



# **Cochise County Board of Supervisors Meeting— 7/25/23**

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Summary of County's Fiscal Year 2022 Annual Financial Report,  
Report on Internal Control and on Compliance, and Single Audit  
Report

Presented by: Nicole Bartlett, CPA, Financial Audit Manager  
Rene Carrasco, Financial Audit Senior

# Who we are



Legislative agency

Employs nonpartisan staff

Overseen by Joint Legislative Audit Committee

# Why we are here



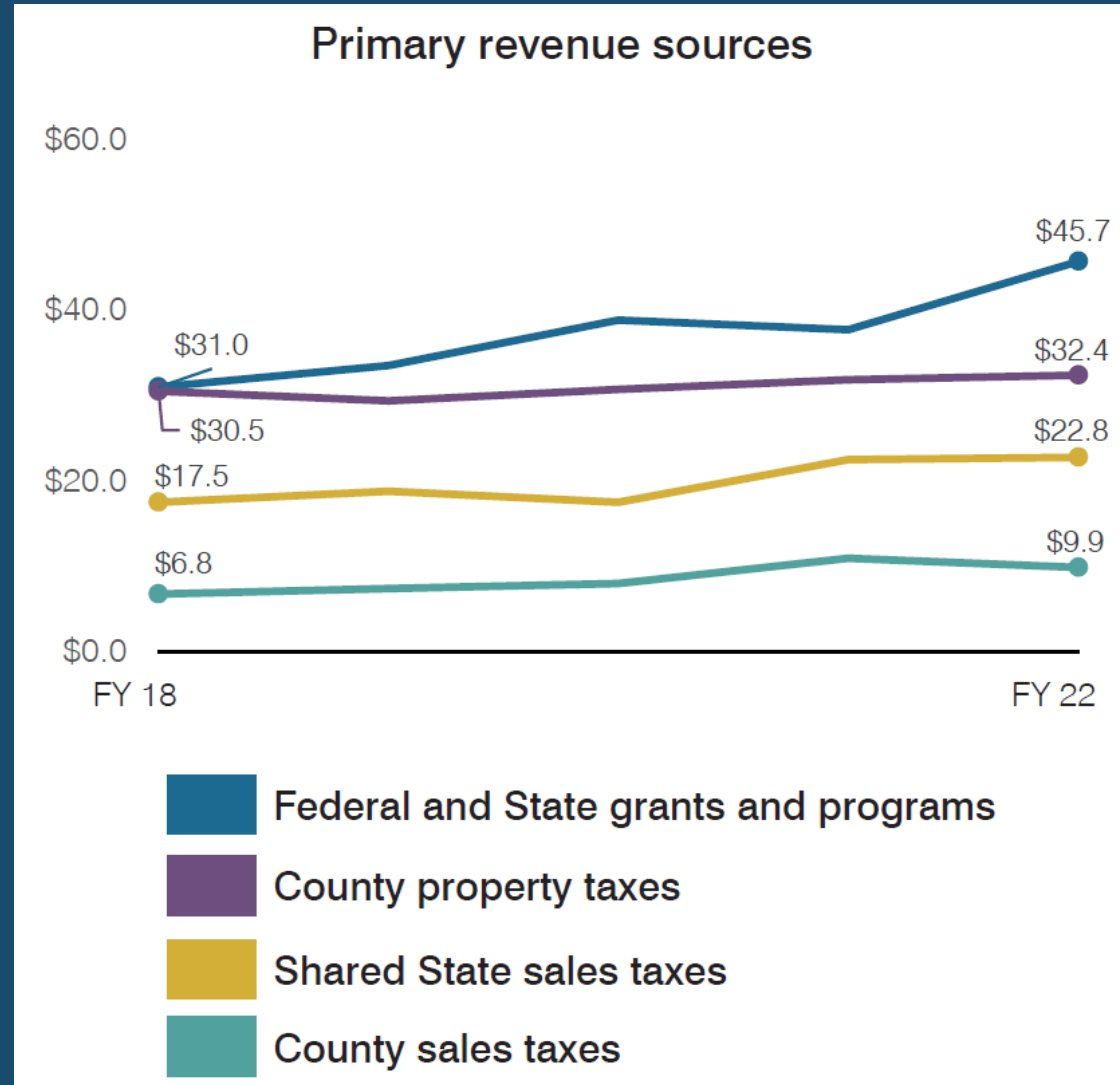
Statute requires Board to require its auditors to present audit results and findings in regular meeting—without use of consent agenda—within 90 days of audit's completion

