



# CADDO COUNTY

## Financial Report

For the fiscal year ended June 30, 2020

**Cindy Byrd, CPA**  
State Auditor & Inspector

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

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Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | [www.sai.ok.gov](http://www.sai.ok.gov)

March 10, 2021

TO THE CITIZENS OF  
CADDO COUNTY, OKLAHOMA

Transmitted herewith is the audit of Caddo 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.

Sincerely,

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

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR



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

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**Board of County Commissioners**

District 1 – Benny Bowling  
District 2 – Randy McLemore  
District 3 – Brent Kinder

**County Assessor**

LaDonna Phillips

**County Clerk**

Rhonda Johnson

**County Sheriff**

Spencer Davis

**County Treasurer**

Regina Moser

**Court Clerk**

Patti Barger

**District Attorney**

Jason Hicks

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

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

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**FINANCIAL SECTION**

## Independent Auditor's Report

TO THE OFFICERS OF  
CADDO COUNTY, OKLAHOMA

### *Report on the Financial Statement*

We have audited the combined total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Caddo 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 Caddo 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 Caddo 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 combined total of receipts, disbursements, and changes in cash balances for all county funds of Caddo County, for the 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 combined total of all county funds on the financial statement. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the remaining supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and is not a required part of the financial statement.

The schedule of expenditures of federal awards and the remaining 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 schedule of expenditures of federal awards and the remaining 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 March 8, 2021, on our consideration of Caddo 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 Caddo County's internal control over financial reporting and compliance.



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

March 8, 2021

**REGULATORY BASIS FINANCIAL STATEMENT**

**CADDO COUNTY, OKLAHOMA**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BALANCES—REGULATORY BASIS**  
**(WITH COMBINING INFORMATION)**  
**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
Combining Information:						
County General Fund	\$ 1,525,601	\$ 2,514,371	\$ -	\$ -	\$ 2,855,089	\$ 1,184,883
County Highway Unrestricted	1,398,241	5,119,724	991,439	50,000	5,603,890	1,855,514
County Highway Fund T-8	913,942	-	-	880,661	33,281	-
Health	354,818	198,967	-	-	140,995	412,790
Resale Property	388,075	176,349	46,686	-	127,130	483,980
CED Circuit Engineering	60,778	-	-	60,778	-	-
County Bridge and Road Improvements	951,597	538,361	-	-	721,023	768,935
Use Tax - Sales Tax	628,866	573,486	-	-	333,114	869,238
Treasurer Mortgage Certification Fee	20,041	3,365	-	-	2,744	20,662
County Clerk Lien Fee	174,121	39,053	-	-	15,852	197,322
Assessor Revolving Fee	16,959	2,176	-	-	9,887	9,248
Sheriff Service Fee	215,235	819,598	344,375	-	1,045,757	333,451
Sheriff Department of Corrections	364,561	-	-	339,710	24,851	-
State Criminal Alien Assistance Program (SCAAP) Grant	289	-	-	-	-	289
Sheriff Forfeiture	4,363	-	-	-	-	4,363
Sheriff Courthouse Security	5,539	-	-	4,302	1,237	-
Sheriff Special Response Team	347	-	-	347	-	-
E-911 Wireless	53,489	-	-	50,790	2,699	-
County Clerk Records Management and Preservation	140,413	51,013	-	-	31,487	159,939
Jail Debt Payments	134,871	1,464,576	-	-	1,477,423	122,024
Extension Sales Tax	135,595	87,875	-	-	61,025	162,445
3/8 911	7,678	57,000	-	58,462	6,216	-
3/8 Sheriff	1,127	-	-	16	1,111	-
Sheriff Sales Tax	27,351	108,900	-	-	105,926	30,325
Courthouse Improvement Sales Tax	120,270	116,322	-	-	115,116	121,476
Free Fair and Livestock Sales Tax	63,606	-	-	63,606	-	-
Fair Sales Tax	79,981	123,093	63,606	-	137,835	128,845
Fairgrounds/Facilities Sales Tax	30,567	-	-	28,576	1,991	-
Fair Improvement Sales Tax	-	15,133	28,576	-	13,242	30,467
Rural Fire Sales Tax	279,165	117,166	-	-	61,228	335,103
Anadarko Senior Citizen Sales Tax	13,288	-	-	12,828	460	-
Apache Senior Citizen Sales Tax	3,236	-	-	3,236	-	-
Binger Senior Citizen Sales Tax	1,699	-	-	1,566	133	-
Carnegie Senior Citizen Sales Tax	12,777	-	-	12,777	-	-
Cement Senior Citizen Sales Tax	16,588	-	-	16,588	-	-
Cyril Senior Citizen Sales Tax	12,195	-	-	12,195	-	-
Fort Cobb Senior Citizen Sales Tax	4,445	-	-	4,320	125	-
Senior Citizens Sales Tax	-	107,402	93,831	-	108,754	92,479
Hinton Senior Citizen Sales Tax	30,321	-	-	30,321	-	-
Health Sales Tax	4,023	14,646	-	-	15,026	3,643
Emergency Reserve Fund Sales Tax	60,000	-	-	60,000	-	-
Ambulance Service Fund Sales Tax	26,974	-	-	26,974	-	-
Ambulance Run Fund Sales Tax	53,522	-	-	53,522	-	-
Ambulance Service District Sales Tax	-	488,192	140,496	-	499,677	129,011
911 Phone Fees	26,166	647,268	159,252	50,000	701,130	81,556
Emergency Management	3,921	3,750	-	-	2,210	5,461
Court Ordered Trust	75,028	-	-	-	-	75,028
County Building	32,452	5,825	-	-	-	38,277
Local Emergency Planning Committee	5,139	1,000	-	-	667	5,472
Community Service Program	152	-	-	-	-	152
CT-OBT Grant 2013	9	-	-	-	-	9

