

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT**  
**SINGLE AUDIT REPORT**  
**YEAR ENDED JUNE 30, 2024**



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**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
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## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND REPORT ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Arizona Auditor General  
The Governing Board of  
Navajo County Community College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component units of the Navajo County Community College District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 13, 2025. 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. 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.

### **Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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 entity'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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

The Arizona Auditor General  
The Governing Board of  
Navajo County Community College District

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, 2024-003, 2024-004 and 2024-005 that we consider to be significant deficiencies.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District’s 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 financial statements. 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***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Navajo County Community College District’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Navajo County Community College District’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***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 result 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.



**CliftonLarsonAllen LLP**

Phoenix, Arizona  
January 13, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

The Arizona Auditor General  
The Governing Board of  
Navajo County Community College District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Navajo County Community College District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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.

The Arizona Auditor General  
The Governing Board of  
Navajo County Community College District

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.


Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

**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 discretely presented component units of the District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon, dated January 13, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 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 auditing standards generally accepted in the United States of America. 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.

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.



**CliftonLarsonAllen LLP**

Phoenix, Arizona  
January 13, 2025

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

***Financial Statements***

1. Type of auditors’ report on whether the financial statements audited were prepared in accordance with generally accepted accounting principles issued: Unmodified
  
2. Is a going concern emphasis-of-matter paragraph included in the auditors’ report? No
  
3. Internal control over financial reporting:
  - Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified?   x   yes      \_\_\_\_\_ none reported
  
4. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

***Federal Awards***

1. Internal control over major federal programs:
  - Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
  
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
  
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

***Identification of Major Federal Programs***

**Assistance Listing Numbers**

84.007, 84.033, 84.063

**Name of Federal Program or Cluster**

Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

  x   yes      \_\_\_\_\_ no



**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2024-001**

**Change Management**

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

**Condition:** The District was unable to provide sufficient documentation for selected financial application and network changes that occurred during the audit period from July 1, 2023, to June 30, 2024.

**Criteria:** Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to effectively manage risk related to IT systems and data.

**Cause:** District administration and IT management reported that the volume of users and short staffing within the IT department have made the record keeping and tracking challenging.

**Effect:** The risk of unauthorized programs being introduced into the production environment increases. Unauthorized programs include programs that have not been approved by the user community, may perform illegitimate functions, have not been properly tested, etc. This lack of documentation presents several challenges:

- **Verification of Appropriateness and Authorization:** Without adequate records, it is difficult to confirm that the changes made were appropriate and authorized by the relevant personnel. This raises concerns about the integrity and security of the financial applications and network systems.
- **Tracking and Auditing Changes:** Proper documentation is essential for tracking changes over time and conducting thorough audits. The absence of detailed records hinders the ability to trace the history of modifications, identify potential issues, and ensure that all changes were implemented correctly and effectively.
- **Compliance with Industry Standards and Regulations:** Many industry standards and regulations require organizations to maintain comprehensive documentation of system changes. The District's inability to provide this documentation may result in noncompliance, which could lead to penalties, increased scrutiny from regulatory bodies, and a loss of stakeholder trust.

**Recommendation:** Management should develop a more formalized policy detailing which documents need to be retained as evidence that known controls are performed. This policy should specify the types of documentation required, the format in which they should be maintained, and the duration for which they should be kept. Once all procedures are completed, the supporting evidence should be retained to ensure proper accountability and to facilitate future audits or reviews. This will help in maintaining a clear and consistent record of control activities and their effectiveness.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

**2024-002**

**Disaster Recovery Plan Test**

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

**Condition:** The District has a disaster recovery plan; however, it has not been regularly tested. CLA noted that the Disaster Recovery Plan (DRP) was not reviewed or revised during the audit period.

**Criteria:** Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to effectively manage risk related to IT systems and data.

**Effect:** The District is at significant risk of losing valuable data and may experience substantial delays in its ability to recover technical infrastructure within an acceptable time period. An outdated and untested DRP may result in an inadequate response to disruptions, leading to prolonged downtime and potential data loss, which could impact the District's operations and compliance.

