



BRYAN COUNTY

Financial Report

For the fiscal year ended June 30, 2020

Cindy Byrd, CPA
State Auditor & Inspector

**BRYAN COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



November 7, 2022

TO THE CITIZENS OF
BRYAN COUNTY, OKLAHOMA

Transmitted herewith is the audit of Bryan County, Oklahoma for the fiscal year ended June 30, 2020. The audit was conducted in accordance with 19 O.S. § 171.

A report of this type can be critical in nature. Failure to report commendable features in the accounting and operating procedures of the entity should not be interpreted to mean that they do not exist.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.) and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

**BRYAN COUNTY OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Board of County Commissioners

District 1 – Ron Boyer
District 2 – Tony Simmons
District 3 – Jay Perry

County Assessor

Mike Hull

County Clerk

Tammy Reynolds

County Sheriff

Johnny Christian

County Treasurer

Prudy Sullivan-Holt

Court Clerk

Donna Alexander

District Attorney

Emily Redman

**BRYAN COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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FINANCIAL SECTION



Independent Auditor's Report

TO THE OFFICERS OF
BRYAN COUNTY, OKLAHOMA

Report on the Financial Statement

We have audited the total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Bryan County, Oklahoma, as of and for the year ended June 30, 2020, and the related notes to the financial statement, which collectively comprise the County's basic financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting described in Note 1, and for determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statement is prepared by Bryan County using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Bryan County as of June 30, 2020, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the total receipts, disbursements, and changes in cash balances for all county funds of Bryan County, as of and for the fiscal year ended June 30, 2020, in accordance with the basis of accounting described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the total of all county funds on the financial statement. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statement.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statement.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2022, on our consideration of Bryan County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part

of an audit performed in accordance with *Government Auditing Standards* in considering Bryan County's internal control over financial reporting and compliance.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

August 9, 2022

REGULATORY BASIS FINANCIAL STATEMENT

BRYAN COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Beginning Cash Balances July 1, 2019	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2020
County Funds:						
County General	\$ 2,177,069	\$ 5,454,111	\$ -	\$ -	\$ 5,315,865	\$ 2,315,315
County Highway Unrestricted	1,720,244	2,854,492	197,607	-	3,164,744	1,607,599
Roads and Bridges-ST	494,402	525,233	-	-	389,745	629,890
Health	1,517,180	1,264,235	-	-	987,954	1,793,461
County Health Cash in Office	100	-	-	-	-	100
County Sinking Fund	3,339	9	-	-	-	3,348
COPS Fast	1	-	-	1	-	-
Assessor Revolving Fee	36,199	3,870	3,328	-	2,155	41,242
County Assessor Visual Inspection Reimbursement	3,327	1	-	3,328	-	-
County Assessor Cash in Office	25	-	-	-	-	25
County Clerk Lien Fee	67,909	18,233	-	-	10,910	75,232
County Clerk Records Management and Preservation	122,254	94,373	-	-	80,341	136,286
County Clerk Cash in Office	100	-	-	-	-	100
Trash Cop	3,224	-	-	-	-	3,224
County Treasurer Resale Cash in Office	700	-	-	-	-	700
Resale Property	575,165	331,612	-	-	286,464	620,313
Courthouse Security-SSF	47,963	-	-	43,503	4,460	-
911 Phone Fees	17,958	50,647	-	-	52,299	16,306
Treasurer Mortgage Certification	20,672	9,450	-	-	1,689	28,433
Jail	8,614	14,915	-	-	6,787	16,742
Sheriff City Prisoners	1,993	-	-	1,993	-	-
Sheriff Commissary	49,365	110,024	107,884	-	95,152	172,121
Sheriff Commissary Profit	119,802	-	-	107,884	11,918	-
Department of Corrections	17,803	-	-	5,156	12,647	-
Sheriff Social Security Administration	4,201	400	-	4,601	-	-
Sheriff Service Fee	298,504	492,849	55,255	-	428,514	418,094
Lake Patrol	30,248	64,811	-	-	27,575	67,484
Sheriff Helicopter	23,053	-	-	22,659	394	-
Sheriff-ST	165,091	508,918	-	-	372,529	301,480
Sheriff Training	52	-	-	-	40	12
Court Clerk Payroll	33,041	301,515	-	-	299,231	35,325
Sheriff Forfeiture	4,848	-	-	-	1,372	3,476
T-Highway Orchard Road BIA II	67,167	-	-	67,167	-	-
Courthouse Building	4,654	34	-	-	725	3,963
County Bridge & Road Improvement	781,085	484,590	-	-	607,661	658,014
Jail Debt Payments	73,227	444,454	-	-	444,477	73,204
Sheriff Combating Rural Crime	1	-	-	1	-	-