Continued on next page

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

**CADDO COUNTY, OKLAHOMA  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES—REGULATORY BASIS  
(WITH COMBINING INFORMATION)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Continued from previous page	Beginning Cash Balances July 1, 2019	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2020
<b>Combining Information:</b>						
Veteran Statue	751	-	-	751	-	-
Reward Fund	200	-	-	-	-	200
Fair Board Awards and Donations	6,167	-	-	6,167	-	-
Sheriff Donation	7,695	-	-	7,395	300	-
Rental of County Property	2,965	-	-	-	-	2,965
Sheriff Commissary	66,978	33,610	-	-	60,565	40,023
Sheriff Canine Officer Donation	3,481	-	-	3,481	-	-
Sheriff Canine Officer Donation 2	1,518	-	-	1,518	-	-
Court Clerk Payroll	2,592	80,711	-	-	79,376	3,927
County Donations	-	7,767	20,118	435	11,017	16,433
General Government Sales Tax	-	294,997	-	-	-	294,997
BIA	-	2,718,545	-	-	1,799,965	918,580
<b>Combined Total - All County Funds -As Restated</b>	<b>\$ 8,571,768</b>	<b>\$ 16,530,241</b>	<b>\$ 1,888,379</b>	<b>\$ 1,841,322</b>	<b>\$ 16,209,554</b>	<b>\$ 8,939,512</b>

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

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**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

Caddo 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 as combining information within the financial statement:

County General Fund – 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.

County Highway Fund T-8 – accounts for state receipts and disbursements for the purpose of maintaining roads. This fund was transferred to County Highway Unrestricted by resolution.

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

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

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

CED Circuit Engineering – accounts for collections from the Circuit Engineering District to be disbursed for road and bridge projects. This fund was transferred to County Highway Unrestricted by resolution.

County Bridge and Road Improvements – accounts for state receipts and disbursed for the purpose of county bridge and road improvements.

Use Tax - Sales Tax – accounts for the use tax collected and disbursed for the purpose of maintenance and operation of the Caddo County government.

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

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

Assessor Revolving Fee – accounts for the collection and disbursement of monies for the Assessor as restricted by state statute for the visual inspection program.

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

Sheriff Department of Corrections – accounts for collections of funding through the State Department of Corrections for housing prisoners and disbursed in accordance with state statute. This fund was transferred to Sheriff Service Fee by resolution.

State Criminal Alien Assistance Program (SCAAP) Grant – accounts for federal grant funds for the purpose of housing illegal alien criminals in the County jail.

Sheriff Forfeiture – accounts for forfeitures and disbursements for drug enforcement.

Sheriff Courthouse Security – accounts for the collections of fees from court costs and disbursed for surveillance equipment. This fund was transferred to Sheriff Service Fee by resolution.

Sheriff Special Response Team – accounts for all federal grants collected and disbursed for the purpose of the Special Response Team. This fund was transferred to Sheriff Service Fee by resolution.

E-911 Wireless – accounts for the collection of fees imposed on the residents within the boundaries of Caddo County from the local wireless service providers and disbursements are

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

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made to maintain an emergency telephone system. This fund was transferred to 911 Phone Fees by resolution.

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

Jail Debt Payments – accounts for actual collections and disbursements of the 3/4% sales tax established as a separate fund by the County.

Extension Sales Tax – accounts for monies collected from the 1/2% county sales tax and disbursed for OSU Extension services.

3/8 911 – accounts for prior monies collected from the 3/4% county sales tax and is expended for the maintenance and operation of the 911 center. This fund was transferred to 911 Phone Fees by resolution.

3/8 Sheriff – accounts for prior monies collected from the 3/4% county sales tax and is expended for the maintenance and operation of the Detention Center and other public safety services. This fund was transferred to Sheriff Service Fee by resolution.

Sheriff Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for the Sheriff’s office.

Courthouse Improvement Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for improvements of the courthouse.

Free Fair and Livestock Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for improvements of the County fairgrounds. This fund was transferred to the Fair Sales Tax by resolution.

Fair Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for maintenance and operation of the township fairs.

Fairgrounds/Facilities Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for maintenance of the fairground facilities. This fund was transferred to Fair Improvement Sales Tax by resolution.

Fair Improvement Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for improvements of the County fairgrounds and maintenance of the Fairground Facilities.

Rural Fire Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for maintenance and operation of the rural fire districts in the County.



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

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Anadarko Senior Citizen Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center. This fund was transferred to Senior Citizens Sales Tax by resolution.

Apache Senior Citizen Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center. This fund was transferred to Senior Citizens Sales Tax by resolution.

Binger Senior Citizen Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center. This fund was transferred to Senior Citizens Sales Tax by resolution.

Carnegie Senior Citizen Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center. This fund was transferred to Senior Citizens Sales Tax by resolution.

Cement Senior Citizen Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center. This fund was transferred to Senior Citizens Sales Tax by resolution.

Cyril Senior Citizen Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center. This fund was transferred to Senior Citizens Sales Tax by resolution.

Fort Cobb Senior Citizen Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center. This fund was transferred to Senior Citizens Sales Tax by resolution.

Senior Citizens Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for the maintenance and operation of the Anadarko, Apache, Binger, Carnegie, Cement, Cyril, Fort Cobb and Hinton Senior Citizen Centers.

Hinton Senior Citizen Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center. This fund was transferred to Senior Citizens Sales Tax by resolution.

Health Sales Tax – accounts for the 1/2% county sales tax collected and disbursed for the maintenance and operation of the county health department.

