AGENDA MATERIAL
DATE 5-12-26 ITEM NO. RA31

ARIZONA
Auditor General
Making a Positive Difference

Pima County Board of Supervisors Meeting

Summary of County's fiscal year 2025 reports

May 12, 2026
Lindsey A. Perry, Auditor General
Katherine Edwards Decker, Financial Audit Director
Vicki Fisher, Financial Audit Manager

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INTRODUCTION

WHO WE ARE

Mission and Mandate

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

WHY WE ARE HERE

Statutory Requirement

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

OUR ROLE

Key Auditor Responsibilities

- Plan and conduct the audit and obtain reasonable assurance.
- Perform tests over controls and/or compliance and report deficiencies and instances of noncompliance.
- Communicate significant matters.
- Express opinions.

COUNTY'S ROLE

Key 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.
- Provide fraud representations.
- Take corrective action for reported findings.
- Provide auditors with all information timely and by agreed-upon dates.

AUDIT REPORTS ISSUED

We issued 3 reports

- Financial statement audit report–issued February 27, 2026.
- Report on internal control and compliance–issued March 26, 2026.
- Single audit report–issued March 26, 2026.

REPORT HIGHLIGHTS

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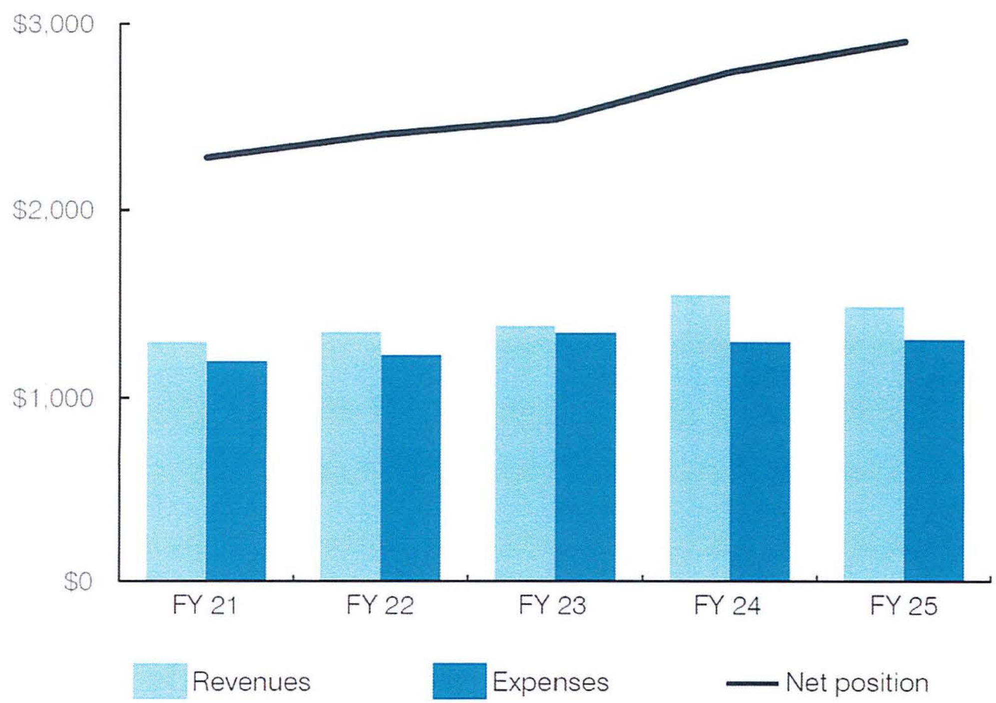
Financial overview: Last 5 fiscal years—(in millions)



REPORT HIGHLIGHTS

Federal expenditures: Last 5 fiscal years (in millions)

Federal agency	2021	2022	2023	2024	2025
Department of Treasury	$ 66,363,323	$ 57,834,280	$ 80,446,877	$ 74,043,372	$ 49,357,180
Department of Health and Human Services	34,697,527	31,325,003	20,346,059	19,114,414	20,225,980
Department of Labor	7,897,592	9,742,977	12,241,041	13,823,318	9,564,601
Department of Homeland Security	1,533,345	11,446,524	28,535,208	31,686,913	5,400,208
Other	27,323,086	23,706,305	18,619,045	17,922,380	19,996,147
Total	**$137,814,873**	**$134,055,089**	**$160,188,230**	**$156,590,397**	**$104,544,116**

AUDIT RESULTS

PRIOR RECOMMENDATIONS

Pima County's status in implementing 6 audit findings from the 2024 Audits

Implementation status	Number of audit findings
Implemented	1
Partially implemented	5

SUMMARY OF AUDIT FINDINGS

Financial statement finding 2025-01

The County's insufficient IT controls increased risk of inadequate system and data protection.

RECOMMENDATIONS OVERVIEW

5 recommendations to the County:

- Develop and document comprehensive IT policies and ensure consistent adherence.
- Assign and regularly review employee user access for job-role appropriateness.
- Review all other account access to confirm ongoing need and appropriateness.
- Strengthen authentication requirements across IT systems.
- Provide ongoing IT security training to all employees on IT security risks and their responsibilities.

SUMMARY OF AUDIT FINDINGS

Financial statement finding 2025-02

The County's School Superintendent's Office did not timely reconcile its cash balances to the County Treasurer's balances, increasing the risk of ineffective management of resources and inaccurate financial reporting.

RECOMMENDATIONS OVERVIEW

1 recommendation to the CSS:

- Complete cash reconciliations timely, promptly research and resolve differences, and post any needed adjustments to School Reserve or County Treasurer records.

SUMMARY OF AUDIT FINDINGS

Federal compliance finding 2025-101

The County's initial schedule of expenditures of federal awards (SEFA) contained misstatements, increasing risk of misinforming those who rely on the SEFA.

RECOMMENDATIONS OVERVIEW

2 recommendations to the County:

- Ensure SEFA accuracy by training staff to prepare a SEFA and perform a detailed pre-audit review.
- Create and maintain a complete, up-to-date listing of all federal funds recorded in the accounting system.

SUMMARY OF AUDIT FINDINGS

Federal compliance finding 2025-102

The County lacked internal control procedures over program reporting and/or cash management requirements for 3 federal programs, increasing risk of report errors and wrongly receiving monies.

RECOMMENDATIONS OVERVIEW

6 recommendations to the County:

- Independently review and approve all federal reports before submission.
- Keep detailed supporting documentation.
- Submit Immunization Cooperative Agreements reports by their quarterly due date.
- Follow County and federal record-retention requirements.
- Implement policies and procedures to perform and document an independent review and approval of federal program reports.
- Implement a tracking system to ensure timely submissions.

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