City of Maricopa, Arizona Management Letter Year Ended June 30, 2016



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

Members of the Board:

In planning and conducting our single audit of the City of Maricopa, Arizona for the year ended June 30, 2016, 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 its 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, 2016. Our audit disclosed 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. These items and related recommendations are briefly described in the accompanying summary.

This information is intended for the City of Maricopa, Arizona's City Council 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., P.C.

Heinfeld, Melch & Co., P.C.

Tucson, Arizona February 23, 2017

CITY OF MARICOPA, ARIZONA MANAGEMENT LETTER YEAR ENDED JUNE 30, 2016

Information Technology

The City has not implemented formal policies and procedures over certain information technology items. In addition, the City has not documented nor has it tested its disaster recovery plan. Finally, the City does not maintain a listing of non-capitalized technology items.

The City should consider developing and implementing the following internal controls over the IT framework:

- Develop and implement policies and procedures to address operating and modifying the systems, ensuring terminated or transferred employees' access has been removed,
- Developing a formal disaster recovery plan and test the plan, and
- Develop a system for tracking technology items through a formal listing.