Emergency Reserve Fund Sales Tax – accounts for the monies transferred for the Ambulance Service Fund Sales Tax in 2009, to be disbursed for lawsuits awarded against the County. The fund must maintain a balance of \$60,000. This fund was transferred to Ambulance Service District Sales Tax by resolution.

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

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Ambulance Service Fund Sales Tax – accounts for the 1/4% county sales tax collected and disbursed for maintenance and operation of the county ambulance services. This fund was transferred to Ambulance Service District Sales Tax by resolution.

Ambulance Run Fund Sales Tax – accounts for the 1/4% county sales tax collected and disbursed for maintenance and operation of the county ambulance services. This fund was transferred to Ambulance Service District Sales Tax by resolution.

Ambulance Service District Sales Tax – accounts for the 1/4% county sales tax collected and disbursed for maintenance and operation of the county ambulance services.

911 Phone Fees – accounts for monies received from telephone companies to maintain an emergency telephone system.

Emergency Management – accounts for federal funds for the purpose of the County’s emergency management program.

Court Ordered Trust – accounts for the collection of court ordered donations to be disbursed for maintenance and operations of the Caddo County Court System.

County Building – accounts for the collection of a lease-rental from county-owned property and disbursed for maintenance of the property.

Local Emergency Planning Committee – accounts for federal funds collected and disbursed for environmental control.

Community Service Program – accounts for the collection of funding through the State Department of Corrections for administrative expenses and supervision of offenders.

CT-OBF Grant 2013 – accounts for donations received from the Oklahoma Bar Foundation and disbursed for court room renovations.

Veteran Statute – accounts for donations received to restore and repair the veteran’s memorial statue. This fund was transferred to the County Donations fund by resolution.

Reward Fund – accounts for the monies collected and disbursed to citizens involved in the reporting of lettering offenses.

Fair Board Awards and Donations – accounts for donations received for the disbursement of supplying awards for free fair. This fund was transferred to County Donations by resolution.

Sheriff Donation – accounts for donations received for the disbursement of maintaining Sheriff canines. This fund was transferred to County Donations by resolution

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

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Rental of County Property – accounts for reimbursements from the Association of County Commissioners to be disbursed for hail damage to County buildings.

Sheriff Commissary – accounts for profits on commissary sales in the County jail. Disbursements are for jail operations as defined by state statute.

Sheriff Canine Officer Donation – accounts for the collection of donations received to supply a canine officer for the Sheriff’s Department. This fund was transferred to County Donations by resolution.

Sheriff Canine Officer Donation 2 – accounts for the collection of donations received to supply a canine officer #2 for the Sheriff’s Department. This fund was transferred to County Donations by resolution.

Court Clerk Payroll – accounts for monies received from the Court Clerk’s Court Fund for the disbursement of payroll to Court Fund employees.

County Donations – accounts for the collection of donations received by the County.

General Government Sales Tax – accounts for the actual collections and disbursements of the 3/4% county sales tax established as a separate fund by the County.

BIA – accounts for funds received from the Bureau of Indian Affairs for county road maintenance.

**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 specifies the format and presentation for 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. 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.

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

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**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.

**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."

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

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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; although, the County expects such amounts, if any, to be immaterial.

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

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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. Sales Tax**

**Sales Tax of March 6, 2018**

Caddo County voters approved a continuation of a one-half of one percent (1/2%) sales tax effective March 6, 2018, with a change in distribution among various entities. The proceeds of said tax is to be allocated for exclusive use as follows: County General Fund 33%; OSU Extension and 4-H 9%; Free Fair and Livestock Show 6%; Free Township Fairs 6%; Courthouse Maintenance 9%; Sheriff's Office 11%; Rural and Local Firefighting Programs 12%; County Health Department 1.5%; Senior Citizen Nutrition Centers 11%; and Caddo County Fairgrounds and Facilities 1.5%. These funds are accounted for in the following funds: General Government Sales Tax, Extension Sales Tax, Fair Sales Tax, Courthouse Improvement Sales Tax, Sheriff Sales Tax, Rural Fires Sales Tax, Health Sales Tax, Senior Citizens Sales Tax, and Fair Improvement Sales Tax.

**Sales Tax of June 13, 2017**

On June 13, 2007, Caddo County voters approved a continuation of a one-quarter of one percent (1/4%) sales tax, effective July 1, 2017 for the duration of 5 years, expiring June 30, 2022 for the sole purpose of acquiring, continuing, equipping, repairing, renovating, operating, maintaining, and advancing ground ambulance services. These funds were accounted for in the Ambulance Service Fund Sales Tax and the Ambulance Run Funds Sales Tax, and the Emergency Reserve Sales Tax funds. They are now accounted for in the Ambulance Service District Sales Tax fund.

**Sales Tax of August 11, 2009**

On August 11, 2009, Caddo County voters approved a three-quarter of one percent (3/4%) sales tax, effective January 1, 2010 pledged toward the retirement of indebtedness incurred therefore: payment of operations and maintenance expenses related thereto; and to be used specifically for the sole purpose of the renovation, expansion, construction, and equipping the Caddo County Detention Facility, Courthouse Improvements, including additional space in the courthouse to provide a 911 dispatch center, with \$200,000 of bond proceeds to go toward the construction of a new Oklahoma State University Center for Caddo County, and operating and maintaining the Caddo County Detention Facility, county-wide dispatch center, and other public safety expenses. The Caddo County Government Building Authority issued \$17,170,000 Sales Tax Revenue Bonds to pay for the construction and three-eighths of one percent (3/8%) shall have a limited duration of thirty (30) years or until the principle and interest of the indebtedness is paid in full. The remaining portion of the 3/8% will continue until repealed by a majority of Caddo County electors. These funds are accounted for in the Jail Debt Payments fund

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

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**E. Interfund Transfers**

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

- A total of \$941,439 residual balance, was transferred to County Highway Unrestricted by Board of County Commissioners (BOCC) resolution from the following funds:
  - \$880,661 was transferred from County Highway T-8 fund.
  - \$60,778 was transferred from the CED Circuit Engineering fund.
  
