

**Yavapai County, Arizona**  
**Single Audit Reporting Package**  

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**Year ended June 30, 2022**

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**Independent Auditors' 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***

The Arizona Auditor General  
Honorable Board of Supervisors of  
Yavapai County, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Yavapai County, Arizona (Yavapai County) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Yavapai County's basic financial statements and have issued our report thereon dated May 8, 2023.

## **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Yavapai County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Yavapai County's internal control. Accordingly, we do not express an opinion on the effectiveness of Yavapai County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Yavapai County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 through 2022-005 that we consider to be significant deficiencies.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Yavapai County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **County's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Yavapai County's responses to the findings identified in our audit that are presented in its corrective action plan at the end of this report. Yavapai County is responsible for preparing a corrective action plan to address each finding. Yavapai County's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Yavapai County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Yavapai County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Walker & Armstrong, LLP*

Phoenix, Arizona  
May 8, 2023

**Independent Auditors' Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance; and Report on Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

The Arizona Auditor General  
Honorable Board of Supervisors of  
Yavapai County, Arizona

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Yavapai County, Arizona's (Yavapai County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Yavapai County's major federal programs for the year ended June 30, 2022. Yavapai County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Yavapai County, Arizona complied, in all material respects, with the types of 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Yavapai County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Yavapai County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Yavapai County's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Yavapai County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Yavapai County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Yavapai County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Yavapai County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Yavapai County's internal control over compliance. Accordingly, we express no such opinion.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed two instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described as items 2022-101 and 2022-102 in the accompanying schedule of findings and questioned costs. Our opinion on each major federal program is not modified with respect to these matters.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the auditor's responsibilities for the audit of compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 a 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. 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-101 and 2022-102 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Yavapai County's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Yavapai County's responses to the internal control over compliance findings that are presented in its corrective action plan at the end of this report. Yavapai County is responsible for preparing a corrective action plan to address each finding. Yavapai County's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yavapai County as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Yavapai County's basic financial statements. We issued our report thereon dated May 8, 2023, that contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Walker & Armstrong, LLP*

Phoenix, Arizona  
May 8, 2023

**Yavapai County, Arizona  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2022**

**A. Summary of Audit Results**

***Financial Statements***

Type of auditors' report issued:

| Unmodified |    |
|------------|----|
| Yes        | No |

***Internal Control over Financial Reporting***

Material weaknesses identified?

|  |   |
|--|---|
|  | X |
|--|---|

Significant deficiencies identified?

|   |  |
|---|--|
| X |  |
|---|--|

Noncompliance material to the financial statements noted?

|  |   |
|--|---|
|  | X |
|--|---|

***Federal Awards***

Material weaknesses identified?

|  |   |
|--|---|
|  | X |
|--|---|

Significant deficiencies identified?

|   |  |
|---|--|
| X |  |
|---|--|

Type of auditors' report issued on compliance for major programs:

|  |            |
|--|------------|
|  | Unmodified |
|--|------------|

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR §200.516(a)?

|   |  |
|---|--|
| X |  |
|---|--|

Identification of major programs:

| <b>Assistance<br/>Listings<br/>Number</b> | <b>Name of Federal Program or Cluster</b>                    |
|---|--|
|   | <i>WIOA Cluster:</i>   |
| 17.258                                    | WIOA Adult Program   |
| 17.259                                    | WIOA Youth Activities  |
| 17.278                                    | WIOA Dislocated Worker Formula Grants                        |
| 20.205                                    | Highway Planning and Construction Cluster                    |
| 21.023                                    | COVID-19 - Emergency Rental Assistance Program               |
| 21.027                                    | COVID-19 - Coronavirus State and Local Fiscal Recovery Funds |

**Schedule of Findings and Questioned Costs – Continued**

| <b>Assistance Listings Number</b> | <b>Name of Federal Program or Cluster</b>  |
|-----------------------------------|--|
|                                   | <i>Health Center Program Cluster:</i>  |
| 93.224                            | Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)            |
| 93.224                            | COVID-19 - Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) |
| 93.527                            | Grants for New and Expanded Services under the Health Center Program   |
|                                   | <i>Immunization Cooperative Agreements:</i>  |
| 93.268                            | Immunization Cooperative Agreements  |
| 93.268                            | Covid-19 - Immunization Cooperative Agreements   |

Dollar threshold used to distinguish between Type A and B programs: \$ 750,000

Auditee qualified as a low-risk auditee? X

***Other Matters***

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with 2 CFR §200.511(b)? X

## Schedule of Findings and Questioned Costs – Continued

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### B. Financial Statement Findings:

#### **Finding 2022-001 – Improve Internal Control over the Accounts Payable Cycle (Significant Deficiency)**

**Condition** – During our audit, we noted weaknesses in internal controls over the disbursement cycle, as follows:

- i. Secondary approval is not required for disbursements exceeding a threshold.
- ii. No approved vendor list exists.
- iii. One of 25 P-card transactions tested did not have an application.

**Effect** – The effect of these internal control weaknesses is that the County is subject to a heightened risk of errors and misappropriation.

**Cause** – The cause is outdated policies and procedures and insufficient monitoring processes to identify the internal controls that should be in place and compliance with such procedures.

**Criteria** – As it relates to item i., the UAMAC states that “separation of functions, duties, and responsibilities is necessary so that no individual performs incompatible duties that may permit errors or fraud to occur and remain undetected.”

For item ii, the UAMAC requires that counties establish criteria for selecting vendors to ensure that each vendor is a legitimate, established business; is financially responsible; and is able to meet the County’s requirements. Counties may establish and maintain a list of vendors that have provided satisfactory service in the past and any new vendors that have requested to be contacted in the future to fulfill county requirements.