**Cause:** District administration and IT management reported that limited resources, including time, budget, and personnel, have prevented regular testing and review of the DRP.

**Recommendation:** The District should create a comprehensive test plan to evaluate the effectiveness of its disaster recovery plan through a combination of tabletop exercises and technical testing. This approach will ensure that the recovery plan is robust, practical, and capable of addressing various types of disruptions. The test results will also provide the District with additional knowledge to revise the recovery plan to have a more successful recovery in the event of a disaster.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

**2024-003**

**Authentication Enforcement Misalignment**

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

**Condition:** The current authentication requirements for the organization's IT systems are insufficient to ensure robust security.

**Criteria:** Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to effectively manage risk related to IT systems and data.

**Effect:** The absence of enhanced authentication requirements exposes the District to increased risks of unauthorized access, data breaches, and potential loss of sensitive information. This vulnerability could lead to significant financial and reputational damage.

**Cause:** District administration and IT management reported that it was cost-prohibitive due to the significant financial investment required.

**Recommendation:** To address the need for more enhanced authentication, it is recommended to enhance controls over authentication, enforce strong password policies, integrate biometric authentication, conduct regular security reviews, provide comprehensive user training and awareness programs, allocate sufficient resources for security enhancements, and regularly monitor and audit authentication logs.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

**2024 – 004**

**Vendor Management**

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

**Condition:** The District's written information security program does not include a vendor due diligence program as required by The Gramm-Leach-Bliley Act (Pub. L. No. 106-102) (GLBA) 16 CFR 314.4(f).

**Criteria:** Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to effectively manage risk related to IT systems and data. CFR Guidance (Based on GLBA 16 CFR - 314.4) - Addresses how the institution will oversee its information system service providers (16 CFR 314.4(f)).

**Cause:** Absence of established policies and standards specifically addressing vendor risk management.

**Effect:** The District is exposed to loss of revenue, reputation damage, disclosure of non-public data, loss of technology assets as a result of the following:

- Potential security breaches due to insufficient evaluation and monitoring of vendors who interact with sensitive data.
- Inadequate assessment of risks associated with outsourcing services or managing services through vendors.
- Establishing relationships with vendors that do not support the District's strategic objectives, lack financial stability, or have inadequate controls.

This absence makes it difficult to ensure that vendors who interact with sensitive data are properly evaluated, selected, and monitored, potentially leading to security breaches and noncompliance with regulatory requirements.

**Recommendation:** The District should ensure that the written information security program includes a vendor due diligence program. This program should include:

- Standards for evaluating and selecting vendors who interact with sensitive data.
- Contract provisions that require third-party vendors to maintain safeguards.
- Ongoing monitoring based on the risk the vendor presents.

Also, appropriate policy and standards documentation should be established to support the vendor management program.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

**2024 – 005**

**Periodic Reviews of User Access**

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

**Condition:** The District did not regularly review user accounts for appropriate access rights.

**Criteria:** Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to effectively manage risk related to IT systems and data.

**Effect:** Not performing a regular, standardized user account audit increases the risk that the District may not identify all old and unused user accounts, users with improper access to the system, and/or unauthorized system users. Without regular reviews, there is a risk that users may have access rights that are not aligned with their job functions, potentially leading to unauthorized access to sensitive information and non-compliance with industry standards.

**Cause:** District administration and IT management reported that the volume of users and the numerous systems made the review of user accounts challenging.

