

Cochise County Board of Supervisors Meeting—July 22, 2025

Summary of County's Fiscal Year 2024 Annual Financial Report, Report on Internal Control and on Compliance, and Federal Single Audit Report

Presented by: Katherine Edwards Decker, CPA, Director, Financial Audit Division,
Taryn Stangle, CPA, Manager, Financial Audit Division, and
Rene Carrasco, Deputy Manager, Financial Audit Division

Who we are



- Legislative agency
- Provide impartial information and specific recommendations to improve operations and programs
- Follow governmental auditing standards

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

Auditor responsibilities



- Plan and conduct the audit
- Obtain reasonable assurance
- Consider internal controls
- Perform tests over controls and/or compliance
- Communicate significant matters
- Express opinions
- Report internal control deficiencies and instances of noncompliance

County responsibilities



- Accurately prepare and fairly present the County's financial information
- Design, implement, and maintain internal controls
- Monitor compliance with laws, grants, and contracts
- Make corrective actions for reported findings
- Provide auditors with all information timely and by agreed-upon dates

We issued 3 County audit reports

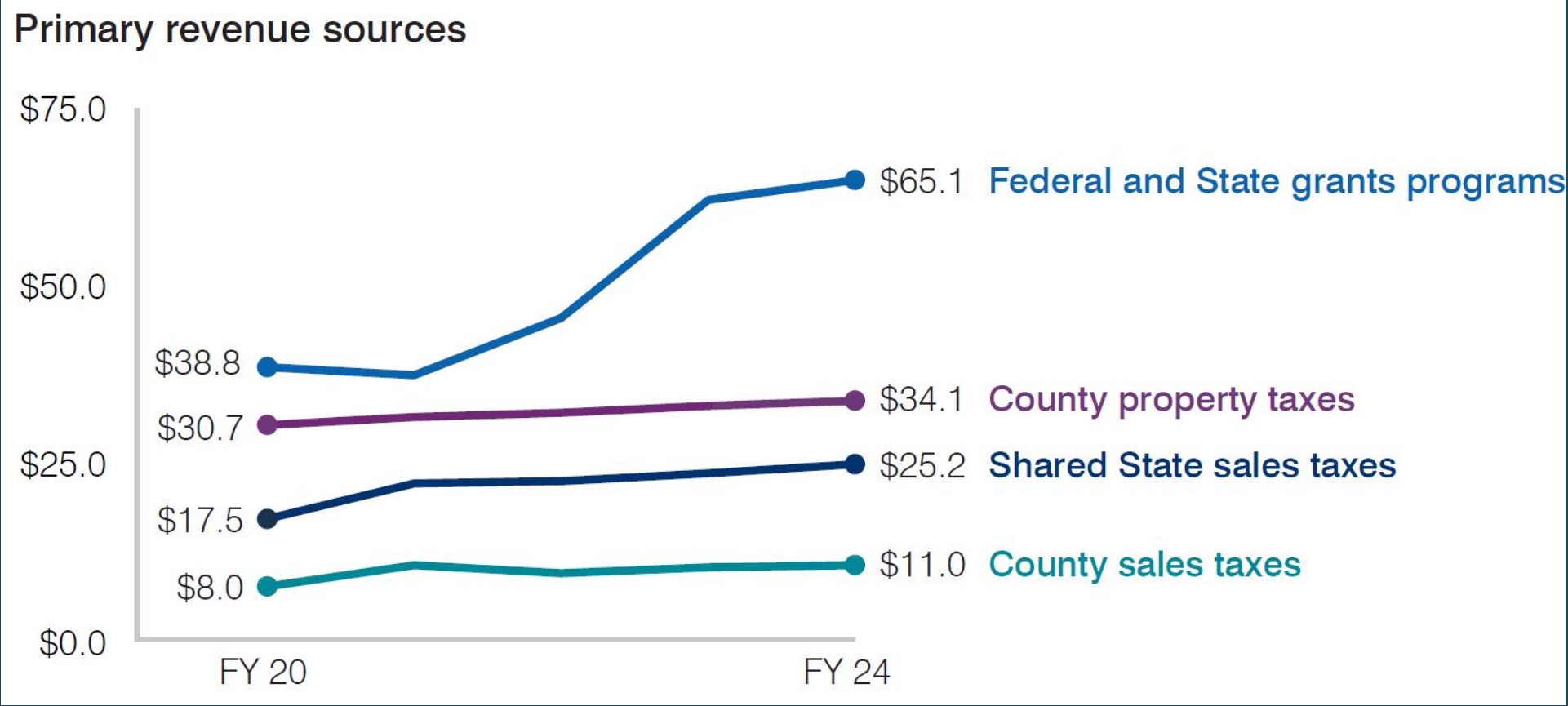


Financial statement audit report—dated May 30, 2025

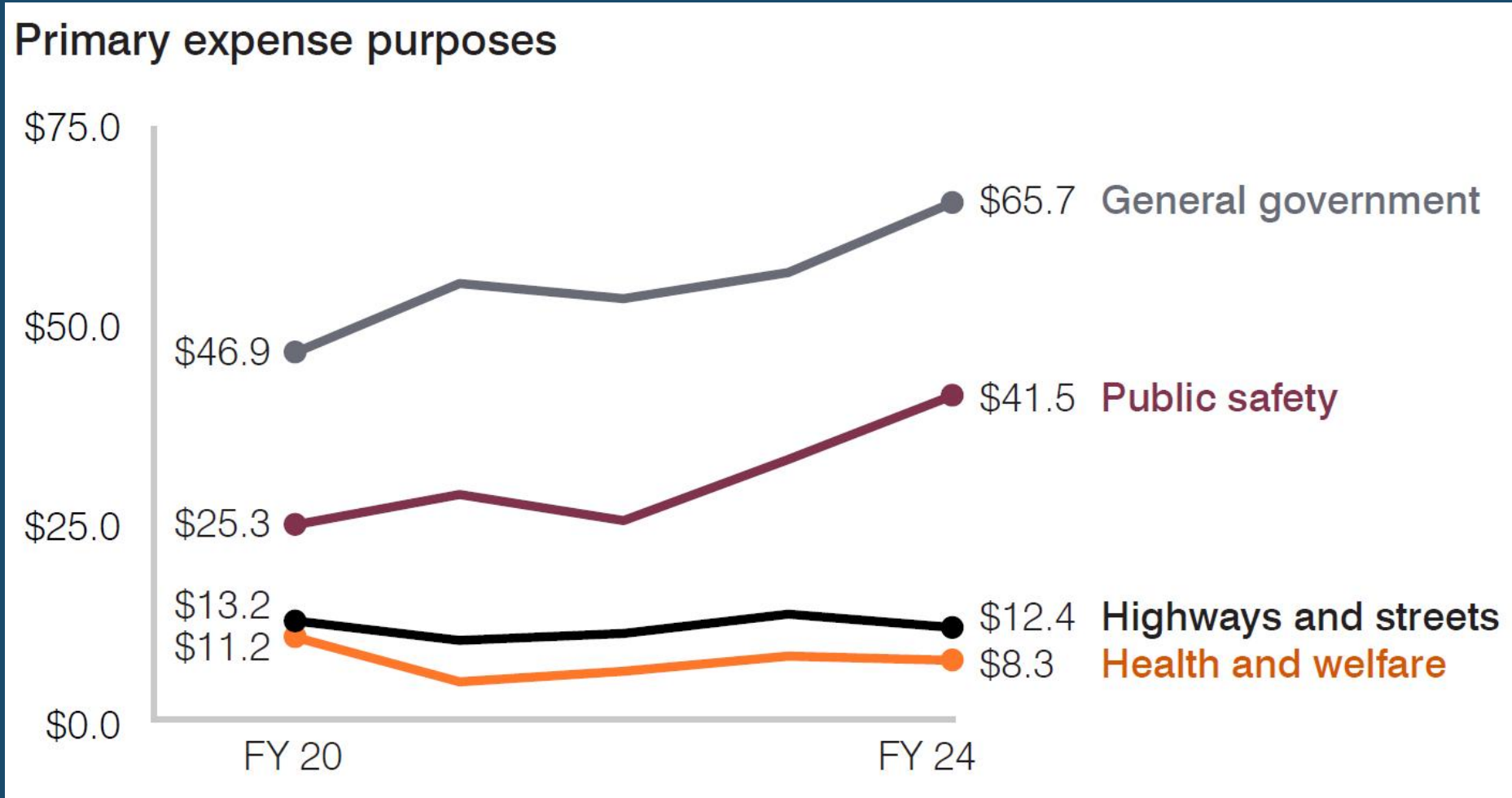
Financial statement internal control and compliance audit report—dated May 30, 2025