For item iii, the County should adhere to its policy which states that “for each request, a Procurement Card Application Form shall be completed and submitted to the Finance Department.”

**Recommendations** – We recommend that the County perform a comprehensive review of its policies and procedures over the accounts payable cycle and determine if they are sufficient and whether the County is complying with such policies and procedures.

## Schedule of Findings and Questioned Costs – Continued

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### B. Financial Statement Findings - Continued:

#### **Finding 2022-002 - Improve the Accounting for Intergovernmental Revenues** **(Significant Deficiency)**

**Condition** – During our audit, we noted that revenues collected for the Schools and Roads – Grants to States totaling \$1,557,693 were not reported as revenues or expenses/expenditures in the County’s non-major governmental funds. Instead, the revenues and the related disbursement were incorrectly recorded as a fiduciary activity.

In addition, the County incorrectly recorded \$145,085 in charter school equalization money as property taxes revenue when it should have been recorded as intergovernmental revenues.

**Effect** – The effect is that revenues and expenses/expenditures were materially misstated in the County’s financial statements.

**Cause** – The cause is not reconciling the schedule of expenditures of federal awards to the County’s general ledger. Also, the County has experienced turnover within its finance department which has affected the resources available for the financial reporting process.

**Criteria** – The state of Arizona, Office of the Auditor General has published the Uniform Accounting Manual for Arizona Counties (UAMAC) which provides detailed accounting guidance for grant revenue as does Government Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and related guidance.

**Recommendation** – We recommend that the County properly record intergovernmental revenues in accordance with the UAMAC and U.S. GAAP.

#### **Finding 2022-003 - Improve Information Technology Policies and Procedures** **(Significant Deficiency) (Repeat Finding)**

**Condition** – During our audit, and as noted in prior years’ audits, opportunities exist for the County to improve its internal control over information technology. Specifically, the County does not have a comprehensive information technology security policy.

**Schedule of Findings and Questioned Costs – Continued**

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**B. Financial Statement Findings - Continued:**

In addition, the County does not have a comprehensive risk assessment process in place to periodically assess the sufficiency of the County’s policies related to the following areas:

| Security Policy Areas                 |  |
|---------------------------------------|--|
| Acceptable uses of computer equipment | Password and creation  |
| Security awareness and training       | Network security including auditing                                      |
| Change management                     | Software licensing and patches   |
| Incident response                     | Access authorization and modification including mobile device management |
| Back-up and recovery                  | Data retention   |
| Remote access                         | Data encryption  |
| Vendor management                     | E-mail management and social media usage                                 |
|                                       |  |

**Effect** – The effect of not having a robust information technology security policy and complying with such a policy is a heightened risk of security breaches and a resulting loss of County data.

**Cause** – The cause is outdated policies and procedures and insufficient resources devoted to information technology security.

**Criteria** – Several organizations exist that provide comprehensive guidance on establishing and maintaining robust information technology security policies and procedures such as the Committee of Sponsoring Organizations on the Treadway Commission (COSO), International Organization for Standardization (ISO) Cybersecurity, Institute of Risk Management Cyber Risk Report, and the National Institute of Standards and Technology (NIST).

**Recommendation** – We recommend that the County continue to review and update its policies and procedures over information technology including the development of a comprehensive information technology security policy. We also recommend that the County implement a process of reviewing compliance with the policy on an annual basis and reporting the results to the County Administrator and the Board of Supervisors.

## Schedule of Findings and Questioned Costs – Continued

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### B. Financial Statement Findings - Continued:

#### **Finding 2022-004 - Improve the Reporting to Governance (Significant Deficiency)**

**Condition** – During our audit, we noted that the Board of Supervisors does not receive, on at least a quarterly basis, financial reports containing critical financial information such as budget versus actual results, cash and investment balances, outstanding indebtedness and pension related obligations. The County is an organization with over \$250 million in revenue and several departments with individual budgets which necessitates strong governance. Such governance can only occur with meaningful, accurate and timely financial information.

**Effect** – The effect is that the Board of Supervisors is not receiving timely and meaningful financial information necessary to make critical decisions.

**Cause** – The County has experienced turnover within its finance department which has affected the resources available to devote to financial reporting.

**Criteria** – 2 CFR §200.303, *Internal Controls*, requires that non-federal entities establish and maintain effective internal control over the Federal awards. These internal controls should follow guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This guidance includes internal controls related to information and communication which encompasses governance receiving timely, meaningful, and accurate information pertaining to the County’s financial results.

**Recommendation** – We recommend that the Board of Supervisors receive, at least quarterly, financial information which at minimum includes budget versus actual results for the general fund and other major funds, unrestricted and restricted cash and investment balances, a report of outstanding indebtedness and pension related obligations.

#### **Finding 2022-005 - Capital Assets (Significant Deficiency)**

**Condition** – During our audit, we noted that land with an original cost totaling \$164,358 and equipment with original cost of \$944,157 and net book value of zero were sold but not removed from the capital asset listing.

**Effect** – The effect was that capital assets were sold or traded in and not removed from the capital asset listing.

**Cause** – The County has experienced turnover within its finance department which has affected the resources available to devote to financial reporting.

## Schedule of Findings and Questioned Costs – Continued

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### B. Financial Statement Findings - Continued:

**Criteria** – Capital asset records should be maintained in a manner that is complete, accurate and reviewed by knowledgeable personnel.

