



City of Yuma, Arizona
Single Audit Report
Year Ended June 30, 2022

**CITY OF YUMA, ARIZONA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

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**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Yuma, 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, the business-type activities, each major fund, and the aggregate remaining fund information of City of Yuma, Arizona, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Yuma, Arizona's basic financial statements, and have issued our report thereon dated January 30, 2023. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Yuma, Arizona'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 City of Yuma, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Yuma, Arizona'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Yuma, Arizona'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*.

City of Yuma, Arizona's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City of Yuma, Arizona's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Yuma, Arizona's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
January 30, 2023

**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**

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Yuma, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Yuma, Arizona's 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 City of Yuma, Arizona's major federal programs for the year ended June 30, 2022. City of Yuma, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Yuma, 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, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 City of Yuma, Arizona 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 City of Yuma, Arizona'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 City of Yuma, Arizona's federal programs.

Auditor's 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 City of Yuma, Arizona'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 GAAS, *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 City of Yuma, Arizona's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 City of Yuma, Arizona'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 City of Yuma, Arizona'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Yuma, Arizona's internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on 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. 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Yuma, Arizona as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Yuma, Arizona's basic financial statements. We issued our report thereon dated January 30, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted 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 taken as a whole.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
January 30, 2023

CITY OF YUMA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Fiscal Period 7/1/2021 - 6/30/2022

Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned By Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
DEPARTMENT OF COMMERCE									
INVESTMENTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT FACILITIES	11.300	07-01-075555				\$852,000	\$852,000	ECONOMIC DEVELOPMENT CLUSTER	\$852,000
TOTAL DEPARTMENT OF COMMERCE						<u>\$852,000</u>			
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-16-MC-04-0508				\$468	\$951,249	CDBG - ENTITLEMENT GRANTS CLUSTER	\$951,249
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-18-MC-04-0508				\$2,271	\$951,249	CDBG - ENTITLEMENT GRANTS CLUSTER	\$951,249
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-19-MC-04-0508				\$102,040	\$951,249	CDBG - ENTITLEMENT GRANTS CLUSTER	\$951,249
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-20-MC-04-0508			\$7,579	\$428,348	\$951,249	CDBG - ENTITLEMENT GRANTS CLUSTER	\$951,249
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-21-MC-04-0508			\$89,161	\$333,858	\$951,249	CDBG - ENTITLEMENT GRANTS CLUSTER	\$951,249
COVID-19 COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	COVID-19, B-20-MW-04-0508				\$84,264	\$951,249	CDBG - ENTITLEMENT GRANTS CLUSTER	\$951,249
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M17-DC040230				\$819	\$1,148,273	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M18-DC040230			\$129,426	\$133,877	\$1,148,273	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M19-DC040230			\$331,775	\$556,374	\$1,148,273	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M20-DC040230			\$5,976	\$370,362	\$1,148,273	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M21-DC040230				\$51,108	\$1,148,273	N/A	\$0
COVID-19 HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	COVID-19, M21-DP040230				\$35,733	\$1,148,273	N/A	\$0
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						<u>\$563,917</u>	<u>\$2,099,522</u>		
DEPARTMENT OF THE INTERIOR									
WATERSMART (SUSTAIN AND MANAGE AMERICA'S RESOURCES FOR TOMORROW)	15.507	R22AP00114-00				\$29,567	\$29,567	N/A	\$0
TOTAL DEPARTMENT OF THE INTERIOR						<u>\$29,567</u>			
DEPARTMENT OF JUSTICE									
BULLETPROOF VEST PARTNERSHIP PROGRAM	16.607	BVP19				\$6,739	\$14,922	N/A	\$0
BULLETPROOF VEST PARTNERSHIP PROGRAM	16.607	BVP20				\$8,183	\$14,922	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2018-DG-BX-0865				\$36,648	\$355,444	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2019-DJ-BX-0887				\$14,437	\$355,444	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2019-DG-BX-0031				\$143,297	\$355,444	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	DC-22-014				\$11,147	\$355,444	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2019-MU-BX-K002				\$149,915	\$355,444	N/A	\$0
BODY WORN CAMERA POLICY AND IMPLEMENTATION	16.835	15PBJA-21-GG-04401-BWCX				\$80,000	\$80,000	N/A	\$0
TOTAL DEPARTMENT OF JUSTICE						<u>\$450,366</u>			
DEPARTMENT OF TRANSPORTATION									
RECREATIONAL TRAILS PROGRAM	20.219		ARIZONA STATE PARKS YUMA COUNTY	472107		\$99,050	\$99,050	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$99,050
FEDERAL TRANSIT FORMULA GRANTS	20.507		INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY	AZ-90-X132		\$312,194	\$312,194	FEDERAL TRANSIT CLUSTER	\$312,194
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY AND SAFETY	2021-PTS-080		\$5,223	\$8,342	HIGHWAY SAFETY CLUSTER	\$23,769

STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY AND SAFETY	2020-PTS-076	\$3,119	\$8,342	HIGHWAY SAFETY CLUSTER	\$23,769
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY AND SAFETY	2021-405D-048	\$4,625	\$15,427	HIGHWAY SAFETY CLUSTER	\$23,769
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY AND SAFETY	2020-405D-055	\$10,802	\$15,427	HIGHWAY SAFETY CLUSTER	\$23,769
TOTAL DEPARTMENT OF TRANSPORTATION					<u>\$435,013</u>			
DEPARTMENT OF TREASURY								
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19, SLT-2574-P&E			\$1,061,260	\$1,061,260	N/A	\$0
TOTAL DEPARTMENT OF TREASURY					<u>\$1,061,260</u>			
ENVIRONMENTAL PROTECTION AGENCY								
BROWNFIELDS MULTIPURPOSE, ASSESSMENT, REVOLVING LOAN FUND, AND CLEANUP COOPERATIVE AGREEMENTS	66.818	BW-98T23701-0			\$49,916	\$49,916	N/A	\$0
TOTAL ENVIRONMENTAL PROTECTION AGENCY					<u>\$49,916</u>			
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DRUG-FREE COMMUNITIES SUPPORT PROGRAM GRANTS	93.276	1 NH28CE002954			\$52,538	\$52,538	N/A	\$0
COVID-19 PROVIDER RELIEF FUND AND AMERICAN RESCUE PLAN (ARP)	93.498	COVID-19			\$48,798	\$48,798	N/A	\$0
RURAL DISTRIBUTION								
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					<u>\$101,336</u>			
DEPARTMENT OF HOMELAND SECURITY								
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	200409-01	\$8,750	\$565,550	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	200410-01	\$13,500	\$565,550	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	200438-01	\$533,961	\$565,550	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	210416-02	\$7,197	\$565,550	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF MILITARY AFFAIRS	200607-01	\$2,142	\$565,550	N/A	\$0
TOTAL DEPARTMENT OF HOMELAND SECURITY					<u>\$565,550</u>			
TOTAL EXPENDITURE OF FEDERAL AWARDS					<u>\$563,917</u>	<u>\$5,644,530</u>		

Please Note:

Italicized award lines indicate pass-through funding

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

CITY OF YUMA, ARIZONA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2021 - 6/30/2022

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of City of Yuma, Arizona under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City. 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. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

10% De Minimis Cost Rate

The auditee did not use the de minimis cost rate.

Assistance Listing Numbers

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

**CITY OF YUMA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: Yes
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
11.300	Economic Development Cluster
14.239	Home Investment Partnerships Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee: No

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: Yes

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: Yes

**CITY OF YUMA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

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

Finding Number: FS-2022-001

Repeat Finding: Yes, FS-2021-001

Type of Finding: Significant Deficiency

Description: Internal Controls Over Payroll Cash

CRITERIA

In accordance with generally accepted accounting principles (GAAP), City management is responsible for establishing and maintaining internal controls over cash accounts and related activity. As such, the City's records of cash balances must be reconciled to the bank statements on a timely basis to ensure the financial activity of the City is accurate and complete.

