



# TULSA COUNTY, OKLAHOMA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE

For the year ended June 30, 2019

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

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

---

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

January 14, 2020

TO THE CITIZENS OF  
TULSA COUNTY, OKLAHOMA

Transmitted herewith is the 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* of Tulsa County, Oklahoma for the fiscal year ended June 30, 2019. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

A report of this type is 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,



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR



**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  
TULSA 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tulsa County, Oklahoma, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Tulsa County's basic financial statements, and have issued our report thereon dated December 30, 2019. Our report includes a reference to other auditors who audited the financial statements of the Tulsa County Industrial Authority, the Tulsa County Criminal Justice Authority, the Tulsa County Home Finance Authority, the Tulsa County Employees' Retirement System, the Tulsa County Public Facilities Authority, the Tulsa County Juvenile Justice Trust Authority, and the Tulsa City/County Health Department, as described in our report on Tulsa County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Tulsa 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 statements, but not for the purpose of expressing an opinion on the effectiveness of Tulsa County's internal control. Accordingly, we do not express an opinion on the effectiveness of Tulsa County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness: 2019-001.



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. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency: 2019-005.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tulsa County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 responses as item 2019-001.

We noted certain matters regarding statutory compliance that we reported to the management of Tulsa County, which are included in Section 2 of the schedule of findings and responses contained in this report.

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

Tulsa County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Tulsa County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **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

December 30, 2019

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

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

**Finding 2019-001—Inadequate Internal Controls and Noncompliance Over Disbursements (Repeat Finding – 2007-009, 2008-001, 2009-001, 2010-002, 2011-001, 2016-002, 2017-001, 2018-001)**

**Condition:** Upon inquiry of County personnel, observation of the County’s disbursement process, and testwork performed, the following was noted:

- The review of a sample of fifty-six (56) of the eleven thousand one hundred and ninety (11,190) General Fund expenditures reflected the following:
  - Two (2) expenditures totaling \$43,422.00 had adjustment increases of more than ten percent (10%) of the original encumbrance:

<b>Fund</b>	<b>Responsible Office</b>	<b>Purpose</b>	<b>Original Encumbrance</b>	<b>Adjustment Increase</b>	<b>Warrant Number</b>	<b>Warrant Amount</b>
General Fund	Fiscal Office/County Clerk	Legal Fees	\$4,000.00	\$7,008.00	500002012	\$11,008.00
General Fund	Fiscal Office/County Clerk	Audit Services	\$3,000.00	\$29,414.00	500007097	\$32,414.00
<b>Total</b>						<b>\$43,422.00</b>

- Seven (7) expenditures totaling \$233,815.00 were not encumbered prior to receiving goods or services.

<b>Fund</b>	<b>Responsible Office</b>	<b>Purpose</b>	<b>Warrant Number</b>	<b>Warrant Amount</b>
General Fund	OSU Extension Center/BOCC	Contractual Services - Payroll	500001699	\$ 23,508.00
General Fund	OSU Extension Center/BOCC	Contractual Services - Payroll	500012464	\$ 23,508.00
General Fund	OSU Extension Center/BOCC	Contractual Services - Payroll	500000525	\$ 29,388.00
General Fund	Information Technology/BOCC	Annual Contract Payment	500003679	\$ 61,399.00
General Fund	Fiscal Office/County Clerk	Audit Services	500007097	\$ 32,414.00
General Fund	Fiscal Office/County Clerk	Audit Services	500008900	\$ 53,279.00
General Fund	Juvenile Bureau/BOCC	Contract Rental Payment	500000835	\$ 10,319.00
<b>Total</b>				<b>\$233,815.00</b>

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

- The review of a sample of fifty-five (55) of the two thousand eight hundred and twenty-six (2,826) Highway Fund expenditures reflected the following:
  - Six (6) expenditures totaling \$287,019.00 were not encumbered prior to receiving goods or services.

<b>Fund</b>	<b>Responsible Office</b>	<b>Purpose</b>	<b>Warrant Number</b>	<b>Warrant Amount</b>
Highway Fund	District 1 Commissioner	County Share Excavator Purchase	500013441	\$159,153.00
Highway Fund	Highway Construction Division/BOCC	Parts	500006288	\$ 178.00
Highway Fund	Highway Construction Division/BOCC	Parts	500008584	\$ 321.00
Highway Fund	Highway Construction Division/BOCC	Fuel	500010110	\$ 15,556.00
Highway Fund	Tulsa Engineering Department/BOCC	Right of Way Purchase	500002434	\$ 59,381.00
Highway Fund	Tulsa Engineering Department/BOCC	Matching Funds for Highway Project	500007096	\$ 52,430.00
<b>Total</b>				<b>\$287,019.00</b>

- The review of a sample of sixty-three (63) of the eight thousand nine hundred and seventy-seven (8,977) non-major fund expenditures reflected the following:
  - One (1) expenditure totaling \$17,100.00 was not charged to the proper period.

