



City of Maricopa, Arizona
Management Letter
Year Ended June 30, 2022

Honorable Mayor and Members of City Council
City of Maricopa, Arizona

Members of the City Council:

In planning and conducting our single audit of the City of Maricopa, Arizona for the year ended June 30, 2022, we performed the following as required by *Government Auditing Standards (GAS)* and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance)*:

- Considered the City's internal control over financial reporting,
- Tested internal controls over major Federal programs, and
- Tested compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the City's financial statements and major federal programs.

Any audit findings that are required to be reported by GAS and Uniform Guidance have been included in the City's Single Audit Reporting Package for the year ended June 30, 2022. However, during our audit we noted certain immaterial matters that are opportunities for strengthening internal controls and instances of noncompliance with laws and regulations that did not meet that reporting criteria. Management should address these items to ensure that it fulfills its responsibility to establish and maintain adequate internal controls and comply with laws, regulations, contracts, and grant agreements. Those items and our related recommendations are briefly described in the accompanying summary. The items discussed in the accompanying summary are only a result of audit procedures performed based on risk assessment procedures and not all deficiencies or weaknesses in controls may have been identified.

This information is intended for the City of Maricopa, Arizona's City Council and Management and is not intended to be and should not be used by anyone other than the specified party. However, this information is a matter of public record, and its distribution is not limited.

We have already discussed these items and suggestions with City personnel and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.

Tucson, Arizona

December 23, 2022

**CITY OF MARICOPA, ARIZONA
MANAGEMENT LETTER
YEAR ENDED JUNE 30, 2022**

Conflict of Interest

The City does not maintain a conflict of interest file for all employees.

The City should consider developing and implementing an annual process to educate employees regarding conflicts of interest and require a response as to whether an employee has a conflict.

Capital Assets

The City has not developed complete formal written policies and procedures and has not performed a comprehensive physical inventory of capital assets in the last three years.

The City should consider developing and implementing the following internal controls over capital assets:

- Develop and implement policies and procedures to include information regarding the different types of assets, appropriate useful lives, methods of depreciation, guidelines of physical inventories, capital asset reconciliation process, and review of non-capital object code expenditures, and
- Ensure that a comprehensive physical inventory occurs at least every three years.