- A total of \$344,375 residual balance, was transferred to Sheriff Service Fee by BOCC resolution from the following funds:
  - \$339,710 was transferred from the Sheriff Department of Corrections fund.
  - 4,302 was transferred from the Sheriff Courthouse Security fund.
  - \$347 was transferred from Sheriff Special Response Team fund.
  - \$16 was transferred from 3/8 Sheriff fund.
  
- \$28,576, a residual balance, was transferred from Fairgrounds/Facilities Sales Tax to Fair Improvement Sales Tax by BOCC resolution to close the fund.
  
- A total of \$93,831, residual balance, was transferred to Senior Citizens Sales Tax by BOCC resolution from the following funds:
  - \$12,828 was transferred from Anadarko Senior Citizen Sales Tax fund.
  - \$3,236 was transferred from Apache Senior Citizen Sales Tax fund.
  - \$1,566 was transferred from Binger Senior Citizen Sales Tax fund.
  - \$12,777 was transferred from Carnegie Senior Citizen Sales Tax fund.
  - \$16,588 was transferred from Cement Senior Citizen Sales Tax fund.
  - \$12,195 was transferred from Cyril Senior Citizen Sales Tax fund.
  - \$4,320 was transferred from Fort Cobb Senior Citizen Sales Tax fund.
  - \$30,321 was transferred from Hinton Senior Citizen Sales Tax fund.
  
- A total of \$109,252, residual balance, was transferred to 911 Phone Fees by BOCC resolution from the following funds:
  - \$58,462 was transferred from 3/8 911 fund.
  - \$50,790 was transferred from 911 Wireless fund.
  
- A total of \$20,118, residual balance, was transferred to County Donations by BOCC resolution from the following funds:
  - \$751 was transferred from Veterans Statue fund.
  - \$6,167 was transferred from Fair Board Awards and Donations fund.
  - \$7,395 was transferred from Sheriff Donation fund.
  - \$3,481 was transferred from Sheriff Canine Officer Donation fund.
  - \$1,518 was transferred from Sheriff Canine Officer Donation 2 fund.
  - \$806 was transferred from Court Room #3 Encumbrance (Trust and Agency fund).

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

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- A total of \$140,496, residual balance, was transferred to Ambulance Service District Sales Tax by BOCC resolution from the following funds:
  - \$60,000 was transferred from Emergency Reserve Fund Sales Tax fund.
  - \$26,974 was transferred from Ambulance Service Fund Sales Tax fund.
  - \$53,522 was transferred from Ambulance Run Fund Sales Tax fund.
- \$63,606, a residual balance, was transferred from Free Fair and Livestock Sales Tax to Fair Sales Tax by BOCC Resolution to close the fund.
- \$46,686 was transferred from Excess Resale, a Trust and Agency fund, to Resale Property fund in accordance with 68 O.S. § 3131C.
- \$50,000 was transferred from County Highway Unrestricted to 911 Phone Fees for the purpose of borrowing funds for the operations of the 911 Center as approved by BOCC Resolution.
- \$50,000 was transferred from 911 Phone Fees to County Highway Unrestricted for repayment of borrowed funds used for the operation of the 911 Center as approved by BOCC Resolution.
- \$435 was transferred to Court Room #3 Encumbrance (Trust and Agency Fund) from County Donations in order to reactivate fund with interest.

**F. Restatement of Fund Balance**

During the fiscal year, the County had a reclassification of funds. Drug Court was reclassified as a trust and agency fund.

Prior year ending balance, as reported	\$ 8,599,791
Funds reclassified as Trust and Agency Funds:	
Drug Court reclassified from a	
County Fund to a Trust and Agency fund	<u>(28,023)</u>
Prior year ending balance, as restated	<u>\$ 8,571,768</u>



**SUPPLEMENTARY INFORMATION**

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

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	General Fund		
	Budget	Actual	Variance
County Sheriff	\$ 722,816	\$ 720,721	\$ 2,095
County Treasurer	225,747	223,321	2,426
County Commissioners - Audit Budget Account	37,083	35,584	1,499
County Commissioners O.S.U. Extension	16,000	14,924	1,076
County Clerk	268,195	267,719	476
Court Clerk	264,890	259,678	5,212
County Assessor	263,119	240,359	22,760
Revaluation of Real Property	268,574	221,156	47,418
Juvenile Shelter Bureau: Detention	105,798	79,557	26,241
General Government	72,334	69,608	2,726
Excise - Equalization Board	3,742	3,730	12
County Election Expense	105,337	96,706	8,631
Detention Center	760,581	590,889	169,692
<b>Total Expenditures, Budgetary Basis</b>	<b>\$ 3,114,216</b>	<b>\$ 2,823,952</b>	<b>\$ 290,264</b>

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

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	Health Fund		
	Budget	Actual	Variance
Health and Welfare	\$ 475,479	\$ 185,577	\$ 289,902
<b>Total Expenditures, Budgetary Basis</b>	<b>\$ 475,479</b>	<b>\$ 185,577</b>	<b>\$ 289,902</b>

