

COUNTY AUDIT

# TULSA COUNTY SINGLE AUDIT

For the year ended June 30, 2011



*Independently serving the citizens of  
Oklahoma by promoting the  
accountability and fiscal integrity of  
governmental funds.*



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

**TULSA 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 INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133  
FOR THE YEAR ENDED JUNE 30, 2011**

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# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

March 30, 2012

TO THE CITIZENS OF  
TULSA 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 Internal Control Over Compliance in Accordance With OMB Circular A-133 of Tulsa County, Oklahoma for the fiscal year ended June 30, 2011. 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 that reads "Gary A. Jones". The signature is fluid and cursive.

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

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**Schedule of Expenditures of Federal Awards**

**TULSA COUNTY, OKLAHOMA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2011**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>Pass-Through Grantor's</u> <u>Number</u>	<u>Federal</u> <u>Expenditures</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through Oklahoma Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553		\$ 26,197
National School Lunch Program	10.555		46,925
Total U.S. Department of Agriculture			<u>73,122</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
Passed Through Oklahoma State Treasurer:			
Flood Control Projects	12.106		2,100
Total U.S. Department of Defense			<u>2,100</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Direct Grant:			
Community Development Block Grants/Entitlement Grants	14.218	B-08-UC-40-0001	1,492,248
Home Investment Partnerships Program	14.239		1,766,128
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	14.257	S-09-UY-40-0003	206,053
Neighborhood Stabilization Program	14.264		152,708
Total U.S. Department of Housing and Urban Development			<u>3,617,137</u>
<b>U.S. DEPARTMENT OF INTERIOR</b>			
Direct Grant:			
Payments in Lieu of Taxes	15.226		7,166
Total U.S. Department of Interior			<u>7,166</u>
<b>U. S. DEPARTMENT OF JUSTICE</b>			
Passed Through Tulsa County Juvenile Justice:			
Juvenile Accountability Block Grants	16.523		46,833
Passed Through Oklahoma District Attorneys Council:			
Violence Against Women Formula Grants	16.588	V09-023	35,059
Violence Against Women Formula Grants	16.588	V10-022	35,156
Total CFDA 16.588			<u>70,215</u>
Project Safe Neighborhoods	16.609	PSN-09-003	6,142
Enforcing Underage Drinking Laws Program	16.727		63,831
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009 JAG	3,271
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010 JAG Recovery Act	154,188

The accompanying note is an integral part of this schedule.

**TULSA COUNTY, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2011**

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JR-39-039	165,746
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010 JAG	7,500
Passed Through City of Tulsa (Tulsa Police Department):			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JR-39-038	67,615
Total CFDA 16.738			<u>398,320</u>
Total U.S. Department of Justice			<u>585,341</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through Oklahoma Department of Emergency Management:			
Highway Planning and Construction	20.205		35,699
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		1,967
Passed Through Oklahoma Highway Safety Office:			
State and Community Highway Safety	20.600	PT-09-28-08	36,530
State and Community Highway Safety	20.600	PT-11-03-27-04/K8-11-03-09-04	66,814
Total CFDA 20.600			<u>103,344</u>
Total U.S. Department of Transportation			<u>141,010</u>
<b>U.S. DEPARTMENT OF ENERGY</b>			
Direct Grant:			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128		487,632
Total U.S. Department of Energy			<u>487,632</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Oklahoma Department of Mental Health and Substance Abuse Services:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243		24,351
Total U.S. Department of Health and Human Services			<u>24,351</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through Oklahoma Department of Emergency Management:			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-EM-3316	83,106
Emergency Management Performance Grants	97.042	ID#64336	73,085
Homeland Security Grant Program	97.067	104.012	1,780
Direct Grant:			
Buffer Zone Protection Program (BZPP)	97.078	135.003	145,110
Total U.S. Department of Homeland Security			<u>303,081</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 5,240,940</u>

The accompanying note is an integral part of this schedule.

**TULSA COUNTY, OKLAHOMA**  
**NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2011**

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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 Tulsa 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 Tulsa County and is presented on the modified accrual basis of accounting. Revenue and expenditures are reported using the modified accrual basis of accounting in the Comprehensive Annual Financial Report (CAFR).



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



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

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

TO THE OFFICERS OF  
TULSA COUNTY, OKLAHOMA

### Compliance

We have audited the compliance of Tulsa 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 each of Tulsa County's major federal programs for the year ended June 30, 2011. Tulsa 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 each of its major federal programs is the responsibility of Tulsa County's management. Our responsibility is to express an opinion on Tulsa 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 Tulsa 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 Tulsa County's compliance with those requirements.

