms and reported inaccurate information to the pass-through grantor on its annual financial report resulting in under- and over-reporting meals served. As a result, auditors expressed an adverse opinion for this program. Auditors were unable to determine the amount of questioned costs that resulted from these weaknesses.

Five Material Weaknesses Were Identified in Internal Control over Compliance with Federal Requirements

Auditors tested ten federal programs under the guidelines established by the Single Audit Act. Of those ten federal programs, the two federal programs administered by the Housing Authority of Maricopa County were audited by other auditors whose report was furnished to us. Auditors identified nine deficiencies in internal control over compliance with federal compliance requirements. Five of these deficiencies were material weaknesses. A material weakness is a weakness in internal control that could lead to material noncompliance with one or more of a federal program's compliance requirements. A summary of the types of material weaknesses follows:

- The employees responsible for administering the Workforce Investment Act Cluster did not approve payroll expenditures. This led to noncompliance with the activities allowed or unallowed and allowable costs/costs principles compliance requirements.
- The departments responsible for the Special Supplemental Nutrition Program for Women, Infants, and Children; the Highway Planning and Construction program; and the Head Start program did not have controls in place to ensure they did not enter into transactions with suspended or debarred entities. This resulted in noncompliance with the suspension and debarment compliance requirement.
- One department responsible for part of the Highway Planning and Construction program did not perform reviews of the reimbursement requests prior to submissions, which affected the program's activities allowed or unallowed, allowable costs/cost principles, cash management, and reporting compliance requirements.
- The department responsible for the Child Nutrition Cluster did not have adequate internal controls in place over its meal-counting process and report preparation procedures. See related story above.

County Federal Award Expenditures Increased

Overall, county expenditures of federal award monies increased by \$5.4 million, or 5 percent, from the \$107.5 expended during fiscal year 2008. The increase is primarily attributed to the County's receiving an increase in federal award monies in fiscal year 2009 from the U.S. Department of Health and Human Services related to the Voting Access

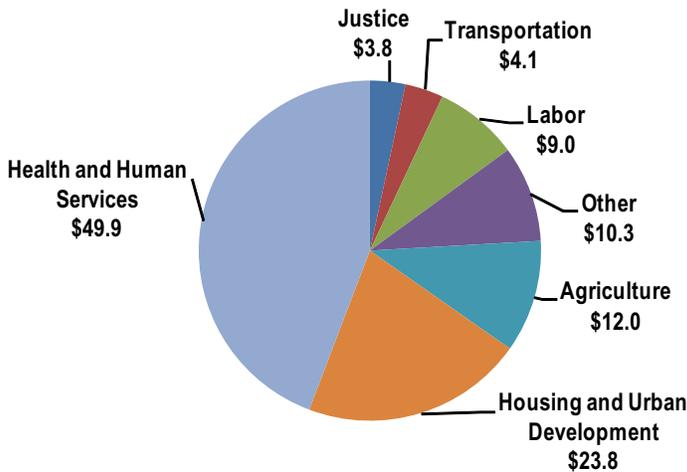
for Individuals with Disabilities program. The County received \$1.7 million of federal monies for this program as reimbursement for its investment in the optical scan voting system. In addition, the Low-Income Home Energy Assistance program had a \$2.4 million increase due to the additional funding received during the year.

TO OBTAIN MORE INFORMATION

A copy of the full report is available at:
www.azauditor.gov

Contact person:
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**Federal Expenditures by Awarding Agency
 Totaling \$112.9 Million
 Fiscal Year 2009
 (In Millions)**



American Recovery and Reinvestment Act

According to the State of Arizona's Office of the Governor, it received Federal American Recovery Act monies totaling \$41 million under ARRA Workforce Improvement Act activities. Program monies were distributed to counties and tribes throughout the State to provide training for dislocated workers, adults, and youth in order to help them obtain employment. The State allocated Maricopa County \$7.9 million of this program's monies.

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