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

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**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 (with Combining Information) 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.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. DEPARTMENT OF INTERIOR</b>			
Direct Grant			
Payments in Lieu of Taxes	15.226		\$ 24,268
Total U.S. Department of Interior			<u>24,268</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Passed Through the Office of Juvenile Affairs: Edward Bryne Memorial Justice Assistance Grant Program	16.738		8,315
Total U.S. Department of Justice			<u>8,315</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through the Bureau of Indian Affairs Highway Planning and Construction	20.205		1,730,465
Passed Through the Oklahoma Highway Safety Office State and Community Highway Safety	20.600		7,210
Total U.S. Department of Transportation			<u>1,737,675</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through the Oklahoma Department of Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR 4274/4438	12,959
Emergency Management Performance Grant (EMPG)	97.042		2,211
State Homeland Security Program (SHSP)	97.073		19,934
Total U.S. Department of Homeland Security			<u>35,104</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,805,362</u>

**CADDO COUNTY, OKLAHOMA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Caddo County, and is presented on the *cash basis of accounting*. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

Indirect Cost Rate

Caddo County has elected to not use the 10 percent de minimis cost rate allowed for by 2 CFR§ 200.414(f).

**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  
CADDO COUNTY, OKLAHOMA

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 combined total—all funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances (with Combining Information) of Caddo County, Oklahoma, as of and for the year ended June 30, 2020, and the related notes to the financial statement, which collectively comprises Caddo County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated March 8, 2021.

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 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 Caddo County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Caddo County's internal control. Accordingly, we do not express an opinion on the effectiveness of Caddo 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 questioned costs that we consider to be material weaknesses: 2020-001, 2020-005, and 2020-021.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Caddo 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2020-005.

## **Caddo County's Response to Findings**

Caddo County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Caddo 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 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 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.

This report is also 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.



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

March 8, 2021

**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by  
the Uniform Guidance**

TO THE OFFICERS OF  
CADDO COUNTY, OKLAHOMA

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

We have audited the compliance of Caddo County, Oklahoma, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Caddo County's major federal program for the year ended June 30, 2020. Caddo County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caddo County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, Caddo County, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.



## **Report on Internal Control Over Compliance**

Management of Caddo County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Caddo County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Caddo County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2020-014 and 2020-015 that we consider to be material weaknesses.

### **Caddo County's Response to Findings**

Caddo County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Caddo County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

March 8, 2021

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**SECTION 1—Summary of Auditor’s Results**

Financial Statements

Type of auditor's report issued:..... Adverse as to GAAP; unmodified as to statutory presentation

Internal control over financial reporting:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? ..... None reported

Noncompliance material to financial statements noted?..... Yes

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? ..... None reported

Type of auditor's report issued on  
compliance for major programs: ..... Unmodified

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

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction (Federal-Aid Highway Program)

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

Auditee qualified as low-risk auditee?..... No

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**SECTION 2—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 – Lack of County-Wide Internal Controls and Internal Controls Over Information Systems (Repeat Finding 2009-008, 2010-008, 2011-008, 2012-001, 2013-001, 2014-001, 2015-001, 2016-001, 2017-001, 2018-001, 2019-001)**

**Condition:** When assessing the county-wide internal controls the following weakness were noted:

- County-wide internal controls regarding Risk Assessment, Information and Communication, and Monitoring have not been designed.
- Upon review of the computer systems within the County Clerk’s office, it was noted that there does not appear to be adequate controls in place to safeguard data from unauthorized modification, loss, or disclosure. The specifics of the condition have been sanitized to protect the County pursuant to the provision of 51 O.S. § 24A.28.

**Cause of Condition:** Policies and procedures have not been designed and implemented to address risks of the County and to prevent unauthorized access to data.

**Effect of Condition:** This condition could compromise security for computers, computer programs, and data, and does not allow the County to function in the most effective manner possible. Additionally, without written documentation of the county-wide controls it is more difficult to retain organizational knowledge, communicate that knowledge to personnel, indicate what internal controls are present and monitor those controls.

**Recommendation:** The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that the County design and implement policies and procedures to document their internal control framework. This documentation should outline the importance of internal controls, the risk that the County has identified, the control activities established to address the risk, the steps taken to properly communicate pertinent information in a timely manner and the methodology to monitor the quality of performance over time. These procedures should be written policies and procedures and could be included in the County’s policies and procedures handbook. Further, OSAI recommends the County comply with best practices presented in the criteria. The specifics of the recommendation have been sanitized to protect the County pursuant to the provision of 51 O.S. § 24A.28.

**Management Response:**

**Chairman, Board of County Commissioners:** The Board of County Commissioners will work towards assessing and identifying risks to design written county-wide controls.

**County Clerk:** I will implement procedures and controls to correct this issue.

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**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 – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

*Definition of Internal Control*

Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.04 states in part:

*Components, Principles, and Attributes*

Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.

Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

Information and Communication - The quality information management and personnel communicate and use to support the internal control system.

Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

Further, according to the standards of the Information Systems Audit and Control Association (CobiT, Deliver and Support Ds5), the need to maintain the integrity of information and protect IT assets requires a security management process. This process includes establishing and maintaining IT security roles and responsibilities, policies, standards, and procedures. Security management also includes performing security monitoring and periodic testing and implementing corrective actions for identified security weaknesses or incidents. Effective security management protects all IT assets to minimize the business impact of security vulnerabilities and incidents.

**Finding 2020-005 – Lack of Internal Controls and Noncompliance Over the Disbursement Process (Repeat Finding 2009-002, 2010-002, 2011-002, 2012-005, 2013-005, 2014-005, 2015-005, 2016-005, 2017-005, 2018-005, 2019-005)**

**Condition:** Upon inquiry and observation of the payroll disbursement process, we noted the duties of processing payroll are not adequately segregated.

