



Maricopa County

Internal Audit Department

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To: Maricopa County Board of Supervisors

From: Ross L. Tate, County Auditor

Subject: Monitoring of Audit Reports: Federal Grant Funded Organizations

Date: June 30, 2016

Conclusion: Internal Audit monitored the receipt of federally-required fiscal year 2015 audit reports from organizations who received federal funds from Maricopa County agencies (pass-through funding).

Observation: The federal government provides grant funds to County agencies that pass the funds through to contracted organizations (subrecipients). The Single Audit Act of 1984 requires that organizations spending \$500,000 or more in federal assistance receive an annual, organization-wide, financial and compliance audit. The threshold increased to \$750,000 for audits of fiscal years beginning on or after December 26, 2014.

We reviewed 53 audit reports that were issued to County subrecipients. Of these, 32 had no findings. The other 21 reports had a total of 73 findings, which were referred to County agencies for follow-up. The agencies are responsible for ensuring that the subrecipients take appropriate and timely corrective action.

Objective: Our objective was to (1) determine which subrecipient organizations fall under Single Audit Act requirements, and (2) obtain and review subrecipient organizations' Single Audit reports for findings, and report findings to County agencies for follow-up.

This review was approved by the Board of Supervisors and was conducted in conformance with International Standards for the Professional Practice of Internal Auditing. It is intended primarily for the information and use of the County Board of Supervisors, County leadership, and other County stakeholders. However, it is a public record and its distribution is not limited.

If you have any questions about this report, please contact Carla Harris, Audit Manager, at 506-6092.