# **We issued 3 County audit reports**

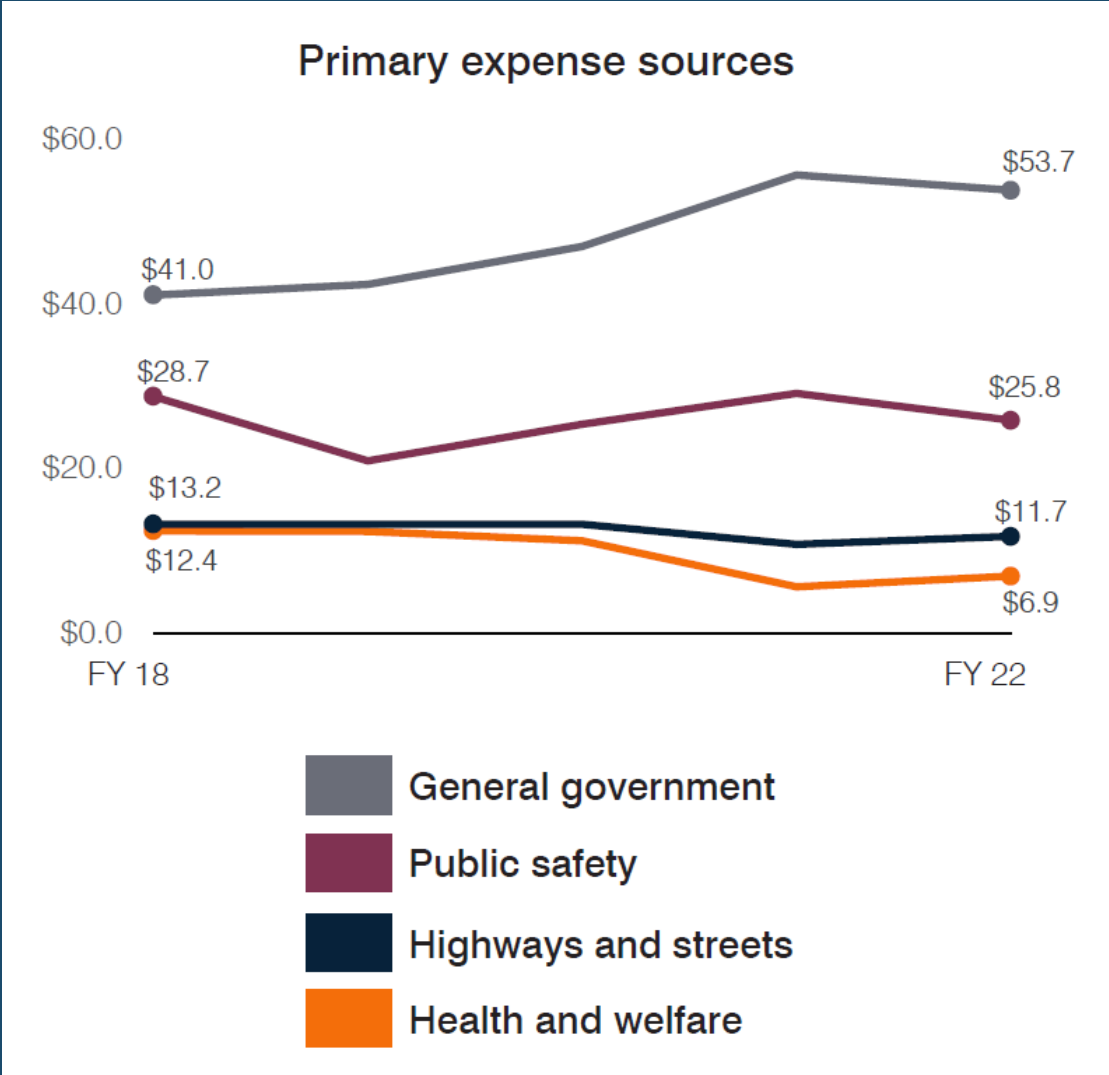


- 1. Financial statement audit report—dated June 21, 2023**
- 2. Financial statement internal control and compliance audit report—dated June 21, 2023**
- 3. Single audit report—dated June 21, 2023**