**Recommendation** – We recommend that the County follows its policy of removing capital assets from the listing that have been sold, traded-in or abandoned. Doing so will reduce the risk of material errors in the capital asset records.

### C. Federal Award Findings:

#### **Finding 2022-101 Improve the Timeliness and Accuracy of Financial and Programmatic Reports (Significant Deficiency) (Repeat Finding)**

**FAL Number:** 21.023, 21.027, 93.224, 93.527

**Program Title:** Emergency Rental Assistance Program, Coronavirus State and Local Fiscal Recovery Funds, Health Center Program Cluster

**Federal Agency:** U.S. Department of the Treasury  
U.S. Department of Health and Human Services

**Award Year:** 2021 and 2022

**Award Number:** None

**Compliance Requirements:** Reporting

**Questioned Costs:** None

**Condition and context** – The reports for the quarter ended December 31, 2021, for the Coronavirus State and Local Fiscal Recovery Funds and the Health Center Program Cluster, and the report for the quarter ended September 30, 2021 for the Emergency Rental Assistance Program were issued a day after the deadline. In addition, for one of three programmatic reports tested for the Emergency Rental Assistance Program, the report showed the number of participating households and funds paid at zero for each when it should have been 512 households and \$646,914 paid, respectively.

**Effect** – The effect of the reporting delays and incorrect information is that funding agencies are receiving incorrect or untimely information.

**Cause** – The cause is insufficient monitoring of reporting deadlines and inadequate review process of reports prior to their submittal.

**Criteria** – Federal regulations (2 CFR §200.327) and the terms of the federal grants and contracts require that financial reports be filed in a timely manner and be supported by accurate documentation.

## Schedule of Findings and Questioned Costs – Continued

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### C. Federal Award Findings - Continued:

**Recommendation** – We recommend that the County improve controls over grant reporting that includes a process for identifying reporting requirements and monitoring the timely grant reporting. The system of control should include evaluating and documenting the reporting requirements of each grant and, assignment of both the employees responsible for preparation of the grant reports and a secondary employee assignment for overall monitoring of the timeliness of all grant reports.

**Finding 2022-102 Improve the Timeliness of Filing the Annual Audit (Significant Deficiency) (Repeat Finding)**

**FAL Number:** 17.258, 17.259, 17.278; 20.205; 21.023; 21.027; 93.224; 93.527; 93.268

**Program Title:** Workforce Investment Opportunities Act (WIOA) Cluster, Highway Planning and Construction, Emergency Rental Assistance Program, Coronavirus State and Local Fiscal Recovery Funds, Health Center Program Cluster, Immunization Cooperative Agreements

**Federal Agency:** U.S. Department of Labor  
U.S. Department of Transportation  
U.S. Department of Treasury  
U.S. Department of Health and Human Services

**Award Year:** 2021 and 2022

**Award Number:** WIOA Cluster – D121-00290; Highway Planning and Construction – GRT-21-0008159-T; None for all other major programs

**Compliance Requirements:** Reporting

**Questioned Costs:** None

**Condition and context** – The County’s single audit reporting package for the fiscal year ended June 30, 2022, was not submitted to the Federal Audit Clearinghouse by the required deadline of March 31, 2023.

**Effect** – The effect of the untimely submission of the single audit reporting package is noncompliance with Federal requirements.

**Cause** – The cause was due to turnover within the County’s Finance Department.

**Criteria** – The terms of the County’s federally funded grants and contracts and the Uniform Guidance require the submission of a single audit reporting package to the Federal Audit Clearinghouse within nine months of the auditee’s fiscal year end.

## Schedule of Findings and Questioned Costs – Continued

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### C. Federal Award Findings - Continued:

**Recommendation** – We recommend that the County devote the necessary resources to the accounting function to meet its reporting obligations. Doing so will improve the timeliness of the County’s submittal to the Federal Audit Clearinghouse.

