

**YUMA COUNTY, ARIZONA  
SINGLE AUDIT REPORTING PACKAGE  
FOR THE YEAR ENDED JUNE 30, 2011**

**YUMA COUNTY, ARIZONA  
SINGLE AUDIT REPORTING PACKAGE  
FOR THE YEAR ENDED JUNE 30, 2011**

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HEINFELD, MEECH & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS



**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 Auditor General of the State of Arizona

The Board of Supervisors  
Yuma County, Arizona

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yuma County, Arizona as of and for the year ended June 30, 2011, which collectively comprise Yuma County, Arizona's basic financial statements and have issued our report thereon dated November 14, 2011, which was modified as to consistency because of the implementation of Governmental Accounting Standards Board Statement No. 54. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

Management of Yuma County, Arizona is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Yuma County, Arizona's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Yuma County, Arizona's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Yuma County, Arizona's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or 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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yuma County, Arizona's basic financial statements are free of 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 determination of financial statement amounts. 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*.

Yuma County, Arizona's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Yuma County, Arizona's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Arizona State Legislature, the Auditor General of the State of Arizona, the Board of Supervisors, management, others within the County, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
Certified Public Accountants

November 14, 2011



HEINFELD, MEECH & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT  
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Auditor General of the State of Arizona

The Board of Supervisors  
Yuma County, Arizona

Compliance

We have audited the Yuma County, Arizona's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Yuma County, Arizona's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Yuma County, Arizona's management. Our responsibility is to express an opinion on Yuma County, Arizona's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Yuma County, Arizona's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Yuma County, Arizona's compliance with those requirements.

In our opinion, Yuma County, Arizona complied, in all material respects, with the 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, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2011-2.

#### Internal Control Over Compliance

Management of Yuma County, Arizona is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Yuma County, Arizona's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Yuma County, Arizona's internal control over compliance.

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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned Costs as item 2011-2. A significant deficiency in internal control over compliance is a deficiency, or 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.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yuma County, Arizona as of and for the year ended June 30, 2011, and have issued our report thereon dated November 14, 2011, which was modified as to consistency because of the implementation of Governmental Accounting Standards Board Statement No. 54. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for

purposes of additional analysis as required by OMB Circular A-133, 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 financial statements. The Schedule of Expenditures of Federal Awards 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 financial statements or to the 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 taken as a whole.

Yuma County, Arizona's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Yuma County, Arizona's response and accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Arizona State Legislature, the Auditor General of the State of Arizona, the Board of Supervisors, management, others within the County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
Certified Public Accountants

November 14, 2011

YUMA COUNTY, ARIZONA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures &amp; Transfers</u>
<b><u>Executive Office of the President</u></b>			
Passed through City of Tucson:			
High Intensity Drug Trafficking Area Program	95.001	HT20-10-2311, HT19-09-2311 HT20-10-2313, HT19-09-2313	\$ 435,939
<b>Total Executive Office of the President</b>			<u>435,939</u>
<b><u>U.S. Department of Agriculture</u></b>			
Direct Program:			
ARRA - Recovery Act - Water and Waste Disposal Systems for Rural Communities	10.781	N/A	2,000,000
ARRA - Recovery Act - Water and Waste Disposal Systems for Rural Communities	10.781	N/A	8,041,337
Total CFDA 10.781			<u>10,041,337</u>
Passed through Arizona Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	14-10-01-000	29,154
National School Lunch Program	10.555	14-10-01-000	48,303
Total Child Nutrition Cluster			<u>77,457</u>
Passed through Arizona Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	HG861144, HG050007	1,153,262
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	HG661037	321,639
<b>Total U.S. Department of Agriculture</b>			<u>1,474,901</u> <u>11,593,695</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Direct Programs:			
Public and Indian Housing	14.850	N/A	626,743
Section 8 Housing Choice Vouchers	14.871	N/A	2,591,156
Capital Fund Program (CFP) Cluster:			
Public Housing Capital Fund	14.872	N/A	323,351
ARRA - Recovery Act - Public Housing Capital Fund Stimulus	14.885	N/A	1,230
Total CFP Cluster			<u>324,581</u>
Passed through Governor's Office of Housing Development:			
Community Development Block Grants (CDBG)/State's Program Cluster:			
Community Development Block Grants/State's Program	14.228	134-09, 147-09, 149-09, 151-09, 135-09, 136-09 135-09, 136-09, 127-11, 128-11, 129-11	309,995
ARRA - Recovery Act - Community Development Block Grants/State's Program	14.255	114-10	233,991
Total CDBG/State's Program Cluster			<u>543,986</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>4,086,466</u>
<b><u>U.S. Department of Interior</u></b>			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	3,256,516
<b>Total U.S. Department of Interior</b>			<u>3,256,516</u>
<b><u>U.S. Department of Justice</u></b>			
Direct Programs:			
Federal Equitable Sharing Program	16.UNKNOWN	N/A	1,666
State Criminal Alien Assistance Program	16.606	N/A	133,551
Southwest Border Prosecution Initiative	16.755	N/A	671,095
Passed through Governor's Community Policy Office:			
Juvenile Accountability Block Grants	16.523	JB-CSG-09-1273-12A, 10-15A, 11-13 JB-CSG-11-1273-12, 09-0273-12 JB-CSG-10-1273-14	49,235
Passed through Arizona Department of Public Safety:			
Crime Victim Assistance	16.575	2010-VA-GX-0064	139,353
Passed through Arizona Criminal Justice Commission:			
Crime Victim Compensation	16.576	VC-11-063	3,161
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	VA-11-031	25,600
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program	16.803	DC-10-022, DC-10-042, 2009-SB-B9-0341	597,827
Total JAG Program Cluster			<u>623,427</u>
<b>Total U.S. Department of Justice</b>			<u>1,621,488</u>
<b><u>U.S. Department of Labor</u></b>			
Passed through Arizona Department of Economic Security:			
Workforce Investment Act (WIA) Cluster:			
WIA Adult Program	17.258	70304001, 81302001	1,283,992
WIA Youth Activities	17.259	70304001, 81302001	2,731,871
WIA Dislocated Workers	17.260	70304001, 81302001	2,187,254
ARRA - Recovery Act - WIA Dislocated Workers	17.260	DE091204001	942,216
<b>Total U.S. Department of Labor</b>			<u>7,145,333</u>