In our opinion, Tulsa County, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

### Internal Control Over Compliance

Management of Tulsa 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 Tulsa 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 Tulsa 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 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-1, 2011-2, and 2011-3. 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.

Tulsa 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 Tulsa 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 units, each major fund, and the aggregate remaining fund information of Tulsa County as of and for the year ended June 30, 2011, and have issued our report thereon dated March 16, 2012. 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 Tulsa 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.

This report is intended solely for the information and use of management of Tulsa County, 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.



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

March 30, 2012

**Schedule of Findings and Questioned Costs**

**TULSA COUNTY, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2011**

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**SECTION 1 - Summary of Auditor's Results**

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? ..... Yes

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

For fiscal year 2011, the Comprehensive Annual Financial Report (CAFR) for Tulsa County for the year ended June 30, 2011, was issued under separate cover dated March 16, 2012.

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ..... Yes

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants/Entitlement Grants
14.239	Home Investment Partnerships Program
14.257	Homeless Prevention and Rapid Re-Housing Program (HPRP) (Recovery Act Funded)

**TULSA COUNTY, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2011**

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16.738	Edward Byrne Memorial Justice Assistance Grant Program
81.128	Energy Efficiency and Conservation Block Grant Program (Recovery Act Funded)

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

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

**SECTION 2 – Findings related to the Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133**

**Finding 2011-1 – JR-39-039 Reconciliation**

**FEDERAL AGENCY:** U.S. Department of Justice  
**CFDA NO:** 16.738  
**FEDERAL PROGRAM NAME:** Edward Byrne Memorial Justice Assistance Grant Program  
**FEDERAL AWARD NUMBER:** JR-39-039  
**FEDERAL AWARD YEAR:** 2011  
**CONTROL CATEGORY:** Reporting  
**QUESTIONED COSTS:** \$-0-

Condition: The grant coordinator maintains a spreadsheet of payroll invoices submitted by the subrecipients of the JR-39-039 Drug Taskforce Program. This spreadsheet allows the grant coordinator to prepare reports and substantiate the expenditures of the program. However, we noted multiple instances in which the spreadsheet did not tie directly to reports and expenditures of the program and had to be reconciled further before it could be determined if the reported amounts were accurate. These instances include:

- \$12,470.27 in monthly federal cash requested as reported in the month ended June 30, 2011, *A-3 Expenditure Report* could not be traced to the spreadsheet
- The quarterly *A-7 Financial Report* for the quarter ended June 30, 2011, reported \$98,761.31 in expenditures whereas the spreadsheet listed a total of \$98,805.11 for the same period (\$43.80 higher than what was reported for the quarter). The reason for the discrepancy could not be determined at the time of the audit.

Cause of Condition: A spreadsheet has not been designed and implemented that supports and reconciles directly to all the applicable data elements of the related reports and expenditures of the JR-39-039 Drug Taskforce Program.

**TULSA COUNTY, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2011**

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Effect of Condition: The Tulsa County Sheriff's Office does not have adequate documentation to support the amounts recorded in their federal reports pertaining to the JR-39-039 Drug Taskforce Program.

Recommendation: The grant coordinator should design and implement a means of reconciling subrecipient invoices to the amounts recorded on the federal reports pertaining to the JR-39-039 Drug Taskforce Program and maintain adequate documentation for those recorded amounts.

Management Response:

**Debi Benight, Grant Coordinator, Tulsa County Sheriff's Office –**

***Regarding the auditors' finding for the A-3 Expenditure Report -***

The Grant Coordinator was not given ample time to prove this reconciliation. A proper reconciliation would include not only the spreadsheet, but the MUNIS report and review of purchase orders. The auditors gave us a list of the reports, not documentation, they wanted to see at 3:30 p.m. the day before they arrived at 8:30 the next morning. The Grant Coordinator had not reviewed this one before having to leave for an appointment. When the Grant Coordinator asked the auditor about this finding, he advised that he thought he asked about all of them. The Sheriff's Office was not aware of this request. Had the auditors communicated their specific documentation needs in advance, it would have been prepared and presented at the time of the audit. The spreadsheet is a tool, not a requirement, used in the County and District Attorney's Council reconciliations. This spreadsheet is on a different timeline than MUNIS because of grant guidelines. Our reconciled accounts show that there is no discrepancy and the District Attorney's Council agrees with all of the A-3 Expenditure Reports. The Grant Coordinator has attached the DAC's closing letter stating such. (Attachment #1) At the exit interview held with the Sheriff, the auditors agreed this account reconciles and is documented. However, the auditors felt that the documentation was not presented in a timely manner.