**Yavapai County, Arizona**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

| Federal Grantor/Program Title/Pass-Through Grantor                                       | Federal Assistance Listing Number | Pass-Through Grantor's Number    | Federal Expenditures | Amount Provided to Subrecipients |
|--|-----------------------------------|----------------------------------|----------------------|----------------------------------|
| <b><u>U.S. Department of Agriculture</u></b>   |                                   |                                  |                      |                                  |
| <i>Passed through John Hopkins University</i>  |                                   |                                  |                      |                                  |
| Participant Research Innovation Laboratory for Enhancing WIC Services                    | 10.540                            | 2004408819, 204436295            | \$ 2,386             | \$ -                             |
| <i>Passed through the Arizona Department of Education</i>                                |                                   |                                  |                      |                                  |
| <i>Child Nutrition Cluster:</i>  |                                   |                                  |                      |                                  |
| School Breakfast Program   | 10.553                            | ED09-0001                        | 19,765               | -                                |
| National School Lunch Program  | 10.555                            | ED09-0001                        | 35,427               | -                                |
| National School Lunch Program (Noncash)  | 10.555                            | ED09-0001                        | 22,792               | -                                |
| <i>Total Child Nutrition Cluster</i>   |                                   |                                  | 77,984               | -                                |
| <i>Passed through the Arizona Department of Health Services</i>                          |                                   |                                  |                      |                                  |
| Special Supplemental Nutrition Program for Women, Infants, and Children                  | 10.557                            | ADHS19-207420                    | 719,388              | -                                |
| <i>SNAP Cluster:</i>   |                                   |                                  |                      |                                  |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program   | 10.561                            | RFGA2020-0001-006                | 183,161              | -                                |
| <i>Forest Service Schools and Roads Cluster</i>  |                                   |                                  |                      |                                  |
| Schools and Roads-Grants to States   | 10.665                            | None                             | 1,769,393            | -                                |
| <i>Total U.S. Department of Agriculture</i>  |                                   |                                  | <b>2,752,312</b>     | <b>-</b>                         |
| <b><u>U.S. Department of Housing and Urban Development</u></b>                           |                                   |                                  |                      |                                  |
| <i>Passed through the Arizona Department of Housing</i>                                  |                                   |                                  |                      |                                  |
| Community Development Block Grant / State's Program and Non-Entitlement Grants in Hawaii | 14.228                            | 100-22, 106-22                   | 128,708              | -                                |
| Home Investments Partnership Program   | 14.239                            | 304-20                           | 77,683               | -                                |
| <i>Total U.S. Department of Housing and Urban Development</i>                            |                                   |                                  | <b>206,391</b>       | <b>-</b>                         |
| <b><u>U.S. Department of Justice</u></b>   |                                   |                                  |                      |                                  |
| Domestic Cannabis Eradication/Suppression Program  | 16.U02 2021-03                    | N/A                              | 12,810               | -                                |
| Domestic Cannabis Eradication/Suppression Program  | 16.U02 2022-03                    | N/A                              | 4,019                | -                                |
| <i>Total Domestic Cannabis Eradication/Suppression</i>                                   |                                   |                                  | 16,829               | -                                |
| <i>Passed through the Arizona Criminal Justice Commission</i>                            |                                   |                                  |                      |                                  |
| <i>COVID-19 - Coronavirus Emergency Supplemental Funding Program</i>                     |                                   |                                  |                      |                                  |
| Crime Victim Assistance  | 16.034                            | ACESF-21-053                     | 144,748              | -                                |
| Residential Substance Abuse Treatment for State Prisoners                                | 16.575                            | 2020-202, 2020-209               | 324,243              | -                                |
| Edward Byrne Memorial Justice Assistance Grant Program                                   | 16.593                            | RSAT-22-004                      | 45,447               | -                                |
| Edward Byrne Memorial Justice Assistance Grant Program                                   | 16.738                            | N/A                              | 10,206               | -                                |
| <i>Passed through the Arizona Criminal Justice Commission</i>                            |                                   |                                  |                      |                                  |
| Edward Byrne Memorial Justice Assistance Grant Program                                   | 16.738                            | DC-22-011, DC-22-034, CJI-22-002 | 189,043              | -                                |
| <i>Total FAL 16.738</i>  |                                   |                                  | 199,249              | -                                |
| Equitable Sharing Program  | 16.922                            | N/A                              | 16,459               | -                                |
| <i>Total U.S. Department of Justice</i>  |                                   |                                  | <b>746,975</b>       | <b>-</b>                         |

The accompanying notes are an integral part of this schedule.

**Yavapai County, Arizona**  
**Schedule of Expenditures of Federal Awards - Continued**  
**Year Ended June 30, 2022**

| Federal Grantor/Program Title/Pass-Through Grantor  | Federal Assistance Listing Number | Pass-Through Grantor's Number  | Federal Expenditures | Amount Provided to Subrecipients |
|---|-----------------------------------|--|----------------------|----------------------------------|
| <b><u>U.S. Department of Labor</u></b>  |                                   |  |                      |                                  |
| <i>Passed through the Arizona Department of Economic Security</i>                         |                                   |  |                      |                                  |
| <i>WIOA Cluster:</i>  |                                   |  |                      |                                  |
| WIOA Adult Program  | 17.258                            | DI21-002290  | \$ 343,037           | \$ 343,037                       |
| WIOA Youth Activities   | 17.259                            | DI21-002290  | 424,560              | 424,560                          |
| WIOA Dislocated Worker Formula Grants   | 17.278                            | DI21-002290  | 590,662              | 590,662                          |
| <i>Total WIOA Cluster</i>   |                                   |  | <u>1,358,259</u>     | <u>1,358,259</u>                 |
| <b>Total U.S. Department of Labor</b>   |                                   |  | <b>1,358,259</b>     | <b>1,358,259</b>                 |
| <b><u>U.S. Department of Transportation</u></b>   |                                   |  |                      |                                  |
| Airport Improvement Program and COVID-19 Airports Programs                                | 20.106                            | N/A  | 245,401              | -                                |
| COVID-19 - Airport Improvement Program and COVID-19 Airports Programs                     | 20.106                            | N/A  | 54,969               | -                                |
| <i>Total FAL 20.106</i>   |                                   |  | <u>300,370</u>       | <u>-</u>                         |
| <i>Passed through Arizona Department of Transportation</i>                                |                                   |  |                      |                                  |
| <i>Highway Planning and Construction Cluster:</i>   |                                   |  |                      |                                  |
| Highway Planning and Construction   | 20.205                            | GRT-21-0008159-T   | 534,693              | -                                |
| <i>Total Highway Planning and Construction Cluster</i>                                    |                                   |  | <u>534,693</u>       | <u>-</u>                         |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | 20.505                            | GRT-21-0008159-T   | 16,274               | -                                |
| <i>Passed through the Northern Arizona Council of Governments</i>                         |                                   |  |                      |                                  |
| <i>Transit Services Programs Cluster:</i>   |                                   |  |                      |                                  |
| Enhanced Mobility of Seniors and Individuals with Disabilities                            | 20.513                            | GRT-20-0007795-T   | 50,256               | -                                |
| <i>Passed through Arizona Governor's Office of Highway Safety</i>                         |                                   |  |                      |                                  |
| <i>Highway Safety Cluster:</i>  |                                   |  |                      |                                  |
| State and Community Highway Safety  | 20.600                            | 2021-AL-037, 2021-PTS-078, 2022-AI-014, 2022-AL-041, 2022-PS-013, 2022-PTS-075 | 73,909               | -                                |
| <i>Total Highway Safety Cluster</i>   |                                   |  | <u>73,909</u>        | <u>-</u>                         |
| <b>Total U.S. Department of Transportation</b>  |                                   |  | <b>975,502</b>       | <b>-</b>                         |
| <b><u>U.S. Department of the Treasury</u></b>   |                                   |  |                      |                                  |
| COVID-19 - Emergency Rental Assistance Program  | 21.023                            | N/A  | 5,084,148            | 5,079,480                        |
| <i>Passed through the Arizona Supreme Court</i>   |                                   |  |                      |                                  |
| COVID-19 - Emergency Rental Assistance Program  | 21.023                            | Unknown  | 23,333               | -                                |
| <i>Total FAL 21.023</i>   |                                   |  | <u>5,107,481</u>     | <u>5,079,480</u>                 |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds                              | 21.027                            | N/A  | 732,450              | 136,720                          |
| <i>Passed through the Arizona Criminal Justice Commission</i>                             |                                   |  |                      |                                  |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds                              | 21.027                            | VC-22-014  | 18,000               | -                                |
| <i>Total FAL 21.027</i>   |                                   |  | <u>750,450</u>       | <u>136,720</u>                   |
| <b>Total U.S. Department of the Treasury</b>  |                                   |  | <b>5,857,931</b>     | <b>5,216,200</b>                 |
| <b><u>Federal Communications Commission</u></b>   |                                   |  |                      |                                  |
| COVID-19 - Emergency Connectivity Fund Program  | 32.009                            | N/A  | 91,663               | -                                |
| <b>Total Federal Communications Commission</b>  |                                   |  | <b>91,663</b>        | <b>-</b>                         |