**Recommendation:** The District should conduct a formal review of all user accounts, and their access level. The review process should be documented, and sign-off should be obtained from IT personnel completing the review. The review should ensure that all user accounts are assigned to current employees by comparing a system account listing to a current employee list from Human Resources. In addition, a review of access levels should be performed by comparing the user's current access rights listed on the system to those listed on their access form, and by confirming the user's access rights with their departmental manager.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Commerce				
Economic Adjustment Assistance	11.307		\$ -	\$ 32,500
Total U.S. Department of Commerce			<u>-</u>	<u>32,500</u>
U.S. Department of Labor				
Passed through Navajo County				
Workforce Innovation and Opportunity Act (WIOA) Youth Activities	17.259	D121-0002285	-	40,315
Total U.S. Department of Labor			<u>-</u>	<u>40,315</u>
<b>Small Business Administration</b>				
Passed through Maricopa County Community College District				
Small Business Development Centers	59.037	SBAHQ-22-B0041	-	131,325
Total Small Business Administration			<u>-</u>	<u>131,325</u>
<b>U.S. Department of Education</b>				
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER:</b>				
Federal Supplemental Educational Opportunity Grants	84.007		-	111,005
Federal Work-Study Program	84.033		-	34,757
Federal Pell Grant Program	84.063		-	1,571,755
Total Student Financial Assistance Cluster			<u>-</u>	<u>1,717,517</u>
Higher Education-Institutional Aid	84.031		-	396,065
COVID-19, Higher Education Emergency Relief Fund - Institutional Aid	84.425F		-	313,791
COVID-19, Institutional Resilience and Expanded Postsecondary Opportunity	84.425P		-	440,266
Total Department of Education Direct Programs			<u>-</u>	<u>2,867,639</u>
Passed through Arizona Department of Education				
Adult Education-Basic Grants to States	84.002	V002A210003	-	496,121
Career and Technical Education - Basic Grants to States	84.048	V048A210003	-	501,486
Passed through Yavapai County Community College District				
Fund for the Improvement of Postsecondary Education	84.116	P116T210013	-	45,199
Total U.S. Department of Education			<u>-</u>	<u>3,910,445</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 4,114,585</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024**

**NOTE 1 BASIS OF PRESENTATION**

The information in this schedule of expenditures of federal awards (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).

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

**NOTE 3 FEDERAL ASSISTANCE LISTING NUMBERS**

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2024 *Federal Assistance Listings*.

**NOTE 4 INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate as established in 2 CFR 200.414.





January 13, 2025

Jean Dietrich  
Clifton Larson Allen LLP  
20 E Thomas Rd #2300  
Phoenix, AZ 85012

Dear Ms. Dietrich:

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/CFO

Navajo County Community College District  
Northland Pioneer College  
Corrective action plan  
Year ended June 30, 2024

## Financial Statement Findings

### 2024-001

**The District was unable to provide sufficient documentation for selected financial application and network changes that occurred during the audit period from July 1, 2023, to June 30, 2024.**

Michael Jacob, Associate Vice President Chief Information Officer  
Anticipated completion date: June 30, 2025

#### Corrective Action Plan:

The District has been made aware of the issues related to documentation policies and concurs with the findings and recommendations.

The District will take the following actions to address the identified concerns:

- **Develop a System Change Documentation Policy:**  
Define required documentation, formats, and retention periods for control activities.

These actions will ensure proper accountability and effective documentation practices that will facilitate future audits and reviews. We believe this plan will address the audit's concerns and improve the transparency and consistency of our control activities.

Navajo County Community College District  
Northland Pioneer College  
Corrective action plan  
Year ended June 30, 2024

**2024-002**

**The District has a disaster recovery plan; however, it has not been regularly tested. CLA noted that the Disaster Recovery Plan (DRP) was not reviewed or revised during the audit period.**

Michael Jacob, Associate Vice President Chief Information Officer  
Anticipated completion date: June 30, 2025

**Corrective Action Plan:**

The District has been made aware of the issues related to an outdated Disaster Recovery Plan and concurs with the findings and recommendations.

The District will take the following actions to address the identified concerns:

- **Establish an Ongoing Disaster Recovery Plan Procedure:**

The District will conduct an annual review of the Disaster Recovery Plan to ensure it accurately reflects the current state of the District, its technology, and systems, and that it is effective in addressing potential disruptions and recovery procedures.

This action will help ensure the Disaster Recovery Plan is up-to-date and aligned with the District's needs. We believe this approach will address the audit's recommendation and strengthen our preparedness for potential disruptions.

