

COUNTY AUDIT

OKLAHOMA COUNTY SINGLE AUDIT

For the year ended June 30, 2012



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133
FOR THE YEAR ENDED JUNE 30, 2012**

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Oklahoma State Auditor & Inspector

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March 15, 2013

TO THE CITIZENS OF
OKLAHOMA COUNTY, OKLAHOMA

Transmitted herewith are the Schedule of Expenditures of Federal Awards and the Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 of Oklahoma County, Oklahoma for the fiscal year ended June 30, 2012. Our audit report on the financial statements and 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* were issued under separate cover. The audit was conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the provisions of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Reports of this type are critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

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, appearing to read "Gary A. Jones".

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

**OKLAHOMA COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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Schedule of Expenditures of Federal Award

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE			
Passed Through Oklahoma Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 43,429
National School Lunch Program	*10.555	N/A	71,874
Total U.S. Department of Agriculture			<u>115,303</u>
U.S. DEPARTMENT OF INTERIOR			
Direct:			
Payments in Lieu of Taxes	15.226	N/A	13,414
Total U.S. Department of Interior			<u>13,414</u>
U.S. DEPARTMENT OF JUSTICE BUREAU OF JUSTICE ASSISTANCE			
Direct:			
Juvenile Accountability Block Grants	16.523	N/A	23,409
Recovery Act-Public Safety Partnership and Community Policing Grants	16.710	N/A	60,501
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	2,104
Recovery Act-Edward Byrne Memorial Justice Assistance Grant (JAG)	16.804	N/A	310,221
Total U.S. Department of Justice Bureau of Justice Assistance			<u>396,235</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Oklahoma Highway Safety Office:			
State and Community Highway Safety	20.600	PT-11-03-15-04	15,359
State and Community Highway Safety	20.600	K8-11-03-08-04	33,387
State and Community Highway Safety	20.600	OP-12-03-06-05	35,536
State and Community Highway Safety	20.600	K8-12-03-23-05	61,799
State and Community Highway Safety	20.600	AL-12-03-04-05	38,399
State and Community Highway Safety	20.600	CE-12-03-23-05	5,814
Total U.S. Department of Transportation			<u>190,294</u>
U.S. DEPARTMENT OF ENERGY			
Direct:			
Recovery Act-Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	N/A	69,873
Total U.S. Department of Energy			<u>69,873</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Department of Homeland Security:			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	N/A	311
Hazard Mitigation Grant	97.039	N/A	2,203,664
Total U.S. Department of Homeland Security			<u>2,203,975</u>
Total Expenditures of Federal Awards			<u>\$ 2,989,094</u>

*Partially Non-Cash Assistance

The accompanying note is an integral part of this schedule.

**OKLAHOMA COUNTY, OKLAHOMA
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards has been prepared in conformity with the requirements set forth in the Single Audit Act of 1984, Public Law 98-502, the Single Audit Act Amendments of 1996, Public Law 104-156 and the Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*.

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. The reporting entity is the primary government of Oklahoma County as presented in the Comprehensive Annual Financial Report (CAFR).

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the primary government of Oklahoma County and is presented on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Revenue and expenditures are reported using the modified accrual basis of accounting in the Comprehensive Annual Financial Report (CAFR). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Department of Agriculture – National School Lunch Program CFDA #10.555

Non-cash assistance in the form of commodities was received from the Oklahoma State Department of Education. The federal value of \$5,032.53 is included in the Schedule of Expenditures of Federal Awards.

2. A clerical error was made in the Oklahoma County Single Audit Report dated February 2, 2013. The paragraph regarding our opinion as to whether the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the financial statements taken as a whole was erroneously omitted. The correction made to the report did not have a material impact on the audit.

Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133



Oklahoma State Auditor & Inspector

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Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

TO THE OFFICERS OF
OKLAHOMA COUNTY, OKLAHOMA

Compliance

We have audited the compliance of Oklahoma County, Oklahoma, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on Oklahoma County's major federal programs for the year ended June 30, 2012. Oklahoma County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs are the responsibility of Oklahoma County's management. Our responsibility is to express an opinion on Oklahoma County's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Oklahoma 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. Our audit does not provide a legal determination of Oklahoma County's compliance with those requirements.

In our opinion, Oklahoma County, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Oklahoma County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to

federal programs. In planning and performing our audit, we considered Oklahoma County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Oklahoma 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Oklahoma County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Oklahoma County's responses and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Oklahoma County as of and for the year ended June 30, 2012, and have issued our report thereon dated January 29, 2013. Our report was modified to include a reference to other auditors. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Oklahoma County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Matters

The *Oklahoma County Single Audit Report* has been corrected to include the paragraph regarding the opinion on the Schedule of Expenditures of Federal Awards. The previously-issued report is replaced by this report.

This report is intended solely for the information and use of management, those charged with governance, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. 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.

A handwritten signature in blue ink, appearing to read "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

February 2, 2013 except as to the Schedule of Expenditures
of Federal Awards, for which the date is January 29, 2013

Schedule of Findings and Questioned Costs

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

SECTION 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:..... Unqualified Opinion

Internal control over financial reporting:

• Material weakness(es) identified? Yes

• Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified? None Reported

• Significant deficiency(ies) identified? None Reported

Type of auditor's report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? No

Identification of Major Programs

CFDA Number(s)
97.039

Name of Federal Program or Cluster
Hazard Mitigation Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? No

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Finding 2011-1

FEDERAL AGENCY: All

CFDA NO: All

FEDERAL PROGRAM NAME: All

FEDERAL AWARD NUMBER: All

FEDERAL AWARD YEAR: 2011

Condition: We identified Federal program CFDA #97.039 for \$1,481,693, reported on the Oklahoma County Schedule of Expenditures of Federal Awards submitted to the State Auditor's Office as Federal Awards. We determined only \$594,620 should have been reported this fiscal year, resulting in the Schedule of Expenditures of Federal Awards being overstated by \$887,073.

Corrective Action Plan: Oklahoma County has corrected this issue.



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