



OKLAHOMA COUNTY SINGLE AUDIT REPORT

For the fiscal year ended June 30, 2019

Cindy Byrd, CPA
State Auditor & Inspector

**SINGLE AUDIT REPORT
OKLAHOMA COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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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

March 26, 2020

TO THE CITIZENS OF
OKLAHOMA COUNTY, OKLAHOMA

Transmitted herewith is the Single Audit Report of Oklahoma County, Oklahoma for the fiscal year ended June 30, 2019. 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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 that reads "Cindy Byrd". The signature is fluid and cursive, with the first letters of the first and last names being capitalized.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



**OKLAHOMA COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Schedule of Expenditures of Federal Awards

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 the Oklahoma Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	\$ 43,719
National School Lunch Program	* 10.555	N/A	75,634
Total U.S. Department of Agriculture			<u>119,353</u>
U.S. DEPARTMENT OF INTERIOR			
Office of the Secretary of the Interior			
Direct Grant:			
Payments in Lieu of Taxes	15.226	N/A	<u>15,038</u>
Total U.S. Department of Interior			<u>15,038</u>
U.S. DEPARTMENT OF JUSTICE			
Office of Justice Programs			
Direct Grant:			
State Criminal Alien Assistance Program	16.606	N/A	<u>44,921</u>
Total CFDA #16.606			<u>44,921</u>
Community Oriented Policing Service			
Direct Grant:			
Public Safety Partnership and Community Policing Grants	16.710	2014-UW-MX-0052	8,627
Public Safety Partnership and Community Policing Grants	16.710	2015-UW-MX-0141	<u>73,336</u>
Total CFDA #16.710			81,963
Office of Justice Programs			
Direct Grant:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0771	81,851
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0928	<u>144,537</u>
Total CFDA #16.738			226,388
Total U.S. Department of Justice			<u>353,272</u>
U.S. DEPARTMENT OF TRANSPORTATION			
National Highway Traffic Safety Administration (NHTSA)			
Passed Through the Oklahoma Highway Safety Office:			
State and Community Highway Safety	20.600	PT-18-03-17-11	29,582
State and Community Highway Safety	20.600	PT-16-03-16-12	108,105
National Priority Safety Programs	20.616	F5OT-18-03-01-02O	5,945
National Priority Safety Programs	20.616	M5OT-19-03-01-03L	<u>1,822</u>
Total Highway Safety Cluster			145,454
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	164AL-19-06-02-12	13,650
Total U.S. Department of Transportation			<u>159,104</u>

Continued on next page

The accompanying notes are an integral part of this schedule.

OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
Continued from previous page			
U.S. DEPARTMENT OF HOMELAND SECURITY			
Federal Emergency Management Agency (FEMA)			
Passed Through the Oklahoma Department of Emergency Management:			
Hazard Mitigation Grant	97.039	FEMA-4222-DR-OK	506,946
Passed Through the Oklahoma Department of Homeland Security:			
Emergency Management Performance Grants	97.042	EMPG	45,013
State Homeland Security Program (SHSP)	97.073	730.05	5,959
State Homeland Security Program (SHSP)	97.073	830.05	5,959
State Homeland Security Program (SHSP)	97.073	830.05	23,931
State Homeland Security Program (SHSP)	97.073	830.05	6,214
Total CFDA #97.073			42,063
Total U.S. Department of Homeland Security			594,022
Total Expenditures of Federal Awards			\$ 1,240,789

*Partially Non-Cash Assistance

The accompanying notes are an integral part of this schedule.

**OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

1. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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). Component units included in the CAFR prepare individual financial statements that meet the requirements of the Uniform Guidance and have not been included in the Schedule. The Uniform Guidance allows non-Federal entities to meet the audit requirements of the Circular through a series of audits that cover the reporting entity.

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.

C. Non-Cash-Assistance-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 \$6,404 is included in the Schedule of Expenditures of Federal Awards.

2. Indirect Cost Rate

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

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

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

TO THE OFFICERS OF
OKLAHOMA COUNTY, OKLAHOMA

Report on Compliance for Each Major Federal Program

We have audited Oklahoma County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Oklahoma County's major federal program for the year ended June 30, 2019. Oklahoma 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 Oklahoma County's major federal program 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Oklahoma County's compliance.