We have determined that we will change our filing system to make this easier in the future. However, this finding is unfounded and should be removed.

***Regarding the auditors' finding for the A-7 Financial Report -***

The reason this number could not be determined is because the number the auditor gave the Grant Coordinator to reconcile to the spreadsheet was incorrect. While the Grant Coordinator was not in the office, the auditors asked someone else to try to pull reports from her computer. The report that was pulled was not the correct report. They were not aware that there are three separate DAC programs in the Grant Coordinator's computer. The next day the auditor asked the Grant Coordinator to match that number to the spreadsheet and of course it would not match. However, at the time, she did not know the figure was incorrect.

Since reading the Finding Draft, the Grant Coordinator has been able to determine that the wrong report was used to reconcile the account. We have attached the correct A-7 report, highlighted the correct amount in the "Expenditures this Quarter column" (Attachment #2) along with the MUNIS report (Attachment #4) and the spreadsheet which all reconciles correctly. (Attachments #5, #6, #7) The auditors agreed at the exit interview with the Sheriff that this is not a matter of the Grant Coordinator not being

**TULSA COUNTY, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2011**

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able to reconcile the account, but only a matter of providing the documentation in a timely matter. Had the Grant Coordinator been given a list of the documentation the auditors needed, it would have been prepared and presented at the time of the first meeting. There is no discrepancy and this finding should be removed.

***Regarding the Effect of Condition -***

This finding is inaccurate. The Sheriff's Office has adequate documentation to support the amounts recorded. We were not given a list of what the auditors wanted to see in a timely manner. We were not given any time frame on when they wanted the documentation, only that they wanted it as soon as possible. We have other responsibilities with deadlines. When we did not produce documentation that was requested immediately, the auditor wrote it as not having adequate documentation.

As I stated before, we will be changing our filing system to make this easier for review in the future.

Auditor Response:

***Regarding the auditors' finding for the A-3 Expenditure Report -***

The finding relates to the internal controls of the Sheriff's Office. This is not a compliance matter as the auditor is not questioning the validity or accuracy of the amount reported or whether or not the District Attorney's Council ultimately agreed with the amount reported. Nor is this a matter of how much time is required to provide the supporting documentation requested by the auditor. At issue is whether or not such supporting documentation is *readily available* or if it must be created after the auditor has requested the information. An adequate system of internal controls necessitates that the reconciliation process provide a direct link between the source documents and the amounts reported *prior to* this information being requested in an audit.

***Regarding the auditors' finding for the A-7 Financial Report -***

The auditor noted two discrepancies in the original *A-7 Financial Report* for the quarter ended June 30, 2011:

- 1) The spreadsheet provided by the Grant Coordinator to substantiate the amount reported in expenditures for the quarter (April 2011 through June 2011) did not tie directly to the amount shown on the report. This was because the individual invoices that make up the expenditures recorded on the spreadsheet do not necessarily arrive at the Sheriff's Office in the quarter being reported. In this instance the total expenditures for the quarter included an invoice from the City of Skiatook in the amount of \$8,333.32 for the January 2011 payroll. The timing differences between the quarterly reports and the time in which the related invoices actually arrive at the Sheriff's Office do not create the finding in and of themselves. Rather, the finding relates to the lack of supporting documentation to adequately demonstrate from where the original amount on the report was derived. That is, there was nothing on the spreadsheet to indicate that the total was a combination of the invoices received in the quarter *and* an invoice for the City of Skiatook in the month of January 2011. The auditor noticed the total of the invoices that arrived in the quarter was approximately \$8,000 less than the total on the report and was able to locate the missing amount in the month of January 2011.



**TULSA COUNTY, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2011**

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- 2) As a result of the work performed above, it was noted that the total derived from the spreadsheet was \$43.80 greater than the total amount reported. The reason for the discrepancy could not be determined at the time of the audit.

As noted in the Management Response above, the Grant Coordinator provided the auditor with the most recently revised report as the report the auditor had been using during fieldwork had been revised. The auditor confirmed with the District Attorneys Council that this was the most current revision of the report in question. This revised report did address the second discrepancy noted above as there was no longer an un-reconciled amount between the spreadsheet and the amount reported.