**YUMA COUNTY, ARIZONA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(Concluded)**

<u>Federal Grantor/Pass-Through</u> <u>Grantor/Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>Pass-Through</u> <u>Grantor's Number</u>	<u>Expenditures</u> <u>&amp; Transfers</u>
<b><u>U.S. Department of Transportation</u></b>			
Passed through Arizona Governor's Office of Highway Safety:			
State and Community Highway Safety	20.600	None	\$ 28,122
Passed through Arizona Department of Emergency and Military Affairs:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	None	1,500
<b>Total U.S. Department of Transportation</b>			29,622
<b><u>Institute of Museum and Library Services</u></b>			
Passed through the Department of Library, Archives and Public Records:			
Grants to States	45.310	381-41-01-(010)	79,471
<b>Total Institute of Museum and Library Services</b>			79,471
<b><u>Environmental Protection Agency</u></b>			
Direct Programs:			
Congressionally Mandated Projects	66.202	N/A	2,250,000
ARRA - Recovery Act - Capitalization Grants for Drinking Water State Revolving Fund	66.468	N/A	108,273
<b>Total Environmental Protection Agency</b>			2,358,273
<b><u>U.S. Department of Energy</u></b>			
Direct Program:			
ARRA - Recovery Act - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	N/A	363,575
<b>Total U.S. Department of Energy</b>			363,575
<b><u>U.S. Department of Education</u></b>			
Passed through Arizona Department of Education:			
Special Education - Grants to States	84.027	10FESCBG-070067-03A 10FESSCG-070067-02A	192,776
Migrant Education - State Grant Program	84.011	11FAAMSY-170067-02A	289,303
Improving Teacher Quality State Grants	84.367	10FAAAZE-070067-01A	83,739
			565,818
State Fiscal Stabilization Cluster:			
ARRA - Recovery Act - State Fiscal Stabilization Fund - Education State Grants	84.394	11FAASFF-160112-01A 11-FASATG-160112-04A	22,534
Passed through Arizona Governor's Office:			
ARRA - Recovery Act - State Fiscal Stabilization Fund - Government Services	84.397	OER-11-IGA-GS-16 OER-11-IGA-GS-39 OER-11-IGA-GS-186	873,386
<b>Total State Fiscal Stabilization Cluster</b>			895,920
<b>Total U.S. Department of Education</b>			1,461,738
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed through Arizona Department of Health Services:			
Medical Reserve Corps Small Grant Program	93.008	MRCSG061001-03	3,161
Public Health Emergency Preparedness	93.069	754206 25-2041	412,074
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HG852308	119,557
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	HG160087	25,328
Immunization Cluster:			
Immunization Grants	93.268	HG854294	141,832
ARRA - Recovery Act - Immunization Grants	93.712	HG854294	1,498
<b>Total Immunization Cluster</b>			143,330
HIV Care Formula Grants	93.917	HG552273	106,754
HIV Prevention Activities - Health Department Based	93.940	HG852271	22,906
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	HG854319	8,351
Maternal and Child Health Services Block Grant to the States	93.994	HG854244	42,240
			883,701
Passed through Arizona Department of Economic Security:			
Child Support Enforcement	93.563	DES060735-1	149,600
<b>Total U.S. Department of Health and Human Services</b>			1,033,301
<b><u>U.S. Department of Homeland Security</u></b>			
Passed through Arizona Department of Emergency and Military Affairs:			
Emergency Management Performance Grants	97.042	None	105,895
Homeland Security Grant Program	97.067	333407-01, 444403-01, 444403-03, 444426-01, 444426-02, 555403-02, 555435-01, 555435-02, 555435-03	1,124,715
<b>Total U.S. Department of Homeland Security</b>			1,230,610
<b>Total Expenditures of Federal Awards</b>			\$ 34,696,027

**YUMA COUNTY, ARIZONA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2011**

**NOTE 1 - BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Yuma County, Arizona and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**NOTE 2 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2011 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number was used. When there was no federal contract number, the two digit federal agency identifier, a period, and the word "unknown" was used.