Continued on next page

The notes to the financial statement are an integral part of this statement.

BRYAN COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Beginning Cash Balances July 1, 2019	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2020
Continued from previous page:						
Achille Fire Department Sales Tax	45,441	6	-	40,626	4,821	-
Albany Fire Department Sales Tax	244,630	31	-	244,661	-	-
Bennington Fire Department Sales Tax	34,696	4	-	31,824	2,876	-
Bokchito Fire Department Sales Tax	50,504	6	-	43,333	7,177	-
Bryan County Fire Department Sales Tax	331,783	42	-	227,407	104,418	-
Bryan County Communication Sales Tax	45,748	6	-	45,754	-	-
Caddo Fire Department Sales Tax	105,415	13	-	95,578	9,850	-
Calera Fire Department Sales Tax	80,337	10	-	80,347	-	-
Cartwright Fire Department Sales Tax	118,948	15	-	118,180	783	-
Colbert Fire Department Sales Tax	284,324	36	-	284,360	-	-
Durant Fire Department Sales Tax	54,819	7	-	54,826	-	-
Freeny Valley Fire Department Sales Tax	43,640	6	-	43,424	222	-
Kemp Fire Department Sales Tax	190,596	24	-	184,413	6,207	-
Lakewood Fire Department Sales Tax	39,439	5	-	37,987	1,351	106
Philadelphia Fire Department Sales Tax	87,147	11	-	86,175	471	512
Roberta Fire Department Sales Tax	233,011	29	-	232,338	702	-
Silo Fire Department Sales Tax	94,819	11	-	57,191	37,639	-
Wade Fire Department Sales Tax	63,408	8	-	63,416	-	-
West Bryan County Fire Department Sales Tax	23,555	3	-	15,212	8,346	-
Yuba Fire Department Sales Tax	14,463	2	-	10,511	3,954	-
Safe Oklahoma - AG	1	-	-	-	-	1
Drug Court	69,992	61,900	-	-	70,542	61,350
Drug Court Donation	39,792	-	-	39,792	-	-
Sheriff Donation Revolving Fund	11,084	-	-	11,084	-	-
Flood Plain	4,795	15,175	-	-	8,511	11,459
Statue Restoration Revolving	2,125	-	-	2,125	-	-
Tombstone Bridge FEMA Advance	24,936	-	-	10,440	14,496	-
County Donations	12,600	155,061	77,963	-	16,519	229,105
CDBG	70,090	129,909	-	-	199,999	-
Rural Fire-ST	-	1,341,305	1,997,563	-	1,187,176	2,151,692
Total - All County Funds, as Restated	\$ 10,912,718	\$ 14,732,401	\$ 2,439,600	\$ 2,317,297	\$ 14,291,708	\$ 11,475,714

The notes to the financial statement are an integral part of this statement.

**BRYAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

1. Summary of Significant Accounting Policies

A. Reporting Entity

Bryan County is a subdivision of the State of Oklahoma created by the Oklahoma Constitution and regulated by Oklahoma Statutes.

The accompanying financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds under the control of the primary government. The general fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund, where its use is restricted for a specified purpose. Other funds established by statute and under the control of the primary government are also presented.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, libraries, school districts, and cities and towns. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement; those funds play no part in the County's operations. Any trust or agency funds maintained by the County are not included in this presentation.

B. Fund Accounting

The County uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

During the fiscal year ended June 30, 2020, the County converted to a new chart of accounts; therefore, several fund names and descriptions change. However, these changes do not reflect a change in the sources and uses of revenues over the prior fiscal year.