<b>Fund</b>	<b>Responsible Office</b>	<b>Purpose</b>	<b>Warrant Number</b>	<b>Warrant Amount</b>
Special Projects Fund	Fiscal Office/County Clerk	Software Implementation	500001519	\$ 17,100.00

- One (1) expenditure totaling \$195,436.59 00 had an adjustment increase of more than ten percent (10%) of the original encumbrance.

<b>Fund</b>	<b>Responsible Office</b>	<b>Purpose</b>	<b>Original Encumbrance</b>	<b>Adjustment Increase</b>	<b>Warrant Number</b>	<b>Warrant Amount</b>
County Contribution Fund	County Sheriff	Jail Commissary Payment	\$161,408.00	\$34,028.00	500003612	\$195,436.59

- Fourteen (14) expenditures totaling \$2,296,117.00 were not encumbered prior to receiving goods or services:

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

<b>Fund</b>	<b>Responsible Office</b>	<b>Purpose</b>	<b>Warrant Number</b>	<b>Expenditure Amount</b>
County Sheriff Cash Fund	County Sheriff	Operational Reimbursement	500005708	\$ 30,000.00
County Sheriff Cash Fund	County Sheriff	Body Cameras Licensing	500012100	\$ 442,359.00
County Sheriff Cash Fund	County Sheriff	Body Cameras	500012100	\$ 91,394.00
County Contribution Fund	County Sheriff	Software and Hardware	500003093	\$ 156,882.00
County Contribution Fund	County Sheriff	Property and Content Insurance for Jail	500000853	\$ 139,552.00
County Contribution Fund	County Sheriff	Hardware Components	500013345	\$ 378,029.00
Court Clerk Revolving Fund	Court Clerk	Ink Pads	500006732	\$ 210.00
Court Clerk Revolving Fund	Court Clerk	Office Furniture/Shelving	500002393	\$ 157,734.00
Park Fund	Parks Department/BOCC	Water Bill	500005674	\$ 26,931.00
Special Projects Fund	Fiscal Office/County Clerk	CDBG Urban Grant Reimbursement – City of Glenpool	500010890	\$ 87,643.00
Special Projects Fund	Fiscal Office/County Clerk	Home Consortium Grant - Project Management – Pioneer Village Phase 2	500007293	\$ 276,037.00
Special Projects Fund	Fiscal Office/County Clerk	Home Consortium Grant - Project Management – Pioneer Village Phase 2	500007293	\$ 480,273.00
Special Projects Fund	Fiscal Office/County Clerk	Software Implementation	500001519	\$ 17,100.00
Special Projects Fund	Fiscal Office/County Clerk	CDBG Urban Grant Reimbursement – City of Broken Arrow	500009963	\$ 11,973.00
<b>Total</b>				<b>\$2,296,117.00</b>

**Cause of Condition:** Policies and procedures have not been fully implemented with regard to the disbursement process to strengthen internal controls and ensure compliance with state statutes. Additionally, it appears that some encumbrances may be delayed due to the unavailability of funds and estimated encumbrances were not calculated in a manner to ensure adequate funding was available.



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

---

**Effect of Condition:** These conditions resulted in noncompliance with state statutes and could result in unrecorded transactions, misstated financial reports, undetected errors, misappropriation of funds, and a financial burden on the County.

**Recommendation:** The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the County adhere to state purchasing guidelines to ensure encumbrances are made before goods or services are ordered and to ensure availability of funds. Additionally, OSAI recommends goods or services be paid for from funds designated for use during the fiscal year from which the goods or services were obtained.

**Management Response:**

**Board of County Commissioners:** Fiscal year 2019 saw the end of the Budget Board's Fiscal Office and placed all financial recordkeeping in the County Clerk's office. The County Clerk's office had some turnover in staff but kept the majority of the staff and used existing policies and procedures as the basis of operations. The County Clerk's office had some challenges in the beginning but were always attentive that Oklahoma statutes and Tulsa County policies and procedures were followed. The County Clerk's office provided some training on proper disbursement processes with bookkeepers in the Board of County Commissioner's (BOCC) departments and management continues to stress that all transactions must follow state laws and conform to policies and procedures. We have scheduled more training in the first quarter of 2020. As we move forward, we anticipate that the number of errant disbursements will be reduced.