**NOTE 3 - SUBRECIPIENTS**

From the federal expenditures presented in the schedule, the County awarded the following to subrecipients.

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount</u>
Workforce Investment Act – Adult Program	17.258	\$1,283,992
Workforce Investment Act – Youth Activities	17.259	2,731,871
Workforce Investment Act – Dislocated Workers	17.260	3,129,470

**YUMA COUNTY, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2011**

**SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?           yes   X  no
- Significant deficiency(ies) identified?   X  yes           none reported

Noncompliance material to financial statements noted?           yes   X  no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?           yes   X  no
- Significant deficiency(ies) identified?   X  yes           none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?   X  yes           no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.781	ARRA – Recovery Act – Water and Waste Disposal Systems for Rural Communities
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Vouchers
14.228, 14.255	Community Development Block Grants/State's Program Cluster
16.738, 16.803	JAG Program Cluster
66.202	Congressionally Mandated Projects
84.394, 84.397	State Fiscal Stabilization Cluster

Dollar threshold used to distinguish between Type A and Type B programs:           \$1,040,881          

Auditee qualified as low-risk auditee?   X  yes           no

**Other Matters**

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (Section .315[b])?           yes   X  no

**YUMA COUNTY, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2011**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Reference Number:** 2011-1

**Type of Finding:** Significant deficiency

**Description:** Incomplete federal activity recognized

CRITERIA

The County's management is responsible for establishing and maintaining internal controls that prevent or detect material misstatements to the financial statements and the Schedule of Expenditures of Federal Awards (SEFA). This includes identifying, recognizing, and properly presenting all federal activity.

CONDITION/CONTEXT

The County's management did not have adequate internal control procedures in place over the preparation of the financial statements and SEFA. The County did not initially identify one federal award. The County has since made revisions and the federal awards are properly presented in both the financial statements as well as the SEFA.

EFFECT

The County's internal controls over the financial statements and the SEFA were not adequate to ensure that a misstatement would be prevented and/or detected. The County's initial draft of the financial statements and SEFA excluded one federal grant award.

CAUSE

County management has identified inadequate communication between decentralized departments and the Finance Department as the primary cause of the omissions.

RECOMMENDATION

The County must design and implement effective internal control procedures to ensure the financial statements and the SEFA are free from material misstatements.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The Financial Services Department (Finance) has notified the project manager and the agency of the oversight. Also, Finance has made them aware of the reporting requirements in regards to Federal grants. This was a new reportable grant and the responsible agency failed to recognize and/or notify Finance. Agencies directly responsible for grants are now informed of the reporting requirements and proper internal written procedures have been noted to avoid this in the future. Finance will continue with in-house training, as it is believed this was a result from lack of knowledge and training from the responsible agency. Additionally, the Grants Auditor will continue to monitor all expenditures recorded in grant related funds.

**YUMA COUNTY, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2011**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Reference Number:** 2011-2

**Program:** ARRA – Recovery Act – Water and Waste Disposal Systems for Rural Communities

**CFDA Number:** 10.781

**Federal Agency:** U.S. Department of Agriculture

**Pass-Through Agency:** N/A

**Applicable ARRA Programs:** Yes

**Grantor Numbers:** AZ-92-15 L & AZ-00-14 G

**Questioned Costs:** None noted.

**Type of Finding:** Noncompliance, significant deficiency

**Compliance Requirement:** Reporting

CRITERIA

The County's management is responsible for establishing and maintaining internal controls that ensure accurate reporting of key data elements in accordance with §1512 of the American Recovery and Reinvestment Act (ARRA).

CONDITION/CONTEXT

The County's §1512 report submission for the quarter ending 6/30/2011 included only expenditures that occurred during the reporting quarter.

EFFECT

The expenditures reported on Recovery.gov for the quarter ending 6/30/2011 were understated.

CAUSE

County management has identified insufficient review procedures over the data compilation as the primary cause of the misstatement.

RECOMMENDATION

The County must design and implement effective internal control procedures to ensure that the accurate key data elements are reflected in the §1512 reports.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The Financial Services Department (Finance) has notified the project manager of the error. The County's internal controls showed a deficiency to prevent this type of reporting error despite the delegation of duties between the project manager and processor. Finance has resolved to update internal controls as follows: After talking with the responsible department, it was agreed that to improve communication between the project manager and the processor, the processor will send a notification via printed screen to the project manager for verification and approval, and after receiving written confirmation, the §1512 report will be filed.

Contact Person: Nancy Ngai

Anticipated Completion Date: Immediately

**YUMA COUNTY, ARIZONA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2011**

**Status of Federal Award Findings and Questioned Costs**

The County had no findings or questioned costs related to federal awards noted in prior audits that require a status.