The accompanying notes are an integral part of this schedule.

Yavapai County, Arizona  
Schedule of Expenditures of Federal Awards - Continued  
Year Ended June 30, 2022

| Federal Grantor/Program Title/Pass-Through Grantor                            | Federal Assistance Listing Number | Pass-Through Grantor's Number   | Federal Expenditures | Amount Provided to Subrecipients |
|---|-----------------------------------|---|----------------------|----------------------------------|
| <b><u>Institute of Museum and Library Services</u></b>                        |                                   |   |                      |                                  |
| <i>Passed through the Arizona State Library, Archives and Public Records</i>  |                                   |   |                      |                                  |
| Grants to States  | 45.310                            | 2020-0010-06, 2020-0010-08, 2020-0010-CAP-06, 2021-0010-InfoAcc-11, 2021-0260-InEduc-09, 2021-0340-WiFiH-17 | \$ 32,125            | \$ -                             |
| COVID-19 - Grants to States   | 45.310                            | 2020-0720-49, 2020-0730-10, 2021 - ARPA - 58  | 20,621               | -                                |
| COVID-19 - Grants to States (Noncash)   | 45.310                            | Unknown   | 39,595               | -                                |
| <i>Total FAL 45.310</i>   |                                   |   | <u>92,341</u>        | <u>-</u>                         |
| <i>Total Institute of Museum and Library Services</i>                         |                                   |   | <b>92,341</b>        | <b>-</b>                         |
| <b><u>U.S. Department of Education</u></b>                                    |                                   |   |                      |                                  |
| <i>Passed through the Arizona Department of Education</i>                     |                                   |   |                      |                                  |
| Title I Grants to Local Educational Agencies                                  | 84.010                            | 22FTITTI-211555-01A   | 33,432               | -                                |
| Title I State Agency Program for Neglected and Delinquent Children and Youth  | 84.013                            | 22FLCCCL-213357-02A   | 47,080               | -                                |
| <i>Special Education Cluster (IDEA)</i>                                       |                                   |   |                      |                                  |
| Special Education Grants to States  | 84.027                            | 22FESCBG-210683-09A, 22FESCBG-211555-09A  | 28,623               | -                                |
| <i>Total Special Education Cluster (IDEA)</i>                                 |                                   |   | <u>28,623</u>        | <u>-</u>                         |
| Rural Education   | 84.358                            | N/A   | 16,010               | -                                |
| <i>Passed through the Arizona Department of Education</i>                     |                                   |   |                      |                                  |
| English Language Acquisition State Grants                                     | 84.365                            | 22FELENG-213357-66A   | 15,623               | -                                |
| Comprehensive Literacy Development  | 84.371                            | 22FCLSDG-213357-01A   | 192,876              | -                                |
| COVID-19 - Education Stabilization Fund                                       | 84.425D                           | 21FERFNT-113357-01A, 21FEIINT-113357-01A, 21FESSII-111555-01A   | 241,436              | -                                |
| <i>Total U.S. Department of Education</i>                                     |                                   |   | <u>575,080</u>       | <u>-</u>                         |
| <b><u>U.S. Election Assistance Commission</u></b>                             |                                   |   |                      |                                  |
| <i>Passed through the Arizona Secretary of State</i>                          |                                   |   |                      |                                  |
| 2018 HAVA Election Security Grant   | 90.404                            | AZ18101001, AZ20101001  | 14,537               | -                                |
| <i>Total U.S. Election Assistance Commission</i>                              |                                   |   | <u>14,537</u>        | <u>-</u>                         |
| <b><u>U.S. Department of Health and Human Services</u></b>                    |                                   |   |                      |                                  |
| <i>Passed through the Arizona Department of Health Services</i>               |                                   |   |                      |                                  |
| Public Health Emergency Preparedness  | 93.069                            | CTR055220   | 266,601              | -                                |
| <i>Passed through the Association of Food and Drug Officials</i>              |                                   |   |                      |                                  |
| Food and Drug Administration Research   | 93.103                            | G-MP-2106-09482   | 17,129               | -                                |
| <i>Passed through the Arizona Department of Health Services</i>               |                                   |   |                      |                                  |
| Injury Prevention and Control Research and State and Community Based Programs | 93.136                            | CTR055629, IGA2021-068  | 203,305              | -                                |

The accompanying notes are an integral part of this schedule.

