

# Navajo County Community College District (Northland Pioneer College)

Single Audit Report

Year Ended June 30, 2019



A Report to the Arizona Legislature

Lindsey A. Perry  
Auditor General





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## Audit Staff

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## Report Issued Separately

Comprehensive Annual Financial Report



**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

**ARIZONA AUDITOR GENERAL**  
**LINDSEY A. PERRY**

**JOSEPH D. MOORE**  
DEPUTY AUDITOR GENERAL

**Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards***

Members of the Arizona State Legislature

The Governing Board of  
Navajo County Community College District

We have audited the financial statements of the business-type activities and aggregate discretely presented component units of Navajo County Community College District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2019. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. However, the financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the aggregate discretely presented component units.

**Internal control over financial reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic 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 have not been 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-01 and 2019-02, that we consider to be significant deficiencies.

## **Compliance and other matters**

As part of obtaining reasonable assurance about whether the District's basic 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 determination of financial statement amounts. 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*.

## **Navajo County Community College District's response to findings**

Navajo County Community College District's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

## **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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindsey Perry, CPA, CFE  
Auditor General

November 15, 2019



MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

ARIZONA AUDITOR GENERAL  
LINDSEY A. PERRY

JOSEPH D. MOORE  
DEPUTY AUDITOR GENERAL

**Independent auditors' 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**

Members of the Arizona State Legislature

The Governing Board of  
Navajo County Community College District

**Report on compliance for each major federal program**

We have audited Navajo County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on each major federal program***

In our opinion, Navajo County Community College District complied, in all material respects, with the types of 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, 2019.

### ***Other matters***

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as item 2019-101. Our opinion on each major federal program is not modified with respect to these matters.

### **Report on internal control over compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-101, that we consider to be a significant deficiency.

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.

### **Navajo County Community College District's response to findings**

Navajo County Community College District's responses to the finding identified in our audit is presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

## **Report on schedule of expenditures of federal awards required by the Uniform Guidance**

We have audited the financial statements of the business-type activities and aggregate discretely presented component units of Navajo County Community College District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 15, 2019 that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the District's 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 the District's 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 basic 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 U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lindsey Perry, CPA, CFE  
Auditor General

November 15, 2019



# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## Summary of auditors' results

### Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles Unmodified

#### Internal control over financial reporting

Material weaknesses identified? No

Significant deficiencies identified? Yes

Noncompliance material to the financial statements noted? No

### Federal awards

#### Internal control over major programs

Material weaknesses identified? No

Significant deficiencies identified? Yes

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? Yes

#### Identification of major programs

CFDA number	Name of federal program or cluster
84.007, 84.033, 84.063	Student Financial Assistance Cluster

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

Auditee qualified as low-risk auditee? Yes

**Other matters**

Auditee's summary schedule of prior audit findings required to be reported in accordance with 2 CFR §200.511 (b)? Yes

# Financial statement findings

## 2019-01

### Managing risk

**Condition and context**—The District's process for managing and documenting its risks did not include an overall risk assessment process that included identifying, analyzing, and responding to the District-wide information technology (IT) risks, such as potential harm from unauthorized access, use, disclosure, disruption, modification, or destruction of IT data and systems.

**Criteria**—Effectively managing risk at the District includes an entity-wide risk assessment process that involves members of the District's administration and IT management to determine the risks the District faces as it seeks to achieve its objectives to not only report accurate financial information and protect its IT systems and data but to also carry out its overall mission and service objectives. The process should provide the basis for developing appropriate responses based on identified risk tolerances and specific potential risks to which the District might be subjected. To help ensure the District's objectives can be met, an annual risk assessment should consider IT risks. For each identified risk, the District should analyze the identified risk and develop a plan to respond within the context of the District's defined objectives and risk tolerances.

**Effect**—Without correcting these deficiencies, the District's administration and IT management may put the District's operations and IT systems and data at unintended and unnecessary risk.