Following are descriptions of the county funds included within the financial statement:

County General – accounts for the general operations of the government.

County Highway Unrestricted – accounts for state, local, and miscellaneous receipts and disbursements for the purpose of constructing and maintaining county roads and bridges.

Roads and Bridges-ST – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution to be used for the maintenance of county highways and bridges.

Health – accounts for monies collected on behalf of the county health department from ad valorem taxes and state and local revenues.

**BRYAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

County Health Cash in Office – accounts for cash set aside to maintain the change fund used for the Health Department’s collections.

County Sinking Fund – accounts for debt service receipts derived generally from a special ad valorem tax levy and from interest earned on investments of cash not immediately required for debt service payments.

COPS Fast – remnant of federal funds to be expended for deputies’ salaries in the Sheriff’s office.

Assessor Revolving Fee – accounts for collection of fees for copies and disbursement as restricted by state statute.

County Assessor Visual Inspection Reimbursement – accounts for the remainder of the funds given to the Assessor for the startup and operation of the Computer Assisted Mass Appraisal and computer mapping of the County and related expenditures.

County Assessor Cash in Office – accounts for cash set aside to maintain the change fund used for the collections of the Assessor’s office.

County Clerk Lien Fee – accounts for lien collections and disbursements as restricted by state statute.

County Clerk Records Management and Preservation – accounts for fees collected on instruments filed in the County Clerk’s office and disbursements as restricted by state statute for preservation of records.

County Clerk Cash in Office – accounts for cash set aside to maintain the change fund used for the County Clerk’s collections.

Trash Cop – accounts for state funds used to pay personal service fees for the prevention of illegal dumping as restricted by state statute.

County Treasurer Resale Cash in Office – accounts for cash set aside to maintain the change fund used for the County Treasurer’s collections.

Resale Property – accounts for the collection of interest, penalties, and fees on delinquent taxes, and the disposition of same as restricted by state statute.

Courthouse Security-SSF – accounts for collections and disbursement of Sheriff service fees as collected by the Court Clerk’s office as restricted by state statute to be used for courthouse security.

**BRYAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

911 Phone Fees – accounts for monies received from the telephone companies for operation of the emergency 911 services.

Treasurer Mortgage Certification – accounts for collections of fees by the County Treasurer for mortgage tax certificates and the disbursement of the funds as restricted by state statute.

Jail – accounts for collection of Court Clerk fees for the jail and the disbursement of funds for county jail operations expenses.

Sheriff City Prisoners – accounts for monies received for housing city prisoners to be used for jail operating expenses.

Sheriff Commissary – accounts for monies received from the commissary sales and disbursement of funds for commissary expenses and jail operating expenses.

Sheriff Commissary Profit – accounts for monies received as profit from the commissary sales and disbursement of funds for commissary expenses and jail operating expenses.

Department of Corrections – accounts for monies received from the State of Oklahoma for the boarding and feeding of Department of Corrections' Prisoners.

Sheriff Social Security Administration – accounts for the collection and deposit of Social Security funds to be used for jail operating expenses.

Sheriff Service Fee – accounts for the collection and disbursement of sheriff process service fees as restricted by state statute.

Lake Patrol – accounts for monies received from the Corps of Engineers for patrolling the lake area.

Sheriff Helicopter – accounts for donations received for the purpose of advancing utilization of the Sheriff Department helicopter.

Sheriff-ST – accounts for sales tax revenues received for the maintenance and operation of the Sheriff's office.

Sheriff Training – accounts for funds collected from the disposition of unclaimed property for the purposes of purchasing equipment, material, or supplies that may be used in crime prevention.

Court Clerk Payroll – accounts for funds deposited by the Court Clerk to be used for payroll expense for that office.

**BRYAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Sheriff Forfeiture – accounts for funds collected from forfeitures to be used for the intervention and prevention of narcotic use.

T-Highway Orchard Road BIA II – accounts for grant funds to be expended for the repair of Orchard Road.