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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- The Payroll Clerk enrolls new hires, makes payroll changes, maintains personnel files, and prepares end of month payroll reports. In addition, there is no evidence of review of payroll changes or enrollments.

Further, we noted the following weaknesses with regards to the disbursement process:

- In review of cash voucher #2144, there was no evidence of the cash voucher being prepared and reviewed by different individuals.
- The names of the County Clerk and the Purchasing Agent are preprinted on the purchase order and are initialed by the same person.

In addition, the audit of fifty-two (52) disbursements reflected the following:

- Seven (7) disbursements were not timely encumbered.
- One (1) disbursement exceeded the amount of encumbrance without written explanation.
- One (1) disbursement had no supporting documentation.

**Cause of Condition:** Policies and procedures have not been designed and implemented with regards to segregation of duties and/or compensating controls of the payroll process. Additionally, policies and procedures have not been designed and implemented to ensure the County is in compliance with state statutes regarding the disbursement process.

**Effect of Condition:** This condition resulted in noncompliance with state statute which could result in unrecorded transactions, misstated financial reports, undetected errors, and misappropriation of funds.

**Recommendation:** OSAI recommends management be aware of these conditions and realize that duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective procedures lie in management's oversight of the office operations and a review of said operations while maintaining supporting documentation of designed and implemented internal controls. Further, OSAI recommends the County implement a system of internal controls over the disbursement process. Such controls should include ensuring that funds are encumbered prior to the receipt of goods and/or services, implementing a review process with adequate documentation to support the review, and implementing procedures to ensure authorized personnel requisition, receive, and approve cash disbursements in accordance with 19 O.S. § 1505.

**Management Response:**

**County Clerk:** We are in the process of implementing review processes for payroll and will express to fellow County officials the importance of County funds being encumbered prior to the receipt of goods and/or services and ensuring that supporting documentation is attached to all claims.

**Chairman of the Board of County Commissioners:** The Board of County Commissioners will express to fellow County officials the importance of County funds being encumbered prior to the receipt of goods and/or services.



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

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**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.

The GAO Standards – Section 2 – Objectives of an Entity - OV2.23 states in part:

*Compliance Objectives*

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Further, effective internal controls require that management properly implement procedures to ensure that purchases comply with 19 O.S. § 1505.

**Finding 2020-021 – Lack of Internal Controls Over the County Financial Statement (Repeat Finding - 2018-021)**

**Condition:** Caddo County has not designed and implemented internal controls to accurately present the County’s financial statement. During the review and reconciliation of the financial statement as prepared

**CADDO COUNTY, OKLAHOMA  
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by the County, we determined that the beginning balance was overstated by \$28,458, receipts were overstated by \$626,095, disbursements were overstated by \$461,047, and the ending balance was overstated by \$ 28,432. In total, the financial statement was overstated \$1,144,032 in aggregate.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure that the County's financial statement is accurately presented.

**Effect of Condition:** This condition resulted in the misstatement of the County's financial statement.

**Recommendation:** OSAI recommends the County design and implement policies and procedures to ensure the financial statement is accurately presented.

**Management Response:**

**County Treasurer/Chairman of the Board of County Commissioners:** We will implement internal controls to accurately present the County's financial statement.

**Criteria:** The County is required to present a financial statement for each fiscal year ended June 30. Title 19 O.S. § 171 states, in part, "Unless the county elects to prepare its financial statement in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board, the county shall present their financial statements in a regulatory basis of accounting."

The limitations of the auditor are described in the American Institute of Certified Public Accountants Clarified Statements on Auditing Standards AU-C § 210, which states, in part: "The concept of an independent audit requires that the auditor's role does not involve assuming management's responsibility for the preparation and fair presentation of the financial statements or assuming responsibility for the entity's related internal control and that the auditor has a reasonable expectation of obtaining the information necessary for the audit insofar as management is able to provide or procure it. Accordingly, the premise is fundamental to the conduct of an independent audit."

**SECTION 3—Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

**Finding 2020-014 – Lack of County-Wide Internal Controls Over Major Federal Programs – BIA (Repeat Finding 2013-014, 2014-014, 2015-014, 2017-014, 2018-014)**

**PASS-THROUGH GRANTOR:** Bureau of Indian Affairs

**FEDERAL AGENCY:** U.S. Department of Transportation

**CFDA NO:** 20.205

**FEDERAL PROGRAM NAME:** Highway Planning and Construction

**FEDERAL AWARD YEAR:** 2017

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Procurement and Suspension and Debarment; and Special Tests and Provisions

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**QUESTIONED COSTS: \$-0-**

**Condition:** County-wide internal controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure the County complies with grant requirements.

**Effect of Condition:** This condition could result in noncompliance with grant requirements.

**Recommendation:** OSAI recommends that the County design and implement a system of internal controls to ensure compliance with grant requirements.

**Management Response:**

**Chairman of the Board of County Commissioners:** We will work to implement a risk assessment plan. We will implement controls to help make sure we comply with all grant requirements. We will ensure that employees have the current and correct compliance supplement to work from. Furthermore, we will work with the County Treasurer and County Clerk's office to ensure that all checks and balances are done correctly.

**Criteria:** The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

*Definition of Internal Control*

Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.04 states in part:

*Components, Principles, and Attributes*

Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.

Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

Information and Communication - The quality information management and personnel communicate and use to support the internal control system.

Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**Finding 2020-015 – Lack of Internal Controls Over Major Federal Programs – BIA (Repeat Finding - 2013-015, 2014-015, 2015-015, 2017-015, 2018-015)**

**PASS-THROUGH GRANTOR:** Bureau of Indian Affairs

**FEDERAL AGENCY:** U.S. Department of Transportation

**CFDA NO:** 20.205

**FEDERAL PROGRAM NAME:** Highway Planning and Construction

**FEDERAL AWARD YEAR:** 2017

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Procurement and Suspension and Debarment; and Special Tests and Provisions.

**QUESTIONED COSTS:** \$-0-

**Condition:** During the process of documenting the County’s internal controls regarding federal disbursements, we noted that Caddo County has not established procedures to ensure compliance with the following federal compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Procurement and Suspension and Debarment; and Special Tests and Provisions.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure federal expenditures are made in accordance with federal compliance requirements.

**Effect of Condition:** This condition could result in noncompliance with federal compliance requirements and could lead to a loss of federal funds to the County.

**Recommendation:** OSAI recommends the County gain an understanding of the federal compliance requirements for these programs and implement internal control procedures to ensure compliance with these requirements.

**Management Response:**

**Board of County Commissioners District 1, 2, and 3:** The Board of County Commissioners will work with all County Officials to go over all grants and federal monies that Caddo County receives to ensure that proper internal controls are implemented.

**Criteria:** Title 2 *CFR* § 200.303(a) Internal Controls reads as follows:

The non-Federal entity must:

Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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Further, accountability and stewardship should be overall goals in management's accounting of federal funds. Internal controls should be designed to monitor compliance with laws and regulations pertaining to grant contracts.

**SECTION 4—This section contains certain matters not required to be reported in accordance with *Government Auditing Standards*. However, we believe these matters are significant enough to bring to management's attention. We recommend that management consider these matters and take appropriate corrective action.**

No matters were noted.

**APPENDIX A**

**CORRECTIVE ACTION PLAN**

**(Prepared by County Management)**

# Board of County Commissioners

CADDO COUNTY COURTHOUSE

Post Office Box 1427 • Anadarko, Oklahoma 73005  
Telephone: 405/247-3105

BENNY BOWLING  
District I  
LOOKEBA BARN  
405/457-6373

RANDY McLEMORE  
District II  
ANADARKO BARN  
405/247-5321

BRENT KINDER  
District III  
CARNEGIE BARN  
580/654-2294

## Corrective Action Plan in accordance with 2 CFR § 200.511c for the fiscal year ended June 30, 2020

Finding No.	Title (Financial) or CFDA No. & Program Name (Federal)	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	Lack of County-Wide Controls and Internal Controls Over Information Systems	The Board of County Commissioners will work with all County Officials to assess and identify risks for the purpose of designing written county-wide controls.  The County will implement procedures and controls to safeguard data.	7/1/2021	Benny Bowling, BOCC Chairman  Rhonda Johnson, County Clerk
2020-005	Lack of Internal Controls and Noncompliance Over the Disbursement and Payroll Processes	The Board of County Commissioners will express to fellow County officials the importance of following Title 19 O.S. § 1505 The County Clerk's office in the process of implementing review processes for payroll.	7/1/2021	Benny Bowling, BOCC Chairman  Rhonda Johnson, County Clerk
2020-021	Lack of Internal Controls Over the County Financial Statement	The Board of County Commissioners and the County Treasurer will implement internal controls to accurately present the County Financial Statement.	7/1/2021	Benny Bowling, BOCC Chairman  Regina Moser, County Treasurer
2020-014	20.205 Highway Planning and Construction	We will work to implement a risk assessment plan. We will implement controls to help make sure we comply with all grant requirements. We will ensure that employees have the current and correct compliance supplement to work from. Furthermore, we will work with the County Treasurer and County Clerk's office to ensure that all checks and balances are done correctly.	7/1/2021	Benny Bowling, BOCC Chairman
2020-015	20.205 Highway Planning and Construction	The Board of County Commissioners will work with all County Officials to go over all grants and federal monies that Caddo County receives to ensure that proper internal controls are implemented.	7/1/2021	Benny Bowling, BOCC Chairman

**APPENDIX B**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**(Prepared by County Management)**



# Board of County Commissioners

CADDO COUNTY COURTHOUSE

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## Summary Schedule of Prior Audit Findings in accordance with 2 CFR § 200.511b for the fiscal year ended June 30, 2020

### FINANCIAL AUDIT FINDINGS

#### **Finding 2009-008, 2010-008, 2011-008, 2012-001, 2013-001, 2014-001, 2015-001, 2016-001, 2017-001, 2018-001, 2019-001**

##### **Lack of County-Wide Controls and Information Systems**

###### **Finding Summary:**

- County-wide controls regarding Risk Assessment, Information and Communication, and Monitoring have not been designed.
- Upon review of the computer systems within the County Clerk's office and County Treasurer's office, it was noted that there does not appear to be adequate controls in place to safeguard data from unauthorized modification, loss, or disclosure. The specifics of the condition have been sanitized to protect the County pursuant to the provision of 51 O.S. § 24A.28.

**Status:** No corrective action has been taken regarding county-wide controls. The finding over Risk Assessment, Information and Communication, and Monitoring has been recurring as we work on how to design and incorporate county-wide controls into the written County Handbook as well as perform risk assessment in quarterly officer meetings. Further, the County Treasurer has put into place controls to safeguard data from unauthorized modification, loss, or disclosure.

#### **Finding 2009-003, 2010-003, 2011-003, 2013-003, 2014-003, 2015-003, 2016-003, 2017-003, 2018-003**

##### **Lack of Internal Controls Over the Collection and Reconciling Processes**

###### **Finding Summary:**

Upon inquiry and the observation of records, within the office of the County Treasurer, the following was noted: Independent oversight does not exist to support the review of the input of ad valorem tax levies into the software system to ensure accuracy.