**Cause**—The District relied on an informal and undocumented process to manage, assess, and respond to IT risks.

**Recommendations**—The District should identify, analyze, and reduce risks to help prevent undesirable incidents and outcomes that could impact business functions and IT systems and data. It also should plan for where to allocate resources and where to implement critical controls. To help ensure it has effective entity-wide policies and procedures to achieve these objectives, the District should follow guidance from a credible industry source such as the National Institute of Standards and Technology. Responsible administrative officials and management over finance, IT, and other entity functions should be asked for input in the District's process for managing risk. The District should conduct the following as part of its process for managing risk:

- Perform an annual entity-wide IT risk assessment process that includes evaluating and documenting risks and safeguards. Such risks may include inappropriate access that would affect financial data, system changes that could adversely impact or disrupt system operations, and inadequate or outdated system security.

The District's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2018-01.

## 2019-02

### Information technology (IT) controls—access and security

**Condition and context**—The District's control procedures were not sufficiently designed, documented, and implemented to respond to risks associated with its IT systems and data. The District lacked adequate procedures over the following:

- **Restricting access to its IT systems and data**—Procedures did not consistently help prevent or detect unauthorized or inappropriate access.
- **Securing systems and data**—IT security policies and procedures lacked controls to prevent unauthorized or inappropriate access or use, manipulation, damage, or loss.

**Criteria**—The District should have effective internal controls to protect its IT systems and help ensure the integrity and accuracy of the data it maintains.

- **Logical access controls**—Help to ensure systems and data are accessed by users who have a need, systems and data access granted is appropriate, and key systems and data access is monitored and reviewed.
- **IT security internal control policies and procedures**—Help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT systems and data.

**Effect**—There is an increased risk that the District may not adequately protect its IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data.

**Cause**—The District had not sufficiently documented and fully implemented its policies and procedures over protecting IT systems and data.

**Recommendations**—To help ensure the District has effective policies and procedures over its IT systems and data, the District should follow guidance from a credible industry source such as the National Institute of Standards and Technology. To help achieve these control objectives, the District should develop, document, and implement control procedures in each IT control area described below:

#### Access

- Assign and periodically review employee user access ensuring appropriateness and compatibility with job responsibilities.
- Remove terminated employees' access to IT systems and data.
- Review all other account access to ensure it remains appropriate and necessary.
- Evaluate the use and appropriateness of accounts shared by 2 or more users and manage the credentials for such accounts.
- Enhance authentication requirements for IT systems.

#### Security

- Perform proactive key user and system activity logging and log monitoring, particularly for users with administrative access privileges.
- Prepare and implement a security incident response plan clearly stating how to report and handle such incidents.

The District's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2018-02.

## Federal award findings and questioned costs

### 2019-101

<b>Cluster name:</b>	<b>Student Financial Assistance Cluster</b>
<b>CFDA numbers and names:</b>	84.007 <b>Federal Supplemental Educational Opportunity Grants</b> 84.033 <b>Federal Work-Study Program</b> 84.063 <b>Federal Pell Grant Program</b>
<b>Award numbers and years:</b>	P007A180127; P033A180127; P063P183482; July 1, 2018 through June 30, 2019
<b>Federal agency:</b>	<b>U.S. Department of Education</b>
<b>Compliance requirement:</b>	Special tests and provisions
<b>Questioned costs:</b>	N/A

**Condition and context**—The District had no evidence that it had performed the required risk assessment and documented safeguards of the student financial aid information it maintains.

**Criteria**—The District's agreement with the U.S. Department of Education requires the District to protect student financial aid information by designating an employee to coordinate its information security program. The District must also perform a risk assessment and document a safeguard for each risk identified. (Gramm-Leach-Bliley Act, Title 16 U.S. Code of Federal Regulations, Part 314).

**Effect**—Without correcting these deficiencies, the District's administration and information technology (IT) management may put the District's operations and IT systems and data, including student financial aid information, at unintended and unnecessary risk.

**Cause**—The District designated an individual to coordinate its information security program over its student financial aid information but relied on an informal and undocumented process to manage, assess, and respond to IT risks.

**Recommendation**—To help ensure that the District protects student financial aid information, the District should:

- Perform a risk assessment to identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of student financial aid information that could result in the unauthorized disclosure, misuse, alteration, destruction or other compromise of such information. The risk assessment should consider risks related to:
  - Employee training and management.
  - Information systems, including network and software design, as well as information processing, storage, transmission and disposal.
  - Detecting, preventing and responding to attacks, intrusions, or other system failures.