**Yavapai County, Arizona**  
**Schedule of Expenditures of Federal Awards - Continued**  
**Year Ended June 30, 2022**

| Federal Grantor/Program Title/Pass-Through Grantor   | Federal Assistance Listing Number | Pass-Through Grantor's Number     | Federal Expenditures | Amount Provided to Subrecipients |
|--|-----------------------------------|-----------------------------------|----------------------|----------------------------------|
| <b><u>U.S. Department of Health and Human Services - Continued</u></b>   |                                   |                                   |                      |                                  |
| <b><i>Passed through the Arizona Family Health Partnership</i></b>   |                                   |                                   |                      |                                  |
| Family Planning Services   | 93.217                            | Unknown                           | \$ 216,621           | \$ -                             |
| <b><i>Health Center Program Cluster</i></b>  |                                   |                                   |                      |                                  |
| Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)            | 93.224                            | N/A                               | 508,506              | -                                |
| COVID-19 - Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) | 93.224                            | N/A                               | 1,709,437            | -                                |
| <i>Total FAL 93.224</i>  |                                   |                                   | 2,217,943            | -                                |
| Grants for New and Expanded Services under the Health Center Program   | 93.527                            | N/A                               | 1,548,890            | -                                |
| <i>Total Health Center Program Cluster</i>   |                                   |                                   | 3,766,833            | -                                |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance  | 93.243                            | N/A                               | 61,437               | -                                |
| <b><i>Passed through the Arizona Department of Health Services</i></b>   |                                   |                                   |                      |                                  |
| Immunization Cooperative Agreements  | 93.268                            | ADHS18-177692                     | 121,374              | -                                |
| COVID-19 - Immunization Cooperative Agreements   | 93.268                            | ADHS18-177692                     | 663,988              | -                                |
| <i>Total FAL 93.268</i>  |                                   |                                   | 785,362              | -                                |
| COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  | 93.323                            | CTR057223, IGA2021-065            | 639,138              | -                                |
| COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises      | 93.391                            | CTR055995                         | 91,991               | -                                |
| Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke                                       | 93.426                            | CTR046530                         | 56,805               | -                                |
| <b><i>Passed through the Arizona Department of Economic Security</i></b>   |                                   |                                   |                      |                                  |
| Child Support Enforcement  | 93.563                            | G1804AZ4004                       | 212,554              | -                                |
| Grants to States for Access and Visitation Programs  | 93.597                            | 1601AZSAVP                        | 8,348                | -                                |
| <b><i>Passed through the Arizona Supreme Court</i></b>   |                                   |                                   |                      |                                  |
| Foster Care Title IV-E   | 93.658                            | Unknown                           | 188,289              | -                                |
| <b><i>Passed through the Arizona Department of Health Services</i></b>   |                                   |                                   |                      |                                  |
| Opioid STR   | 93.788                            | IGA2021-068                       | 44,552               | -                                |
| <b><i>Passed through Health Choice Arizona</i></b>   |                                   |                                   |                      |                                  |
| Opioid STR   | 93.788                            | YCSO                              | 75,156               | -                                |
| <i>Total FAL 93.788</i>  |                                   |                                   | 119,708              | -                                |
| <b><i>Passed through the Arizona Department of Health Service</i></b>  |                                   |                                   |                      |                                  |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations   | 93.898                            | CTR041895                         | 197,987              | -                                |
| HIV Prevention Activities - Health Department Based Sexually Transmitted Diseases (STD) Prevention and Control Grants                              | 93.940                            | ADHS18-188824                     | 16,453               | -                                |
| Maternal and Child Health Services Block Grant to States   | 93.977                            | CTR042499                         | 16,265               | -                                |
|  | 93.994                            | CTR055259, CTR055414, IGA2020-041 | 178,500              | -                                |
| <b><i>Total U.S. Department of Health and Human Services</i></b>   |                                   |                                   | <b>7,043,326</b>     | <b>-</b>                         |

The accompanying notes are an integral part of this schedule.

Yavapai County, Arizona  
Schedule of Expenditures of Federal Awards - Continued  
Year Ended June 30, 2022

| Federal Grantor/Program Title/Pass-Through Grantor                             | Federal Assistance Listing Number | Pass-Through Grantor's Number   | Federal Expenditures | Amount Provided to Subrecipients |
|--|-----------------------------------|---------------------------------|----------------------|----------------------------------|
| <b><u>U.S. Department of Homeland Security</u></b>                             |                                   |                                 |                      |                                  |
| <i>Passed through the Arizona Department of Emergency and Military Affairs</i> |                                   |                                 |                      |                                  |
| Emergency Management Performance Grants  | 97.042                            | EMF-2021-EP-00016-S01/18        | \$ 144,378           | \$ -                             |
| BRIC: Building Resilient Infrastructure and Communities                        | 97.047                            | EMF-2020-PC-0014 (2)            | 7,291                | -                                |
| <i>Passed through the Arizona Department of Homeland Security</i>              |                                   |                                 |                      |                                  |
| Homeland Security Grant Program  | 97.067                            | 180511-02, 190515-01, 200511-01 | 150,685              | -                                |
| <i>Total U.S. Department of Homeland Security</i>                              |                                   |                                 | <u>302,354</u>       | <u>-</u>                         |
| <b>Total expenditures of federal awards</b>                                    |                                   |                                 | <u>\$ 20,016,671</u> | <u>\$ 6,574,459</u>              |

The accompanying notes are an integral part of this schedule.