Courthouse Building – accounts for funds received from the sale of county-owned property, to be used for the repair of existing county properties.

County Bridge & Road Improvement – accounts for funds received from the Oklahoma Department of Transportation, and disbursements are restricted by state statutes for the purpose of reimbursement for constructing and maintaining county roads and bridges.

Jail Debt Payments – accounts for sales tax revenues to be used for the repayment of debt incurred for the remodeling to the existing jail and the construction of a new expansion for the jail.

Sheriff Combating Rural Crime – accounts for grant funds received to be expended for the prevention and detection of rural crime.

Achille Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Albany Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Bennington Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Bokchito Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Bryan County Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Bryan County Communication Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Caddo Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Calera Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

**BRYAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Cartwright Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Colbert Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Durant Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Freeny Valley Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Kemp Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Lakewood Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Philadelphia Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Roberta Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Silo Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Wade Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

West Bryan County Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Yuba Fire Department Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Safe Oklahoma - AG – accounts for grant funds received from the Oklahoma Attorney General's office to provide additional resources to reduce violent crimes.

Drug Court – accounts for monies received from the Oklahoma Department of Mental Health and Substance Abuse Services to be expended for the maintenance and operation of the Drug Court.

**BRYAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Drug Court Donation – accounts for donations to be used for the emergency operations of the Drug Court.

Sheriff Donation Revolving Fund – accounts for donations to be used for the operations of the Sheriff’s office.

Flood Plain – accounts for permit fees issued for construction in flood plain areas.

Statue Restoration Revolving – accounts for donation to be used for the restoration of the statue located on the Courthouse property.

Tombstone Bridge FEMA Advance – accounts for federal funds to be used for expenses on highway bridge project.

County Donations – accounts for revenue from private donors to be disbursed for specific purposes.

CDBG – accounts for Community Development Block Grant funds received by Bryan County Rural Water District 6 for improvements.

Rural Fire-ST – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

C. Basis of Accounting

The financial statement is prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. This regulatory basis financial presentation is not a comprehensive measure of economic condition or changes therein.

Title 19 O.S. § 171 allows Oklahoma counties to present their financial statement in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) or on a regulatory basis. The County has elected to present their financial statement on a regulatory basis in conformity with Title 19 O.S. § 171, which specifies the format and presentation of such regulatory basis financial statements: county governments (primary only) are required to present their financial statements on a fund basis format with, at a minimum, the general fund and all other county funds, which represent ten percent or greater of total county revenue with all other funds included in the audit presented in the aggregate in a combining statement. However, the County has elected to present all funds included in the audit in the Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis.

**BRYAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

D. Budget

Under current Oklahoma Statutes, a general fund and a county health department fund are the only funds required to adopt a formal budget. On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget is approved for the respective fund by office, or department and object. The County Board of Commissioners may approve changes of appropriations within the fund by office or department and object. To increase or decrease the budget by fund requires approval by the County Excise Board.

E. Cash and Investments

For the purposes of financial reporting, "Ending Cash Balances, June 30" includes cash and cash equivalents and investments as allowed by statutes. The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County's books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County's deposits. The amount of collateral securities to be pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

The County Treasurer has been authorized by the County's governing board to make investments. Allowable investments are outlined in statutes 62 O.S. § 348.1 and § 348.3.

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured. All investments as classified by state statute are nonnegotiable certificates of deposit. Nonnegotiable certificates of deposit are not subject to interest rate risk or credit risk.

At June 30, 2020, the County's investments were under-collateralized in the amount of \$13,173.

2. Ad Valorem Tax

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board. Title 68 O.S. § 2820.A. states, ". . . Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable property within the county at least once each four (4) years."

**BRYAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Taxes are due on November 1 following the levy date, although they may be paid in two equal installments. If the first half is paid prior to January 1, the second half is not delinquent until April 1. The County Treasurer, according to the law, shall give notice of delinquent taxes and special assessments by publication once a week for two consecutive weeks at any time after April 1, but prior to the end of September following the year the taxes were first due and payable. Unpaid real property taxes become a lien upon said property after the treasurer has perfected the lien by public notice.

Unpaid delinquent personal property taxes are usually published in May. If the taxes are not paid within 30 days from publication, they shall be placed on the personal tax lien docket.