However, it did not address the first discrepancy noted above. The spreadsheet provided by the Grant Coordinator to substantiate the amount reported in expenditures for the quarter (April 2011 through June 2011) of the revised report still did not tie directly to the amount shown on the report. In this instance the total expenditures for the quarter excluded an invoice from the City of Skiatook in the amount of \$3,669.56 for the June 2011 payroll. Again, the timing differences between the quarterly reports and the time in which the related invoices actually arrive at the Sheriff's Office do not create the finding in and of themselves. Rather, the finding relates to the lack of supporting documentation to adequately demonstrate from where the original amount on the report was derived. That is, there was nothing on the spreadsheet to indicate that the total was a combination of the invoices received in the quarter *less* an invoice for the City of Skiatook in the month of June 2011. In both the revised report and the original report the auditor derived the balance by adding different combinations of monthly payrolls together from the spreadsheet until the spreadsheet reconciled to the amount reported. In both instances the spreadsheet did not tie directly to the amounts reported without the auditor performing further reconciliations.

***Regarding the Effect of Condition -***

As noted above, this is not a matter of how much time is required to provide the supporting documentation requested by the auditor. At issue is whether or not such supporting documentation is *readily available* or if it must be created *after* the auditor has requested the information. An adequate system of internal controls necessitates that the reconciliation process provide a direct link between the source documents and the amounts reported *prior to* this information being requested in an audit. We concur with management's decision to change the filing system to make it easier for review in the future.

Criteria: *OMB A-133, Subpart C, §\_\_\_\_.300* reads as follows:

Subpart C—Auditees

§\_\_\_\_.300 Auditees responsibilities.

The auditee shall:

- (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

**TULSA COUNTY, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2011**

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**Finding 2011-2 – JAG Reconciliation**

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

**CFDA NO:** 16.738

**FEDERAL PROGRAM NAME:** Edward Byrne Memorial Justice Assistance Grant Program

**FEDERAL AWARD NUMBER:** JR-39-038, 2009 JAG, 2010 JAG Recovery Act, JR-39-039, and 2010 JAG

**FEDERAL AWARD YEAR:** 2011

**CONTROL CATEGORY:** Reporting

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

Condition: It was noted the grant coordinator at the Tulsa County Sheriff's Office (the "TCSO") had not completed the reconciliation process with the senior accountant in the Tulsa County Clerk's Office to reconcile the expenditure records of TCSO with the amounts reported in the County's MUNIS system. The quarterly reconciliations had been completed for the fourth quarter only with partially completed reconciliations for the first three quarters of the fiscal year.

Cause of Condition: TCSO failed to reconcile their records to the County's MUNIS system in a timely manner.

Effect of Condition: TCSO does not have a complete and accurate assessment of the funds expended on their federal programs during the fiscal year.

Recommendation: TCSO should reconcile their records to the County's MUNIS system in a timely manner.

Management Response:

**Debi Benight, Grant Coordinator, Tulsa County Sheriff's Office –**

The fourth quarter reconciliation cannot be completed unless the first three are completed or it would not reconcile. The senior accountant and Grant Coordinator met whenever possible and some quarters were not completed immediately after the quarter ended but they were completed. At the exit interview with the Sheriff, the auditors agreed that the three quarters have to be reconciled in order to finish the fourth quarter. However, the auditors felt that they were not done in a timely manner.

The Tulsa County Sheriff's Office intends to hire an accountant to take over these reconciliations in the future.

Auditor Response:

The finding relates to the internal controls of the Sheriff's Office. This is not a compliance matter as the auditor is not questioning the validity or accuracy of the reconciliations or whether or not the fourth quarter reconciliation ultimately agreed with the County's MUNIS system. Nor is this a matter of the timeliness of reconciliations. At issue is whether or not reconciliations were performed at all. An adequate system of internal controls necessitates that reconciliations be performed on a regular basis so

**TULSA COUNTY, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2011**

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that if any discrepancy occurs in the beginning of the fiscal year it will be discovered before the completion of the final reconciliation at the end of the fiscal year.