CONDITION

The bank reconciliation for the payroll account was not consistently performed timely and accurately throughout the fiscal year.

CAUSE

The City has experienced turnover in the positions responsible for completing the payroll bank reconciliations. In addition, there was a lack of proper internal communication as to the status of the reconciliations.

EFFECT

The City may not be able to effectively manage its finances and is at risk of undetected misstatements in the accounting records if complete cash reconciliations are not performed timely and accurately.

CONTEXT

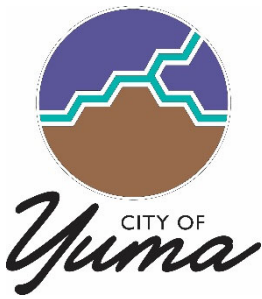
The bank reconciliation for the payroll account was not performed timely. Specifically, the reconciliation for June 2022 was not provided until January 2023; and the reconciliation was not fully completed. Activity in the bank account was compared to the accounting records, however, the differences identified were not fully researched or resolved.

RECOMMENDATION

The City should ensure the reconciliations are completed timely and correcting. The reconciliations should be reviewed by a supervisor with the necessary skills, knowledge and experience.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.



January 30, 2023

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

In addition, we have also prepared the accompanying Summary Schedule of Prior Audit Findings which includes the status of audit findings reported in the prior year's audit.

Sincerely,

Douglas W. Allen, CPA
Director of Finance

**CITY OF YUMA, ARIZONA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2022**

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

Finding Numbers: FS-2022-001, FS-2021-001

Contact Person: Douglas W. Allen, CPA

Anticipated Completion Date: June 30, 2023

Planned Corrective Action:

Mitigate gaps due to turnover and/or extended leaves of absence and opens communication of progress:

- Create a functional unit that is primarily responsible for all 29 cash reconciliations
- Include reconciliation progress in performance evaluations
- Mandated continual professional education and training
- Mock audits with quarterly closings:
 - Closings will be reviewed by the Finance Director and/or Assistant Director
 - Creates repetition for consistently meeting deadlines with accuracy
 - Requires demonstrations of:
 - Accuracy in reconciliation techniques and accounting
 - Timeliness of completing and being audit ready
- Develop knowledge redundancy:
 - Share reconciliation responsibly with multiple staff members
 - Cycle individuals' responsible for each cash account periodically

CITY OF YUMA, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

**Status of Findings Related to Financial Statements Reported in Accordance with
*Government Auditing Standards***

Finding Number: FS-2021-001

Status: Partially corrected. See current year finding FS-2022-001.

Planned Corrective Action:

The primary factor for the lack of timeliness of completion of the reconciliation is the City experienced a 100% turn over in its payroll unit including those responsible for the reconciliation. It was discovered shortly thereafter that the recon was incomplete and at risk of completion.

Other factors pulling immediate attention from the payroll recon included, but not limited to: addressing twelve other prior year findings, implementing the new GASB 87 for Leases and restating OPEB as well as a number of vacancies and positions on extended leave of absence.

Mitigate gaps due to turnover and/or extended leaves of absence and communicating of status:

- Create a functional unit that is primarily responsible for all 29 cash reconciliations
- Include reconciliation progress in performance evaluations
- Mandated continual professional education and training
- Mock audits with quarterly closings:
 - Closings will be reviewed by the Finance Director and/or Assistant Director
 - Creates repetition for consistently meeting deadlines with accuracy
 - Requires demonstrations of:
 - Accuracy in reconciliation techniques and accounting
 - Timeliness of completing and being audit ready
- Develop knowledge redundancy:
 - Share reconciliation responsibly with multiple staff members
 - Cycle individuals' responsible for each cash account periodically

Finding Number: FS-2021-002

Status: Fully corrected.