3. Other Information

A. Pension Plan

Plan Description. The County contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates.

B. Other Post Employment Benefits (OPEB)

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

C. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the County expects such amounts, if any, to be immaterial.

**BRYAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

As of the end of the fiscal year, there were no claims or judgments that would have a material adverse effect on the financial condition of the County; however, the outcome of any lawsuit would not be determinable.

D. Long Term Obligations

1. Sales Tax Reallocation for Payment of Promissory Note

The Board of County Commissioners by resolution on August 26, 2010, authorizes a County Sales Tax Reallocation Question to be placed on the November 2, 2010, General Election Ballot for consideration by the voters of Bryan County. The voters of Bryan County approved the County Sales Tax Reallocation of one-third of an existing one quarter of one percent sales tax to be reallocated for the repayment of an indebtedness of \$3,000,000 to be used for improvements, including construction and remodeling of the Bryan County Jail, the acquisition of land for courthouse parking, the installation of a security fence, and electronic gate.

Purpose	Interest Rate	Original Amount
Bryan County, Oklahoma Improvements	4.75%	\$3,006,943

During fiscal year 2020, payments included \$417,618 for principal, \$26,859 interest.

Payments for the repayment of the debt incurred are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$268,631	\$12,036	\$280,667
2022	94,410	957	95,367
Total	\$363,041	\$12,993	\$376,034

E. Sales Tax

On November 2, 2010, the voters of Bryan County approved a reallocation of the permanent one-fourth percent (1/4%) sales tax. This sales tax was reallocated to provide revenue for the operation of the Bryan County Sheriff's Office for law enforcement purposes, to provide revenue for the construction and maintenance of county roads and bridges, and to provide revenue for the retirement of the proposed indebtedness for the remodeling of the Bryan County Jail. These funds are accounted for in Sheriff-ST, Roads and Bridges-ST, and Jail Debt Payment funds.

On June 26, 2012, the voters of Bryan County approved an additional permanent one-fourth percent (1/4%) sales tax. This sales tax was allocated to provide revenue for the purpose of fire

**BRYAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

protection, prevention, communications, training related expenses (not to include salaries), and Fire/EMS/Rescue Operations. This includes maintenance and construction of buildings and facilities both current and future, the purchase and maintenance of current and future apparatus, vehicles and supplies for all current Bryan County Fire Departments, Bryan County Communications Center, and the Bryan County Fire Chiefs' Association. These funds are accounted for in Rural Fire-ST.

F. Tax Abatements

The County is subject to ad valorem tax abatements granted by the State of Oklahoma in accordance with the Oklahoma Constitution, Article 10 Section 6B for qualifying manufacturing concern—ad valorem tax exemption.

Under this program, a five-year ad valorem tax exemption exempts all real and personal property that is necessary for the manufacturing of a product and facilities engaged in research and development which meet the requirements set by the Oklahoma Constitution and statutes. Under Title 68 O.S. § 2902, in exchange for the five-year exemption, qualifying manufacturing concerns must meet certain minimum investment requirements for construction, acquisition, or expansion of a manufacturing facility. In addition, there are general minimum payroll requirements that must be met and the qualifying manufacturing concern must offer basic health benefit plans to all full-time employees within 180 days of employment.

The County had \$513,080 of ad valorem taxes abated under this program for the fiscal year ended June 30, 2020.

The State has an Ad Valorem Reimbursement Fund in accordance with Title 62 O.S. § 193 that is used to reimburse the County for the loss of revenue. Monies apportioned to this fund by the State also may be transferred to other state funds or otherwise expended as directed by the Legislature. In the event monies apportioned to the Fund are insufficient to pay all claims for reimbursement, claims for reimbursement for loss of revenue due to manufacturing exemptions of ad valorem taxes shall be paid first, and any remaining funds shall be distributed proportionally among the counties making claims for reimbursement for loss of revenue for school district exemptions.