- Document and implement a safeguard for each risk identified.
- Monitor the effectiveness of the safeguards' key controls, systems, and procedures on a periodic basis.
- Evaluate and adjust the information security program in light of the testing and monitoring results, any significant changes to the District's operations or business arrangements, and any other circumstances that may have a significant impact on the information security program.

The District's responsible officials' views and planned corrective action are in its corrective action plan at the end of this report.

# DISTRICT SECTION

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Fiscal Period 7/1/2018 - 6/30/2019**

<i>Federal Awarding Agency/Program Title</i>	<i>Federal CFDA Number</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
<b>SMALL BUSINESS ADMINISTRATION</b>							
<i>SMALL BUSINESS DEVELOPMENT CENTERS</i>	59.037	MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT	SBAHQ-18-B-0042	\$108,291	\$108,291	N/A	\$0
<b>TOTAL SMALL BUSINESS ADMINISTRATION</b>				<u>\$108,291</u>			
<b>DEPARTMENT OF EDUCATION</b>							
<i>ADULT EDUCATION - BASIC GRANTS TO STATES</i>	84.002	ARIZONA DEPARTMENT OF EDUCATION	V002A1800003	\$469,803	\$469,803	N/A	\$0
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007			\$51,115	\$51,115	STUDENT FINANCIAL ASSISTANCE	\$2,375,329
HIGHER EDUCATION_INSTITUTIONAL AID	84.031			\$495,095	\$495,095	N/A	\$0
FEDERAL WORK-STUDY PROGRAM	84.033			\$84,784	\$84,784	STUDENT FINANCIAL ASSISTANCE	\$2,375,329
<i>CAREER AND TECHNICAL EDUCATION -- BASIC GRANTS TO STATES</i>	84.048	ARIZONA DEPARTMENT OF EDUCATION	V048A1800003	\$270,789	\$270,789	N/A	\$0
FEDERAL PELL GRANT PROGRAM	84.063			\$2,239,430	\$2,239,430	STUDENT FINANCIAL ASSISTANCE	\$2,375,329
<i>GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS</i>	84.334	NORTHERN ARIZONA UNIVERSITY	1001848-23	\$48,215	\$48,215	N/A	\$0
<b>TOTAL DEPARTMENT OF EDUCATION</b>				<u>\$3,659,231</u>			
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS</b>				<u>\$3,767,522</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.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Period 7/1/2018 - 6/30/2019**

**Significant Accounting Policies Used in Preparing the SEFA**

Expenditures reported on the schedule are reported on the 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**10% De Minimis Cost Rate**

The auditee did not use the de minimis cost rate.

**Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Navajo County Community College District for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

**Catalog of Federal Domestic Assistance (CFDA) numbers**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2019 Catalog of Federal Domestic Assistance.

# DISTRICT RESPONSE



November 15, 2019

Lindsey Perry  
Auditor General  
2910 N. 44th St., Ste. 410  
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by 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*. Specifically, for each finding, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Maderia J. Ellison  
Vice President for Administrative Services

Navajo County Community College District  
Northland Pioneer College  
Corrective action plan  
Year ended June 30, 2019

**Financial statement findings**

**2019-01  
Managing Risk**

Maderia Ellison, Associate Vice President and Chief Business Officer  
Ernest Hess, Network Administrator  
Anticipated completion date: June 30, 2020

The District should identify, analyze and reduce risks to help prevent undesirable incidents and outcomes that could impact business functions and IT systems and data.

**Corrective Action Plan:**

The District has been made aware of the issues related to risk-assessment process and concurs with the finding and recommendations.

The District will make the necessary changes to improve an entity-wide risk-assessment process that includes District Administration and IT management to develop an appropriate risk response that defines objectives to identify risks, define risk tolerance, identify, analyze and respond to identified risk; specifically, it will:

- Evaluate and identify risk scenarios, including likelihood and magnitude; document and disseminate results, review, and prioritize for mitigation.

**2019-02  
Information technology (IT) controls – access and security**

Chief Information Officer  
Anticipated completion date: June 30, 2020

The District should improve its access and security over information technology resources.

**Corrective Action Plan:**

The District has been made aware of the issues related to improving existing access and security and concurs with the finding and recommendations.