Single audit report—dated May 30, 2025

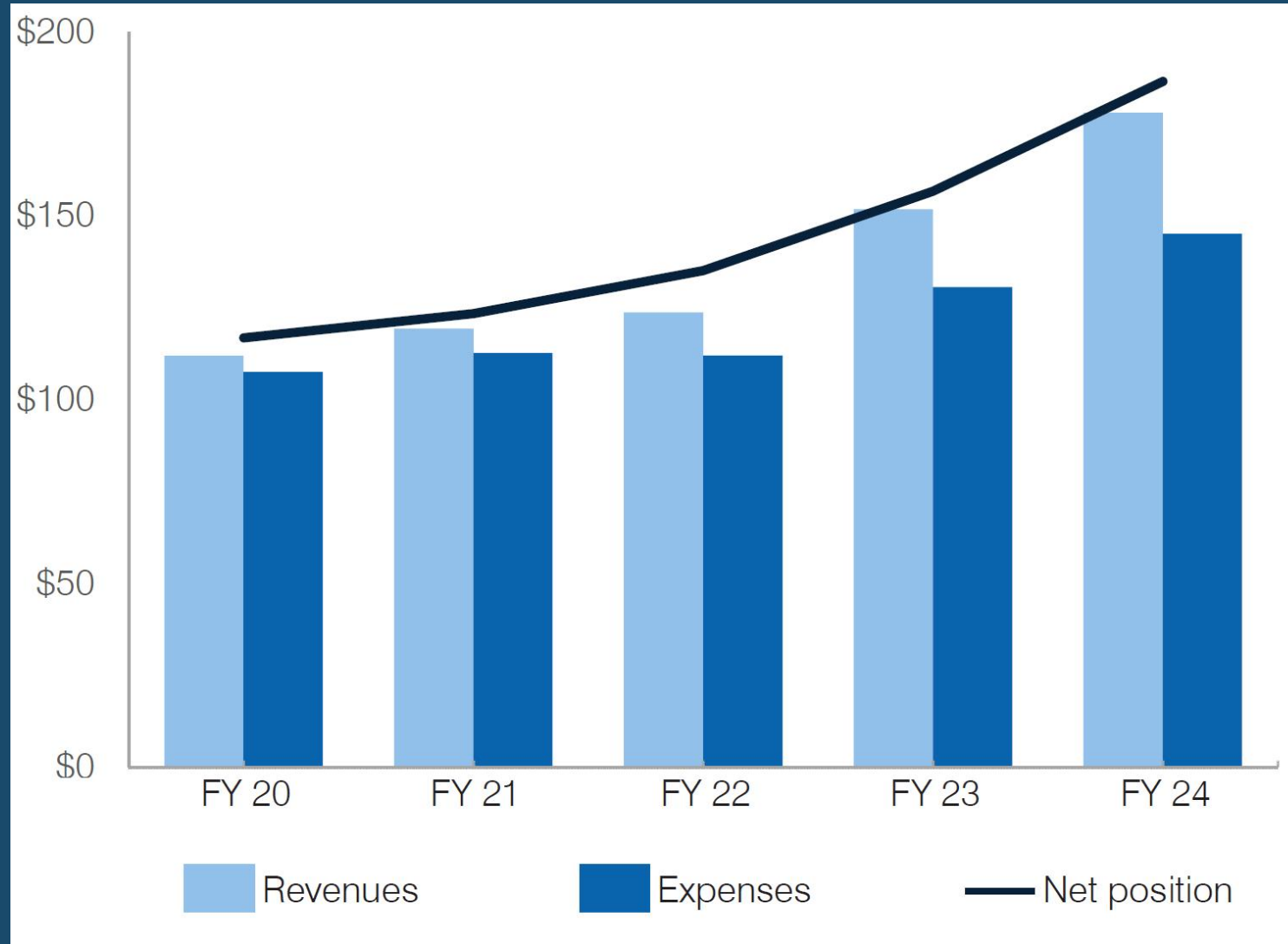
Financial statement highlights—Primary revenues over the last 5 fiscal years—(in millions)



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



Financial statements—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



Federal agency	FY 20	FY 21	FY 22	FY 23	FY 24
Department of Treasury	\$ 5,497,086	\$1,807,829	\$ 3,833,122	\$11,012,350	\$ 504,860
Department of Housing and Urban Development	3,617,458	3,550,772	3,773,140	4,998,288	5,895,872
Department of Health and Human Services	901,131	1,487,179	2,739,448	2,759,960	3,466,416
Department of Agriculture	1,125,459	1,006,078	1,240,984	1,045,191	1,018,332
Other	2,831,085	2,119,585	3,674,095	1,797,432	2,492,387
Total	\$13,972,219	\$9,971,443	\$15,260,789	\$21,613,221	\$13,377,867

Financial statement finding 2024-01 and Single Audit finding 2024-102



County failed to provide key financial information to auditors accurately and timely, which delayed issuance of both its financial and federal compliance audits

County Finance Department should:

- Provide accurate and key financial information by agreed-upon deadlines
- Prepare the financial statements and note disclosures accurately
- Require a second employee to review and approve journal entries
- Update policies and procedures for preparing financial statements

Financial statement finding 2024-02



County paid \$43,703 for food and beverage, lodging, and conference costs using travel cards without complying with policies, resulting in risk of misuse of public monies

County Procurement Department should:

- Ensure any new purchasing card programs follow the County's policies
- Revise existing training, purchasing card and/or travel policies, and user agreements
- Review the pilot travel card program's transactions since its inception for unallowable purchases

Financial statement finding 2024-03



The Accommodation School District paid \$53,308 on purchases and did not retain invoices supporting the expenditures' public purpose

Accommodation School District should:

- Ensure individuals with the skills, knowledge, and expertise prepare, review, and retain required source documentation
- Review material transactions for the fiscal year and obtain missing documentation

Single Audit Finding 2024-101



County's Health and Social Services Department issued benefits for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) without obtaining appropriate documentation for 15 of 62 participants tested

Health and Social Services Department should:

- Follow the State's eligibility certification policies for the WIC program
- Train staff who are responsible for the eligibility certification process
- Perform periodic monitoring at its clinic sites

Status of prior year audit findings



County corrected 1 of 1 prior-year audit findings

- Finding 2023-01, Purchasing card activities—fully corrected



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