G. Interfund Transfers

During the fiscal year, the County made the following transfers between cash funds:

- \$1,997,563 was transferred into the Rural Fire-ST fund pursuant to the Board of County Commissioners' (BOCC) resolution to establish a uniform system of bookkeeping in accordance with 74 O.S. § 214. These funds were transferred from the following individual Fire Department funds:
 - Achille Fire Department Sales Tax \$40,626
 - Albany Fire Department Sales Tax \$244,661

**BRYAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

- | | |
|---|-----------|
| ○ Bennington Fire Department Sales Tax | \$31,824 |
| ○ Bokchito Fire Department Sales Tax | \$43,333 |
| ○ Bryan County Fire Department Sales Tax | \$227,407 |
| ○ Bryan County Communication Sales Tax | \$45,754 |
| ○ Caddo Fire Department Sales Tax | \$95,578 |
| ○ Calera Fire Department Sales Tax | \$80,347 |
| ○ Cartwright Fire Department Sales Tax | \$118,180 |
| ○ Colbert Fire Department Sales Tax | \$284,360 |
| ○ Durant Fire Department Sales Tax | \$54,826 |
| ○ Freeny Valley Fire Department Sales Tax | \$43,424 |
| ○ Kemp Fire Department Sales Tax | \$184,413 |
| ○ Lakewood Fire Department Sales Tax | \$37,987 |
| ○ Philadelphia Fire Department Sales Tax | \$86,175 |
| ○ Roberta Fire Department Sales Tax | \$232,338 |
| ○ Silo Fire Department Sales Tax | \$57,191 |
| ○ Wade Fire Department Sales Tax | \$63,416 |
| ○ West Bryan County Fire Department Sales Tax | \$15,212 |
| ○ Yuba Fire Department Sales Tax | \$10,511 |
- \$3,328 was transferred from County Assessor Visual Inspection Reimbursement fund into Assessor Revolving Fee fund pursuant to the BOCC resolution to establish a uniform system of bookkeeping in accordance with 74 O.S. § 214.
 - \$77,963 was transferred into County Donations fund pursuant to the BOCC resolution to establish a uniform system of bookkeeping in accordance with 74 O.S. § 214. These funds were transferred from the following funds:

○ Drug Court Donation	\$39,792
○ OSU Extension Cash (a trust and agency fund)	\$2,303
○ Sheriff Helicopter	\$22,659
○ Sheriff Donation Revolving Fund	\$11,084
○ Statue Restoration Revolving	\$2,125
 - \$107,884 was transferred into Sheriff Commissary fund from Sheriff Commissary Profit fund pursuant to the BOCC resolution to establish a uniform system of bookkeeping in accordance with 74 O.S. § 214.
 - \$55,255 was transferred into the Sheriff Service Fee fund pursuant to the BOCC resolution to establish a uniform system of bookkeeping in accordance with 74 O.S. § 214. These funds were transferred from the following funds:

○ COPS Fast	\$1
○ Sheriff Combating Rural Crime	\$1
○ Sheriff City Prisoners	\$1,993

**BRYAN COUNTY, OKLAHOMA
 NOTES TO THE FINANCIAL STATEMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

- Department of Corrections \$5,156
- Sheriff Social Security Administration \$4,601
- Courthouse Security-SSF \$43,503

- \$77,607 was transferred into the County Highway Unrestricted fund pursuant to the BOCC resolution to establish a uniform system of bookkeeping in accordance with 74 O.S. § 214. These funds were transferred from the following funds:
 - Tombstone Bridge FEMA Advance \$10,440
 - T-Highway Orchard Road BIA II \$67,167

- \$120,000 was transferred from County Highway ETR Loan fund (a trust and agency fund) to the County Highway Unrestricted fund for expenditures on bridge and road projects in the County pursuant to the BOCC resolution.

H. Restatement of Fund Balance

During the fiscal year, the County had a restatement of fund balance. The 911 Phone Fees fund balance at June 30, 2019 was inaccurately reported and corrected on July 12, 2019. This increased 911 Phone Fees fund beginning balance to \$17,958.