- Independent oversight does not exist over the review and authorization of voided receipts.
- Documentation did not exist to support independent oversight or review of bank reconciliations for the Capital Improvements, State Withholdings, and Federal Withholdings bank accounts.
- Further, monthly reconciliations were not performed between the County Clerk's appropriation ledger and the County Treasurer's general ledger.

**Status:** Corrective action has been taken. Internal controls have been designed and implemented over the collection process and the County Clerk and County Treasurer are performing monthly reconciliations.

#### **Finding 2009-002, 2010-002, 2011-002, 2012-005, 2013-005, 2014-005, 2015-005, 2016-005, 2017-005, 2018-005, 2019-005**

##### **Lack of Internal Controls and Noncompliance Over the Disbursement and Payroll Process**

###### **Finding Summary:**

Upon inquiry and observation of the payroll disbursement process, we noted the duties of processing payroll are not adequately segregated.

- The Payroll Clerk enrolls new hires, makes payroll changes, maintains personnel files, and prepares end of month payroll reports. In addition, there is no evidence of review of payroll changes or enrollments. Timesheets are not signed by all employee.

In addition, the audit of fifty-five (55) disbursements reflected the following:

- Forty-two (42) disbursements with the names of the County Clerk and the Purchasing Agent were preprinted on the purchase order and are initialed by the same person.
- Nine (9) disbursements were not properly encumbered in accordance with state statutes.
- One (1) disbursement's documentation was not dated.
- Three (3) disbursements were not supported by receiving report.
- One (1) disbursement was not signed by the Requisitioning Officer.
- One (1) disbursement did not have proper documentation.



**Status:** Partially corrected. Timesheets are signed by all employees and we have taken steps to ensure compliance with 19 O.S. § 1505.

**Finding 2018-021**

**Lack of Internal Controls Over the County Financial Statement**

**Finding Summary:**

Caddo County has not designed and implemented internal controls to accurately present the County's financial statement. During the review and reconciliation of the financial statement as prepared by the County, we determined that the beginning cash balance was overstated \$1,384,871, and the ending cash balance was overstated \$1,556,662. The misstatement was due to the County reflecting trust and agency funds as County Funds.

**Status:** No corrective action has been taken.

**FEDERAL AUDIT FINDINGS**

**Finding 2013-014, 2014-014, 2015-014, 2017-014, 2018-014**

**Lack of County-Wide Controls Over Major Federal Programs – BIA**

**PASS-THROUGH GRANTOR:** Bureau of Indian Affairs

**FEDERAL AGENCY:** U.S. Department of Transportation

**CFDA NO:** 20.205

**FEDERAL PROGRAM NAME:** Highway Planning and Construction

**FEDERAL AWARD YEAR:** 2018

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Reporting

**QUESTIONED COSTS:** \$-0-

**Finding Summary:** County-wide controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

**Status:** No corrective action has been taken.

**Finding 2013-015, 2014-015, 2015-015, 2017-015, 2018-015**

**Lack of Internal Controls Over Major Federal Programs – BIA**

**PASS-THROUGH GRANTOR:** Bureau of Indian Affairs

**FEDERAL AGENCY:** U.S. Department of Transportation

**CFDA NO:** 20.205

**FEDERAL PROGRAM NAME:** Highway Planning and Construction

**FEDERAL AWARD YEAR:** 2018

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Reporting

**QUESTIONED COSTS:** \$-0-

**Finding Summary:** During the process of documenting the County's internal controls regarding federal disbursements, we noted that Caddo County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Reporting.

**Status:** No corrective action has been taken.

**Finding 2017-030, 2018-030**

**Noncompliance with Compliance Requirements Over Federal Grant**

**PASS-THROUGH GRANTOR:** Bureau of Indian Affairs

**FEDERAL AGENCY:** U.S. Department of Transportation

**CFDA NO:** 20.205

**FEDERAL PROGRAM NAME:** Highway Planning and Construction

**FEDERAL AWARD YEAR:** 2018

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Reporting

**QUESTIONED COSTS:** \$842,075

**Finding Summary:** Of the twenty-four (24) expenditures tested, the following was noted:

- Two (2) purchase orders were not encumbered prior to the invoice.
- Two (2) invoices totaling \$461,732 could not be located.
- The County did not maintain documentation to verify that they reviewed whether vendors are suspended or debarred.

- Three (3) of the approved projects exceeded the bid amounts by \$380,343 in total, without approval from the Federal granting agency.
- There was no documentation to support compliance with project reporting requirements, as outlined within the cooperative agreement, that the County notified the Bureau of Indian Affairs and Tribe of bid opening dates and all pre-award conferences in writing.

**Status:** No corrective action has been taken.

**Finding 2018-031**

**Noncompliance with Compliance Requirement G - Matching**

**PASS-THROUGH GRANTOR:** Bureau of Indian Affairs

**FEDERAL AGENCY:** U.S. Department of Transportation

**CFDA NO:** 20.205

**FEDERAL PROGRAM NAME:** Highway Planning and Construction

**FEDERAL AWARD YEAR:** 2018

**CONTROL CATEGORY:** ; Matching, Level of Effort, Earmarking

**QUESTIONED COSTS:** \$843,984

**Finding Summary:** It was noted that the County had matching requirements of \$1,250,000 for the approved projects and could only provide documentation for \$406,016 of matching funds. The County did not maintain any documentation for the remaining \$843,984 in required matching funds in accordance with grant agreements.

**Status:** No corrective action has been taken.

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



**Cindy Byrd, CPA | State Auditor & Inspector**

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | [www.sai.ok.gov](http://www.sai.ok.gov)