**County Clerk:** In fiscal year 2019, the County Clerk's office assumed the responsibilities and oversight of the former Tulsa County Fiscal Office. We have transitioned in terms of staff and most policies and procedures. However, we are working to ensure that the appropriate laws, policies and procedures are followed. The remainder of the County Clerk's office including our Accounting Division and Financial Services Division continue to work with other county departments to ensure adequate training occurs for each bookkeeper. As we move forward, we anticipate that the number of errant disbursements will be reduced.

**County Sheriff:**

- Warrant #500003612 for \$195,436.59 from County Contribution Fund - This purchase order (PO) was encumbered for \$161,408.00 with an adjustment for \$34,028.00. This monthly PO was encumbered ahead of services rendered for inmate food. The amount encumbered reflects the number of meals corresponding to average monthly inmate population. However, for this particular month, the inmate population exceeded our anticipated total and we adjusted our PO accordingly. In the future, we will strive to be better prepared for inmate population fluctuations.
- Warrant #500005708 for \$30,000 from County Sheriff's Cash Fund - This PO was encumbered for \$30,000 after receiving an invoice for the costs for housing of juveniles for Tulsa County Sheriff Office's (TCSO). This should no longer be an issue, as TCSO now has a contract in place with the vendor and can encumber ahead of time.
- Warrant #500012100 for \$442,359.00 and \$91,394.00 from the County Sheriff's Cash Fund – is related to a grant award from the Oklahoma Attorney General and a contract with the vendor for body worn cameras. During this process, TCSO's purchasing unit was not aware that the order was placed. Therefore, we encumbered after the fact. In the future, we will ensure all parties involved in such matters are informed that all orders placed are done through TCSO purchasing unit.

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

---

- Warrant #500003093 for \$156,882.00 and warrant #500013345 for \$378,029.00 from the County Contribution Fund were not encumbered prior to services rendered. TCSO's purchasing unit was not made aware that services were scheduled until after services were completed. In the future, TCSO will strive to have effective internal communication to ensure services are encumbered ahead of time.
- Warrant #500000853 for \$139,552.00 was the property insurance payment for David L. Moss Criminal Justice Center. This annual payment is due by the beginning of July; however, TCSO is unable to encumber jail funds until we get access to the account for the new fiscal year.

**Court Clerk:** In the past, our office did not encumber the purchase order until we were in receipt of an invoice. Since Mr. Newberry took office, policy has changed. Now, the front office is made aware of an expense, encumbers the fund first, and gets a purchase order number so the item can be purchased. The encumbrance is an estimate. Once the invoice is received, adjustments are made to the correct amount. Apparently, in the two instances noted in the finding the front office was not made aware of the need for the items prior to the purchases.

**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.

GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.23 states in part:

*Objectives of an Entity – 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.

Therefore, effective internal controls require management properly implement procedures to ensure that expenditures are made in compliance with state statutes:

19 O.S. § 1505 prescribes the procedures for requisition, purchase, and receipt of supplies, material, and equipment..

Title 62 O.S. § 310.4 states in part, “All unencumbered balances, if any, [...] on hand at the close of day June 30, may remain as a credit for said fiscal year up to the close of day September 30, next. [...] Provided this act shall not be so construed to allow the incurring of a new indebtedness after June 30 chargeable to the appropriation account of the immediately preceding fiscal year.”

Title 68 O.S. § 3003 states in part, ... The recipient government may encumber funds in an amount not to exceed the sum of the total letter of commitment, which is a binding commitment of funding which the recipient government will receive for the project or projects eligible for such federal funding. The encumbrance of funds authorized by this section shall be made in accordance with procedures prescribed by the State Auditor and Inspector and shall be

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

---

administered in accordance with rules and regulations concerning such distribution adopted by the federal government and the state agency, board, or commission. Any expenditure incurred by the recipient government using the letter of commitment appropriation process and disallowed by the federal government or state agency, board, or commission administering the funds shall be paid by the recipient government.

**Finding 2019-005—Inadequate Internal Controls Over Business Continuity Plan (Repeat Finding – 2018-008)**

**Condition:** Upon inquiry and review of the County’s Business Continuity Plan (BCP), it does not appear that adequate controls are in place to ensure, that 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 has prepared a formal BCP that would meet the needs of the County in the event of a disaster.

**Effect of Condition:** 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:**

**BOCC:** We have begun the initial planning steps for all county-wide departments to create departmental “Continuity of Operations Plans” as part of a comprehensive operations plan program for Tulsa County. Our initial county-wide kickoff meeting was on December 11, 2019 and the county is currently in our second phase of the planning process during which individual departmental planning meetings will occur through January 17th. On January 29th we will have our county-wide deconfliction planning meeting. Following this each department will have until February 12th to submit final departmental plans to Tulsa Area Emergency Management Agency (TAEMA) who will then combine these department plans into a Tulsa County Consolidated Continuity Plan, which will be submitted to the Board of County Commissioners for approval by February 24th.