Navajo County Community College District  
Northland Pioneer College  
Corrective action plan  
Year ended June 30, 2024

**2024-003**

**The current authentication requirements for the organization's IT systems are insufficient to ensure robust security.**

Michael Jacob, Associate Vice President Chief Information Officer  
Anticipated completion date: June 30, 2025

Corrective Action Plan:

The District acknowledges the recommendation and confirms that the following measures will be taken to mitigate the identified risk:

- The District will implement the necessary changes to improve existing IT access and security over information technology resources. The District will develop policies and procedures documenting the control processes over IT access and the security protocols. These policies and procedures will be implemented and allow the District to better monitor, manage and control access to data and IT devices, as well as maintain IT security.

These actions will ensure proper authentication requirements and a robust security of the organization's IT systems. We believe this plan will address the audit's concerns and improve the transparency and consistency of our control activities.

Navajo County Community College District  
Northland Pioneer College  
Corrective action plan  
Year ended June 30, 2024

**2024-004**

**The District's written information security program does not include a vendor due diligence program as required by The Gramm-Leach-Bliley Act (Pub. L. No. 106-102) (GLBA) 16 CFR 314.4(f).**

Michael Jacob, Associate Vice President Chief Information Officer  
Anticipated completion date: June 30, 2025

Corrective Action Plan:

The District has been made aware of the issues related to existing vendor management procedures and concurs with the findings and recommendations.

The District will take the following actions to address the identified concerns:

- **Develop Standards for Vendor Evaluation and Selection:**  
The District will establish guidelines for evaluating and selecting vendors that interact with sensitive data, ensuring alignment with industry best practices.
- **Incorporate Contract Provisions:**  
Where appropriate, the District will include provisions in new vendor contracts to ensure adequate safeguards are maintained for sensitive data and that the District is notified promptly in the event of a data breach.
- **Establish Ongoing Monitoring Procedures:**  
The District will conduct an annual review of vendors' compliance with security and data protection standards to ensure risks are managed appropriately.

These steps will strengthen the District's overall vendor management practices and ensure that appropriate safeguards are in place for handling sensitive data. We believe this approach effectively addresses the audit's recommendation and ensures the continued security of our systems.

Navajo County Community College District  
Northland Pioneer College  
Corrective action plan  
Year ended June 30, 2024

**2024-005**

**The District did not regularly review user accounts for appropriate access rights.**

Michael Jacob, Associate Vice President Chief Information Officer  
Anticipated completion date: June 30, 2025

Corrective Action Plan:

The District has been made aware of the issues related to documentation policies and concurs with the findings and recommendations.

The District will take the following actions to address the identified concerns:

- **Establish a User Management Policy:**  
Implement formal steps and approval requirements for creating, modifying, and deactivating user accounts, requiring a ticket submission with proper approvals and documentation before work begins.

These actions will ensure proper accountability and effective documentation practices that will facilitate future audits and reviews. We believe this plan will address the audit's concerns and improve the transparency and consistency of our control activities.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
(NORTHLAND PIONEER COLLEGE)  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024**

**STATUS OF FINANCIAL STATEMENT FINDINGS**

Finding No. **2023-01**—This finding initially occurred in fiscal year 2017.

**The District's control procedures over IT systems and data were not sufficient, which increases the risk that the District may not adequately protect those systems and data.**

Status: *Partially Corrected*

**Reason for recurrence:** The finding was made in fiscal year 2017 and it was not anticipated for it to be reoccurring in fiscal year 2024. The District is in the process of improving controls but have not fully implemented the changes.

As of June 30, 2024, the District has partially implemented the necessary changes to improve existing IT access and security over information technology resources. The District has developed policies and procedures documenting the control processes over IT access and the security protocols. These policies and procedures will be implemented and allow the District to better monitor, manage and control access to data and IT devices, as well as maintain IT security.

**FINDINGS— FEDERAL AWARD PROGRAMS AUDITS**

There were no Federal Award Findings in the prior year.



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