

**YUMA COUNTY, ARIZONA
MANAGEMENT LETTER
YEAR ENDED JUNE 30, 2007**

RECEIVED
FEB 20 2008
OFFICE OF THE PRESIDENT



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

Gary Heinfeld, CPA, CGFM
Nancy A. Meech, CPA, CGFM
Jennifer L. Shields, CPA
Corey Arvizu, CPA

Scott W. Kies, CPA
Kimberly A. Robinson, CPA
Kera Badalamenti, CPA, CGFM

3033 N. Central Avenue, Suite 300
Phoenix, Arizona 85012
(602) 277-9449
Fax (602) 277-9297

Board of Supervisors
Yuma County, Arizona

Members of the Board:

In planning and conducting our single audit of Yuma County, Arizona for the year ended June 30, 2007, we performed the following as required by *Government Auditing Standards* (GAS) and Office of Management and Budget (OMB) Circular A-133:

- Considered the County's internal control over financial reporting,
- Tested internal controls over its major Federal programs, and
- Tested compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the County's financial statements and major Federal programs.

Any audit findings that are required to be reported by GAS and OMB Circular A-133 have been included in the County's Single Audit Reporting Package for the year ended June 30, 2007. Our audit disclosed opportunities for strengthening internal controls and instances of noncompliance with laws and regulations that did not meet that reporting criteria. Management should address these items to ensure that it fulfills its responsibility to establish and maintain adequate internal controls and comply with laws, regulations, contracts, and grant agreements. Those items and our related recommendations are briefly described in the accompanying summary.

This information is intended for Yuma County's Board of Supervisors and is not intended to be and should not be used by anyone other than the specified party. However, this information is a matter of public record, and its distribution is not limited.

We have already discussed these items and suggestions with County personnel and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Heinfeld, Meech & Co., P.C.

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

November 19, 2007

**YUMA COUNTY, ARIZONA
MANAGEMENT LETTER
YEAR ENDED JUNE 30, 2007**

Purchasing

In most cases, purchase orders are prepared after the goods or services have already been purchased by the appropriate department. In addition, each purchase order is evaluated individually by the purchasing department, therefore quotes or bids are only received if the individual purchase order exceeds \$5,000, not if it exceeds \$5,000 cumulatively with the vendor for the fiscal year.

The County should develop and implement internal controls over the purchasing process to ensure that sufficient funds exist prior to purchase, that all purchases are properly approved, and that the County is getting the best prices possible on goods and services.

Capital Assets

For one asset reviewed from the County's equipment additions, the value of the asset did not include all ancillary costs. The tire tax was excluded from the value of a purchased vehicle.

The County should review all capital asset additions to ensure the assets are valued at the actual cost, including ancillary charges.