**Yavapai County, Arizona**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2022**

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**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (schedule) includes Yavapai County's federal grant activity for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

**Note 2 – Indirect Cost Rate**

Grantor funding under Yavapai County's federal awards does not allow for indirect costs and, accordingly, Yavapai County did not use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

**Note 3 – Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**Note 4 – Federal Assistance Listings Number**

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2022 *Federal Assistance Listings*. When no Federal Assistance Listings number had been assigned to a program, the 2-digit federal agency identifier and the federal contract number were used.

**Note 5 – Donated Personal Protective Equipment (PPE)**

The County received donated personal protective equipment (PPE) with a fair market value of \$1,560,787 for the fiscal year ended June 30, 2022.



YAVAPAI COUNTY  
**FINANCE**  
Connie DeKemper, Director  
[www.yavapaiaz.gov/finance](http://www.yavapaiaz.gov/finance)

1015 Fair Street, Room 221  
Prescott, AZ 86305  
928-771-3238

May 8, 2023

Jay Parke  
Walker & Armstrong  
3838 N. Central Ave., Suite 1700  
Phoenix, AZ 85012

Dear Mr. Parke:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for each finding, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Connie DeKemper  
Finance Director

Yavapai County  
Corrective action plan  
Year ended June 30, 2022

## Financial statement findings

### 2022-001

Improve Internal Control over the Accounts Payable Cycle  
Name of contact person: Connie DeKemper, Finance Director  
Anticipated completion date: 06/30/2023

The County has a decentralized purchasing process that allows departments to decide which vendor best suits their needs. Departments are required to obtain a Form W-9 and request a vendor setup in our financial accounting system, and if applicable, fulfill the necessary procurement requirements. Department heads and elected officials authorize certain individuals within their departments to approve expenditures. Accounts payable staff ensure that only authorized individuals approve expenditures and provide a secondary review of payment requests. We will document and strengthen existing procedures for setting up new vendors in our financial accounting system to ensure each vendor is a legitimate and established business in an effort to limit the risk that errors or fraud occur and remain undetected.

One of 25 p-card transactions tested did not have an application. The cardholder in question did have a cardholder agreement on file and we have since obtained an application. It is likely that this cardholder was included in the initial request for p-cards in 2012 that did not require an application. We will review existing cardholders to ensure that applications are on file.

### 2022-002

Improve the Accounting for Intergovernmental Revenues  
Name of contact person: Connie DeKemper, Finance Director  
Anticipated completion date: 06/30/2023

The County did not report revenues collected for the Schools and Roads Grants. The County has made the correction in the current financial statements. The required changes to the financial system have been made to account for this grant correctly.

The County incorrectly reported charter school equalization money as property taxes revenue when it should have been recorded as intergovernmental revenues. The County will correct this issue in future financial statements as this amount is immaterial.

### 2022-003

Improve Information Technology Policies and Procedures  
Name of contact person: Pat Galassi, ITS Director  
Anticipated completion date: 12/31/23

## Yavapai County

### Corrective action plan

#### Year ended June 30, 2022

The corrective action plan will include presenting the following policies to the Board of Supervisors for their approval: Data Classification, Acceptable-Use, Technology Lifecycle Management, and Major Incident Response and Recovery Plan. Additionally, ITS is exploring contracting with a third party to develop a comprehensive policy set for Yavapai County concerning information technology.

### 2022-004

Improve the Reporting to Governance

Name of contact person: Connie DeKemper, Finance Director

Anticipated completion date: 7/31/23

The Board of Supervisors (Board) does not receive, on at least a quarterly basis, financial reports containing critical financial information. The County currently provides the statutorily required financial information to the Board. The County also provides income and expenditure information by department/fund on the County's intranet that is available to department managers and staff within 5 days of month end. Financial information is also provided on the internet for both the public and internal staff through the County's transparency reporting.

The Board of Supervisors is responsible for the governance of the County's funds and financial information should be provided directly to the Board on a regular basis. The Finance Department will develop summarized reporting to be presented to the Board on a quarterly basis. This data will be provided during the Board meetings at the end of each quarter.

### 2022-005

Capital Asset Reporting

Name of contact person: Connie DeKemper, Finance Director

Anticipated completion date: 6/30/23

The land with an original cost totaling \$164,358 and equipment with original cost of \$944,157 and net book value of zero were sold but not removed from the capital asset listing. The Finance Department has experienced significant turnover in the last 24 months and training is ongoing. The Finance Department is in the process of documenting detailed procedures and developing policies related to the management of capital assets. The procedures will include appropriate review processes.