Prior year ending balance, as reported	\$ 10,912,668
Increase to Fund Balance for 911 Phone Fees fund	50
Prior year ending balance, as restated	\$ 10,912,718

SUPPLEMENTARY INFORMATION

BRYAN COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund		
	Budget	Actual	Variance
District Attorney - County	\$ 60,000	\$ 42,947	\$ 17,053
County Sheriff	675,515	674,127	1,388
County Treasurer	140,102	138,049	2,053
County Commissioners	491,421	419,386	72,035
County Commissioners O.S.U. Extension	93,531	53,658	39,873
County Clerk	273,087	220,309	52,778
Court Clerk	258,855	250,562	8,293
County Assessor	105,688	103,957	1,731
Assessor's Visual Inspection	455,620	388,485	67,135
Emergency Management	25,000	-	25,000
Charity	2,100	950	1,150
General Government	2,656,109	1,851,163	804,946
Excise - Equalization Board	7,001	2,907	4,094
County Election Board	131,686	115,318	16,368
Free Fair Budget	12,500	12,495	5
County Jail	1,134,604	1,129,766	4,838
County Audit Budget Account	62,063	2,160	59,903
Total Expenditures, Budgetary Basis	\$ 6,584,882	\$ 5,406,239	\$ 1,178,643

BRYAN COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—HEALTH FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Health Fund		
	Budget	Actual	Variance
Health and Welfare	\$ 2,252,766	\$ 1,081,447	\$ 1,171,319
Total Expenditures, Budgetary Basis	\$ 2,252,766	\$ 1,081,447	\$ 1,171,319

**BRYAN COUNTY, OKLAHOMA
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

1. Budgetary Schedules

The Comparative Schedules of Expenditures—Budget and Actual—Budgetary Basis for the General Fund and the Health Fund present comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Statement of Receipts, Disbursements, and Changes in Cash Balances because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in these funds. At the end of the year unencumbered appropriations lapse.

INTERNAL CONTROL AND COMPLIANCE SECTION



**Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

TO THE OFFICERS OF
BRYAN COUNTY, OKLAHOMA

We have audited, in accordance with 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 total—all county funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances of Bryan County, Oklahoma, as of and for the year ended June 30, 2020, and the related notes to the financial statement, which collectively comprise Bryan County’s basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated August 9, 2022.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County as of and for the year ended June 30, 2020, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Bryan County’s internal control over financial reporting (internal control) as basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Bryan County’s internal control. Accordingly, we do not express an opinion on the effectiveness of Bryan County’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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses: 2020-001 and 2020-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bryan County's financial statement is 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 statement. 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*.

Bryan County's Response to Findings

Bryan County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Bryan County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

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



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

August 9, 2022

**BRYAN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

SECTION 1—Findings related to the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Finding 2020-001 – Segregation of Duties Over Disbursements (Repeat Finding – 2002-002, 2003-001, 2004-001, 2005-001, 2006-001, 2007-001, 2008-012, 2009-012, 2010-012, 2011-012, 2012-008, 2013-004, 2014-004, 2015-003, 2016-003, 2019-001)

Condition: Upon inquiry and observation of the County’s purchasing process, it was noted that the County does not have an adequate segregation of duties to ensure that duties assigned to individuals are done so in a manner that would not allow one individual to control both the recording function and the procedures relative to processing a transaction.

Additionally, after performing testwork of a sample of sixty-four (64) disbursements, the following was noted:

- Two (2) were not reviewed or authorized.
- One (1) was not approved by BOCC or management.
- Four (4) were not supported by adequate documentation.

Cause of Condition: Policies and procedures have not been designed and implemented with regard to the segregation of duties of the disbursement process. Additionally, policies and procedures have not been designed and implemented over the disbursement process to strengthen internal controls.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial records, undetected errors, incomplete information, and misappropriation of funds.

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends management be aware of this condition and determine if duties can be properly segregated. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risk involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office and having management review and approve accounting functions.

OSAI recommends management take steps to adequately segregate the following key accounting functions:

- Preparing purchase orders.
- Encumbering purchase orders.
- Printing warrants.
- Distributing warrants.