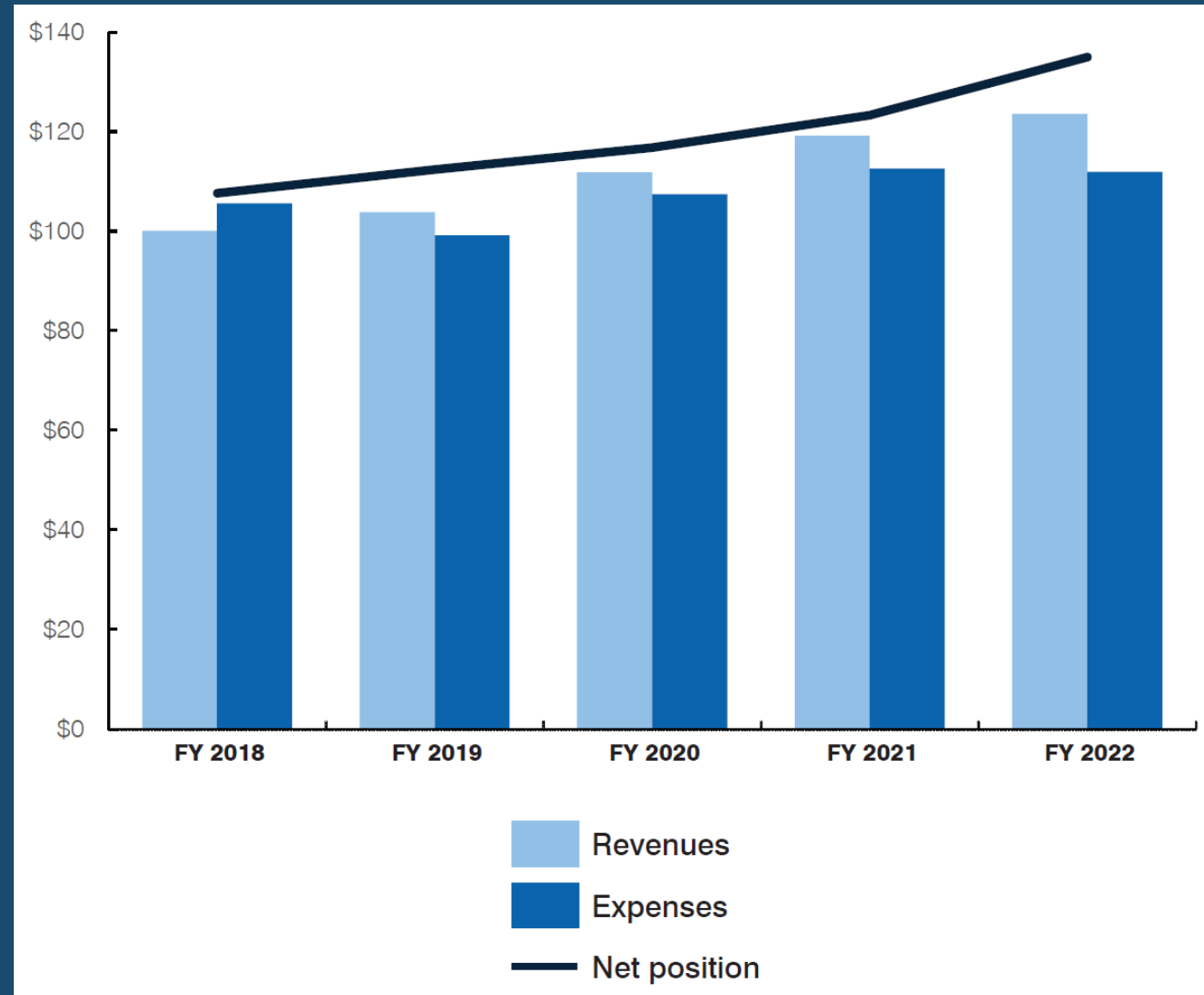
# Financial statement highlights—Primary revenues over the last 5 fiscal years—(in millions)