**Criteria:** According to CobiT, Deliver Service, and Support 4.03 Develop and implement a business continuity response, management should develop a business continuity plan (BCP) and disaster recovery plan (DRP) based on the strategy. Document all procedures necessary for the enterprise to continue critical activities in the event of an incident.

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

---

**SECTION 2 - 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.**

**Finding 2019-006—Inadequate Internal Controls and Noncompliance Over the Inmate Trust Fund Checking Account and Sheriff Commissary Fund (Repeat Finding –2014-015, 2015-006, 2016-012, 2018-006)**

**Condition:** Upon inquiry, observation of procedures and records, and testwork, we noted the following regarding the Inmate Trust Fund Checking Account:

- Deposits are not made from the Inmate Trust Fund Checking Account to Sheriff Commissary fund in a timely manner. Inmate commissary requests are fulfilled twice a week (Tuesdays and Fridays), but deposits to the Commissary fund are only made weekly on Thursdays. Therefore, Tuesday's collections are deposited two days after receipt, and Friday's collections are deposited six days after receipt.
- Numerous expenditures are made from the Inmate Trust Fund Checking Account for purposes other than statutorily allowed.
  - Inmates are allowed to complete an inmate request form directing funds in their individual inmate trust accounts within the Inmate Trust Fund Checking Account to be disbursed to family members, friends, the Court Clerk, bondsmen, and so on.

**Cause of Condition:** Policies and procedures have not been designed and implemented for proper administration regarding the Inmate Trust Fund Checking Account.

**Effect of Condition:** These conditions resulted in noncompliance with state statutes. In addition, these conditions could result in unauthorized transactions, misappropriation of assets, or misappropriation of inmate funds.

**Recommendation:** OSAI recommends the County Sheriff design and implement procedures to ensure:

- Collections from the sale of commissary items are deposited into the Sheriff's Commissary fund in a timely manner.
- Expenditures are made from the Inmate Trust Fund Checking Account in accordance with 19 O.S. § 531(A).

**Management Response:**

**County Sheriff:** Timely Deposits - The current Commissary operational software being used reports sales for a one-week period. That report is then reconciled to the inmate fund debit report to verify that all expenditures from the inmates account were properly and accurately posted. Within 24 hours of receiving the weekly Commissary operational report, the monies are deposited with the County Treasurers office.

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

---

Expenditures from the Inmate Trust Fund Account:

- All currency in possession of an inmate upon entry to the correctional facility is receipted and placed on the inmates trust account. Inmates are indeed allowed to disburse their money if the required form is completed and signed by the inmate, and or a court order has been received directing a disbursement. In both cases, a check is issued, and printed on the “Pay to” line is both the inmates name and the designated recipient. The inmate’s endorsement signature on the back of said instrument is also required.
- The majority of the events surrounding the release of inmate funds before the inmate is discharged relates to bond requirements and/or families needing those monies for basic needs such as utilities, food, or fuel. It should be noted that these funds belong solely to the inmates, and when it is possible to accommodate requests like mentioned above, we find it to be our legal and moral obligation to do so.

**Auditor Response:** Title 19 O.S. § 531(A) allows checks issued from the Inmate Trust Checking Account to be made out to the Sheriff’s Commissary Account to cover the inmate’s purchases from the commissary or to the inmate for unencumbered balances upon his or her release from jail.

**Criteria:** Component objectives of effective internal control systems are to deter and detect fraud and to provide accurate and reliable information. Internal controls are designed to safeguard assets and to analyze and check accuracy, completeness, and authorization of transactions. Failure to perform tasks that are part of internal controls, such as segregating duties or implementing compensating reviews, performing bank reconciliations accurately and timely, and maintaining records in a manner to ensure compliance with state statutes and/or to minimize the risk of misappropriation, are deficiencies in internal control.

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

*Accurate and timely recording of transactions*

Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.”

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.23 states in part:

*Objectives of an Entity – 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.

Therefore, effective internal controls require management properly implement procedures to ensure that expenditures are made in accordance with state statutes:

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

---

Title 19 O.S. § 531 (A) states in part, "...The county sheriff may establish a checking account, to be designated the "Inmate Trust Fund Checking Account." The county sheriff shall deposit all monies collected from inmates incarcerated in the county jail into this checking account and may write checks to the Sheriff's Commissary Account for purchases made by the inmate during his or her incarceration and to the inmate from unencumbered balances due the inmate upon his or her discharge."

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)