The District will make the necessary changes to improve existing access controls over information technology resources; specifically, it will:

- Evaluate and update existing controls and processes to review user access to network and systems. Process development to establish supervisory responsibilities at all leadership levels to ensure compliance with IS/IT mandates.

Navajo County Community College District  
Northland Pioneer College  
Corrective action plan  
Year ended June 30, 2019

- Evaluate and update existing policies and procedures across the District departments to effectively provide timely employee status updates that notify IS/IT for timely removal of employee access and/or removal of account.
- Evaluate and update existing contractor and nonentity account access audit procedure for annual review.
- Evaluate and document shared network access account procedure to include revision of credentials when group members leave a shared account.
- Evaluate and update existing password policy for all account users and apply to all network and system accounts.

The District will make the necessary changes to improve existing security over information technology resources; specifically, it will:

- Establish enhanced monitoring and logging practice to be developed further with procedure outlining expectations and actions required.
- Evaluate and establish an incident response plan scenario and test cycle to ensure effective incident response measures.
- Perform, analyze, and evaluate, on a periodic basis, an IS/IT vulnerability scan.

Navajo County Community College District  
Northland Pioneer College  
Corrective action plan  
Year ended June 30, 2019

**Federal award findings and questioned costs**

**2019-101**

<b>Cluster name:</b>	<b>Student Financial Assistance Cluster</b>
<b>CFDA numbers and names:</b>	84.007 <b>Federal Supplemental Educational Opportunity Grants</b> 84.033 <b>Federal Work-Study Program</b> 84.063 <b>Federal Pell Grant Program</b>
<b>Award numbers and years:</b>	P007A180127; P033A180127; P063P183482; July 1, 2018 through June 30, 2019
<b>Federal agency:</b>	<b>U.S. Department of Education</b>
<b>Compliance requirement:</b>	Special tests and provisions
<b>Questioned costs:</b>	N/A

Maderia Ellison, Associate Vice President and Chief Business Officer  
Ernest Hess, Network Administrator  
Anticipated completion date: June 30, 2020

The District will make the necessary changes to improve existing security over information technology resources; specifically, it will ensure that the District protects student financial aid information in accordance with the Gramm-Leach-Bliley Act and specifically, will:

- Designate an employee to coordinate the information security program.
- Perform an annual risk assessment of its maintained student financial aid information to identify, analyze and respond to IT risks related to its employee training and management; IT systems and data; and detecting, preventing, and responding to attacks, intrusions, or other systems failures.
- Document a safeguard for each risk identified.
- Monitor the effectiveness of the safeguards' key controls, systems, and procedures on a periodic basis.
- Evaluate and adjust the information security program in light of the results of the testing and monitoring any material changes to the District's operations or business arrangements; or any other circumstances that may have a material impact on the information security program.

November 15, 2019

Lindsey Perry  
Auditor General  
2910 N. 44th St., Ste. 410  
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings per 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*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

Maderia J. Ellison  
Vice President for Administrative Services

Navajo County Community College District  
(Northland Pioneer College)  
Summary schedule of prior year audit findings  
Year Ended June 30, 2019

**Managing risk**

Finding No. **2018-01 & 2017-01**

Status: *Partially Corrected*

As of June 30, 2019, the District has not fully implemented the necessary changes to improve and document an entity-wide risk-assessment process that includes District Administration and IT management due to the complexity of the requirement. The District has developed policies and procedures documenting and addressing the IT risk-assessment process and continues to develop entity-wide risk assessment processes in addition to improving its IT risk assessments and better document remediation, prioritization and responses.

**Information technology (IT) controls—access, configuration management, security**

Finding No. **2018-02, 2017-02 (access), & 2017-04 (security)**

Status: *Partially Corrected*

As of June 30, 2019, the District has not fully implemented the necessary changes to improve existing IT access and security controls over information technology resources due to the complexity of the requirements. The District has developed policies and procedures documenting the control processes over IT access and the security protocols. These policies and procedures will allow the District to better monitor, manage and control access to data and IT devices, as well as maintain IT security.

**The District should improve its configuration management process over information technology resources**

Finding No. 2017-03

Status: *Fully Corrected*