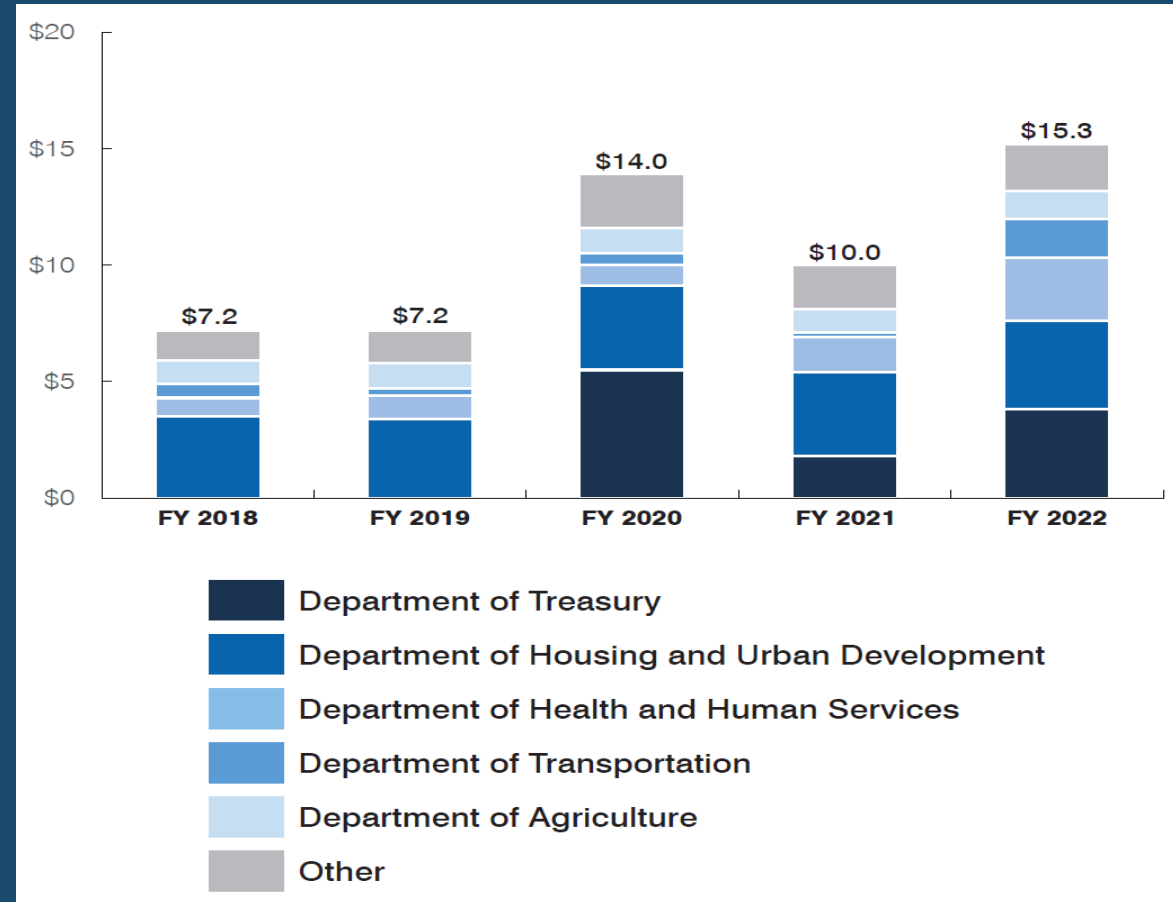
# Financial statement highlights—Primary expenses over the last 5 fiscal years—(in millions)



# Financial statement—Total revenues, expenses, and net position for the last 5 fiscal years (in millions)



# Single Audit highlights—Federal expenditures for the last 5 fiscal years (in millions)



# Report on Internal Control and on Compliance

## Financial statement finding 2022-01



County allowed 3 employees the ability to change pay rates—including their own—without independent review and approval and without monitoring their payroll-processing activities

Our test work did not identify any unauthorized pay rate changes.

County should:

- Eliminate an employee's ability to change their own pay rates without an independent review and approval
- Require IT to continually monitor employees' payroll-processing activities, especially when incompatible role assignments or abilities on the system cannot be avoided

# Report on Internal Control and on Compliance

## Financial statement finding 2022-02



County's access controls over its Information Technology (IT) systems and data were insufficient

County should:

- Develop and implement processes to assign and periodically review employee user access to ensure appropriateness and compatibility with job responsibilities

# Report on Internal Control and on Compliance

## Financial statement finding 2022-03



County failed to timely provide key financial information to auditors and issued its Annual Financial Report late

County should:

- Provide key financial information to auditors by the agreed-upon deadlines
- Develop and implement written policies and procedures for requiring the Finance Department to reconcile the County's financial statements to the underlying accounting records to ensure they are accurate and properly supported before providing the financial statements for audit

# Single Audit Report

## Federal compliance finding 2022-101



County did not submit its June 30, 2022, Single Audit Report to the federal audit clearinghouse until June 2023, 2023, which was nearly 3 months later than required.

County should:

- Improve its financial reporting process so that it can submit the County's future Single Audit Reports on or before the federally required submission deadline

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