Opinion on Each Major Federal Program

In our opinion, Oklahoma County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Oklahoma 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 Oklahoma 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 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the 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, 2019, and the related notes to the financial statements, which collectively comprise Oklahoma County's basic financial statements. We issued our report thereon dated February 26, 2020, which contained unmodified opinions on those financial statements. Our report was modified to include a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. 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 25, 2020 except as to the Schedule of Expenditures
of Federal Awards, for which the date is February 26, 2020

Schedule of Findings and Questioned Costs

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SECTION 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:..... Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?..... No
- Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted?..... No

For fiscal year 2019, the Comprehensive Annual Financial Report (CAFR) for Oklahoma County for the year ended June 30, 2019, was issued under separate cover dated February 26, 2020.

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?..... No
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on
compliance for major program Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR § 200.516(a) of the Uniform Guidance? No

Identification of Major Program

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: \$750,000

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

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 Statement Performed in Accordance With *Government Auditing Standards*

Finding 2019-010 - Lack of Internal Controls Over Business Continuity Plan (Repeat Finding-2018-009)

Condition: Upon review of the County's Business Continuity Plan (BCP), we noted the County's plan needs to be updated and reviewed to ensure, in the event of a disaster, the County would not have delays in the recovery of operations. 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 ensure the County reviews and updates its BCP regularly.

Effect of Conditions: This condition could result in increased delays in the recovery of critical business functions of the County.

Recommendation: 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 of the Board of County Commissioners: The Board of County Commissioner's departments have interfaced with other elected official's departments and updated the current continuity plans. The continuity plans will be continuously reviewed and updated to ensure the least amount of delays in the event of a disaster.

Criteria: According to CobiT, *Deliver, Service and Support 4.05 Review, maintain and improve the continuity plans*, management should conduct a management review of the continuity capability at regular intervals to ensure its continued suitability, adequacy and effectiveness. Management should also manage changes to the plans in accordance with the change control process to ensure that continuity plans are kept up to date and continually reflect actual business requirements.

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

No matters were reported

APPENDIX A

CORRECTIVE ACTION PLAN

(Prepared by County Management)



KEVIN CALVEY
OKLAHOMA COUNTY COMMISSIONER
DISTRICT 3

**Corrective Action Plan
in accordance with 2 CFR § 200.511c
for the fiscal year ended June 30, 2019**

Finding No.	Title (Financial) or CFDA No. & Program Name (Federal)	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2019-010	Financial - Lack of Internal Controls Over Business Continuity Plan (Repeat Finding-2018-009)	The Board of County Commissioner's departments have interfaced with other elected official's departments and updated the current continuity plans. The continuity plans will be continuously reviewed and updated to ensure the least amount of delays in the event of a disaster.	2-26-20	Chairman BOCC

APPENDIX B

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

(Prepared by County Management)



KEVIN CALVEY
OKLAHOMA COUNTY COMMISSIONER
DISTRICT 3

**Summary Schedule of Prior Audit Findings
in accordance with 2 CFR § 200.511b
for the fiscal year ended June 30, 2019**

FINANCIAL AUDIT FINDINGS

Finding 2018-005

Inadequate Internal Controls and Noncompliance Over the SHINE Fund 1290 for Equipment Usage

Finding Summary: The Oklahoma County Board of County Commissioners (BOCC) approved a County policy dated August 15, 2012, regarding the usage of County equipment for the SHINE program be reimbursed from the SHINE Fund 1290. While reviewing the SHINE Fund 1290 transactions, the following was noted:

- For the fiscal year ending June 30, 2018, the Highway Cash Fund 1110 was not reimbursed for equipment charges incurred on behalf of the SHINE program in the amount of \$40,281. Charges are normally reimbursed on a monthly basis; however, reimbursements were not made for eleven of the twelve months.
- Further, from July 2018 through current date, the Highway Cash Fund 1110 has not been reimbursed for SHINE projects in the amount of \$11,242.

The total amount of equipment usage not reimbursed to Highway Cash Fund 1110 over the two fiscal year periods is \$51,523.

Status: Fully corrected.

Finding 2018-009

Inadequate Internal Controls Over Business Continuity Plan

Finding Summary: Upon review of the County's Business Continuity Plan (BCP), we noted it does not appear that adequate controls are in place to ensure, in the event of a disaster, the county would not have delays in the recovery of operations. The specifics of the condition have been sanitized to protect the county pursuant to the provision of 50 O.S. § 24A.28.

Status: Partially corrected. The Board of County Commissioner's departments will interface with other elected officials' departments to update the current continuity plans.

FEDERAL AUDIT FINDINGS

No Prior Year Federal Findings



Cindy Byrd, CPA | State Auditor & Inspector

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