**BRYAN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Additionally, OSAI recommends the County adhere to state purchasing guidelines to ensure adequate supporting documentation is maintained. Additionally, all documentation should be reviewed for accuracy, and approved by the BOCC or management.

Management Response:

Chairman of the Board of County Commissioners: Bryan County will work to address the concerns regarding segregation of duties and to strengthen internal controls over the disbursement process.

County Clerk: The County Clerk's office will continue to implement recommendations to limit risk associated with a concentration of duties. Further, the County Clerk's office will emphasize strict adherence to the state purchasing guidelines and improve communication within the County offices.

Criteria: The United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

Segregation of duties

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions and handling any related assets so that no one individual controls all key aspects of a transaction or event.

Proper execution of transactions

Transactions are authorized and executed only by persons acting within the scope of their authority. This is the principal means of assuring that only valid transactions to exchange, transfer, use, or commit resources are initiated or entered into. Management clearly communicates authorizations to personnel.

Appropriate documentation of transactions and internal control

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

**BRYAN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Additionally, Principle 10 – Segregation of Duties states:

10.12 – Management considers segregation of duties in designing control activity responsibilities so that incompatible duties are segregated and, where such segregation is not practical, design alternative control activities to address the risk.

10.13 – Segregation of duties helps prevent fraud waste and abuse in the internal control system. Management considers the need to separate control activities related to authority, custody, and accounting operations to achieve adequate segregation of duties. In particular, segregation of duties can address the risk of management override. Management override circumvents existing control activities and increases fraud risk. Management addresses this risk through segregation of duties but cannot absolutely prevent it because of the risk of collusion, where two or more employees act together to commit fraud.

10.14 – If segregation of duties is not practical an operational process because of limited personnel or other factors, management designs alternative control activities to address the risk of fraud, waste or abuse in the operational process.

Finding 2020-002 – Segregation of Duties Over the Payroll Process (Repeat Finding – 2002-002, 2003-001, 2004-001, 2005-001, 2006-001, 2007-001, 2008-008, 2009-008, 2010-008, 2011-008, 2012-012, 2013-005, 2014-005, 2015-004, 2016-004, 2019-002)

Condition: Upon inquiry and observation of the County’s payroll process, it was noted that the County does not have an adequate segregation of duties to ensure that duties assigned to individuals are done so in a manner that would not allow one individual to control both the recording function and the procedures relative to processing a transaction.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure adequate segregation of duties in the County Clerk’s office with regard to the payroll process.

Effect of Condition: This condition could result in unrecorded transactions, misstated financial reports, undetected errors and misappropriation of funds.

Recommendation: OSAI recommends management be aware of these conditions and determine if duties can be properly segregated. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office and having management review and approval of accounting functions.

OSAI recommends management take steps to adequately segregate the following key accounting functions:

- Enrolling new employees and maintaining personnel files.
- Reviewing time records and preparing payroll.

**BRYAN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

- Distributing payroll warrants to individuals.

Management Response:

Chairman of the Board of County Commissioners: Bryan County will work to address these concerns and segregation of duties as feasible with limited personnel.

County Clerk: The County Clerk's office will continue to implement compensating controls to limit risk associated with a concentration of duties. The County Clerk's office has implemented additional reviews to mitigate the limited controls regarding payroll process.

Criteria: The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

Segregation of duties

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

Additionally, Principle 10 - Segregation of Duties states:

10.12 – Management considers segregation of duties in designing control activity responsibilities so that incompatible duties are segregated and, where such segregation is not practical, designs alternative control activities to address the risk.

10.13 – Segregation of duties helps prevent fraud, waste, and abuse in the internal control system. Management considers the need to separate control activities related to authority, custody, and accounting of operations to achieve adequate segregation of duties. In particular, segregation of duties can address the risk of management override. Management override circumvents existing control activities and increases fraud risk. Management addresses this risk through segregation of duties, but cannot absolutely prevent it because of the risk of collusion, where two or more employees act together to commit fraud.

10.14 – If segregation of duties is not practical within an operational process because of limited personnel or other factors, management designs alternative control activities to address the risk of fraud, waste, or abuse in the operational process.

O·K·L·A·H·O·M·A
S·A·I
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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