## Federal award findings

### 2022-101

Improve the Timeliness and Accuracy of Financial and Programmatic Reports

21.023, 21.027 Emergency Rental Assistance Program, Coronavirus State and Local Fiscal Recovery Funds

Name of contact person: Connie DeKemper, Finance Director

## Yavapai County

### Corrective action plan

### Year ended June 30, 2022

Anticipated completion date: 6/30/2023

The Finance Department has corrected the issue of late reporting by working with the subrecipient and developing processes to accurately and timely report on the requirements of the grant. The US Treasury has developed an extension request process to allow for the collection of additional data due to changing requirements. The Finance Department has submitted its closeout data accurately and timely for the Emergency Rental Assistance Program1 correcting any reporting errors.

Improve the Timeliness and Accuracy of Financial and Programmatic Reports

93.224, 93.527 Health Center Program Cluster

Name of contact person: Tracy Pytlakowski, Community Health Center of Yavapai Finance Manager

Anticipated completion date: 4/17/2023

The Community Health Center of Yavapai has corrected the late reporting of its federal funding by ensuring that reports are prepared as soon as possible so that unforeseen staffing absences do not affect the ability to meet timely reporting requirements. The quarterly report that was submitted late is no longer required by the grantor.

## 2022-102

Improve the Timeliness of Filing the Annual Audit

17.258, 17.259, 17.278, 20.205, 21.023, 21.027, 93.224, 93.527, 93.268 Workforce Investment Opportunities Act (WIOA) Cluster, Highway Planning and Construction, Emergency Rental Assistance Program, Coronavirus State and Local Fiscal Recovery Funds, Health Center Program Cluster, Immunization Cooperative Agreements

Name of contact person: Connie DeKemper, Finance Director

Completion date: 06/30/2023

The County's Single Audit reporting package for the fiscal year ended June 30, 2022 was not submitted to the Federal Audit Clearinghouse by the required deadline of March 31, 2023. The Finance Department has had significant turnover in the past 24 months. Due to this turnover, the prior year financial statements were delayed. This has contributed to the delay in the current year financial statement submission. The Finance Department continues to train staff and document the processes and procedures for accurate and timely submission of the financial statements.



YAVAPAI COUNTY  
**FINANCE**  
Connie DeKemper, Director  
[www.yavapaiaz.gov/finance](http://www.yavapaiaz.gov/finance)

1015 Fair Street, Room 221  
Prescott, AZ 86305  
928-771-3238

April 20, 2023

Jay Parke  
Walker & Armstrong  
3838 N. Central Ave., Suite 1700  
Phoenix, AZ 85012

Dear Mr. Parke:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

A handwritten signature in cursive script that reads "Connie M. DeKemper".

Connie DeKemper  
Finance Director

# Yavapai County

## Summary schedule of prior audit findings

### Year ended June 30, 2022

## Status of financial statement findings

The County issued its Annual Financial Report late, resulting in untimely financial information for decision makers  
Finding number: 2021-01. This finding initially occurred in fiscal year 2021.  
Status: Not corrected

The Finance Department continues to train staff and document the processes and procedures for accurate and timely submission of the financial statements. We anticipate the County's Single Audit reporting package for the fiscal year ended June 30, 2023, will be submitted to the Federal Audit Clearinghouse by the required deadline of March 31, 2024.

The County's deficiencies in its process for managing and documenting its risks may put its operations and IT systems and data at unintended and unnecessary risk of potential harm  
Finding number: 2021-02. This finding initially occurred in fiscal year 2018.  
Status: Not corrected

Due to staff availability and resource constraints, the process for managing and documenting risks was not completed. ITS will continue to work towards policy generation for Data Classification as well as working with the Clerk of the Board to update the Records Management policy.

The above corrective action plan is subject to staff availability and resource constraints.

The County's control procedures over IT systems and data were not sufficient, which increases the risk that the County may not adequately protect those systems and data  
Finding number: 2021-03. This finding initially occurred in fiscal year 2018.  
Status: Partially corrected

#### Corrected:

ITS has implemented Change Management and Configuration Management policies following NIST guidelines. ITS has implemented processes to review account access, account use, and authentication through multi-factor authentication.

Active Directory (AD) account reviews will also be conducted annually to ensure that the defined account management procedure is sufficient and being observed appropriately.

ITS has implemented a new Board-approved password protection policy for all users and accounts with both regular and elevated privileges.

Facilities department has updated its Key Control policy after ITS discussed its concerns. Also, we have implemented electronic card key systems in most MDF/IDF locations.

#### Not corrected:

Security reviews will be scheduled on an annual basis for those users that have direct access to the County's significant systems, and the findings will be documented.

Data and system recovery concerns are being addressed with a comprehensive Continuity of Operations Plan (COOP).

Yavapai County  
Summary schedule of prior audit findings  
Year ended June 30, 2022

The above corrective action plan is subject to staff availability and resource constraints.

## Status of federal award findings and questioned costs

### COVID-19 Emergency Rental Assistance Program

Finding number: 2021-101. This finding initially occurred in fiscal year 2021.

Status: Corrected

The County has worked with the subrecipient to obtain additional data verifying the reporting requirements and to assist in the completion of the subrecipient monitoring. The County contracted with a third party to review the data and assisted with the site visit and discussion regarding the subrecipient process of awarding funds and items questioned during the review process.

### COVID-19 Emergency Rental Assistance Program

Finding number: 2021-102. This finding initially occurred in fiscal year 2021.

Status: Not corrected

The Finance Department has corrected the issue of late reporting by working with the subrecipient and developing processes to accurately and timely report on the requirements of the grant subsequent to this financial statement period. Additionally, the US Treasury has developed an extension request process to allow for the collection of additional data due to changing requirements. The Finance Department has submitted its closeout data accurately and timely for the Emergency Rental Assistance Program<sup>1</sup> correcting any reporting errors for this program.