At the exit interview with the Sheriff the auditors agreed that the prior three quarters would likely reconcile as the final quarter had been reconciled. Per our audit documentation and discussions with the Senior Auditor of Tulsa County the reconciliations for the prior three quarters were partially completed. The complete reconciliation of the fourth quarter, however, does not guarantee the prior three quarters reconcile when those reconciliations have not been completed. A discrepancy in one quarter could be offset in the following quarter. We concur with management's decision to hire an accountant to take over these reconciliations in the future.

Criteria: *OMB A-133, Subpart C, §\_\_\_\_.300* reads as follows:

Subpart C—Auditees

§\_\_\_\_.300 Auditees responsibilities.

The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

### **Finding 2011-3 – Reporting**

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

**CFDA NO:** 16.738

**FEDERAL PROGRAM NAME:** Edward Byrne Memorial Justice Assistance Grant Program

**FEDERAL AWARD NUMBER:** JR-39-039

**FEDERAL AWARD YEAR:** 2011

**CONTROL CATEGORY:** Reporting

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

Condition: The grant coordinator could not provide support for certain amounts reported in the fiscal year ended June 30, 2011:

- \$39,782.00 in asset forfeiture income could not be substantiated at the time of the audit in the quarter ended June 30, 2011, *A-8 Project Income Status Report*. The amount is derived from the total asset forfeitures claimed by the District Attorney multiplied by TCSO's contractual percentage.

The grant coordinator's supervisor reviews the grant coordinator's reports before they are submitted. However, the supervisor does not sign-off on the reports indicating she has performed a review.

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Cause of Condition: A process has not been designed and implemented to ensure all applicable data elements of the required reports are substantiated with readily available supporting documentation and the supervisor is not signing off on the reports she reviews.

Effect of Condition: TCSO does not have a complete and accurate assessment of the funds expended and income earned.

Recommendation: The grant coordinator should design and implement a process whereby all amounts reported can be traced to supporting documentation and the grant coordinator's supervisor should sign off on reports she has reviewed.

Management Response:

**Debi Benight, Grant Coordinator, Tulsa County Sheriff's Office –**

***Regarding the auditors' finding for the A-8 Project Income Status Report -***

Sergeant Roberts, supervisor over the Drug Task Force and Project Director, was called to the auditor meeting at the last moment with no warning and in the middle of a drug investigation. He was not notified by the auditors that they would need the report from the DA's office to document where he came up with the amount reported on the A-8. The auditors only advised that they needed to see a copy of his A-8 report. Had he been given advance notice by the auditor's office, he would have had the DA's documentation with him. The Grant Coordinator does not normally review Sgt. Roberts' reports or receive copies because she is not in his line of supervision. These reports are segregated by position, by the DAC. After reviewing the draft of findings, the Grant Coordinator reviewed Sgt. Robert's documentation and it reconciles correctly. There is no discrepancy in the calculations. Therefore, this finding is inaccurate and should be removed.

For future audits, he has assured the Grant Coordinator that he will supply the master file with copies of his documentation so that it can be readily available.

***Regarding the review of reports -***

These findings have nothing to do with the supervisor signing off on reports and the issue would not have been resolved by her signature. The finding is easily remedied by the Project Director, Sgt. Roberts, cross-referencing his filing with our office. However, the Sheriff's Office intends to create an additional position with accounting responsibilities that will assist in reviewing and reconciling the grant financial reports.

Auditor Response:

***Regarding the auditors' finding for the A-8 Project Income Status Report -***

The finding relates to the internal controls of the Sheriff's Office. This is not a compliance matter as the auditor is not questioning the validity or accuracy of the amount reported or whether or not the report reconciles or if amounts were calculated correctly. Nor is this a matter of how much time is required to provide the supporting documentation requested by the auditor. At issue is whether or not such supporting documentation is *readily available* or if it must be created or requested of individuals outside

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of the Sheriff's Office *after* the auditor has requested the information. An adequate system of internal controls necessitates that the supporting documentation for the amounts reported be maintained with the individual(s) responsible for the reporting *prior to* this information being requested in an audit.

The auditor agrees that the Drug Task Force and Project Director was called to the auditor meeting and asked for this information with no prior warning during audit fieldwork. However, the Drug Task Force and Project Director and the Grant Coordinator were then given an additional three weeks to provide the documentation. Again, this is not a matter of the timeliness in which the documentation could be provided to the auditor but a matter of whether or not the responsible parties had direct access to the supporting documentation or if they had to create the documentation or request the information from outside of the Sheriff's Office. We concur with management's decision to have the master file with copies of supporting documentation readily available in the future.

***Regarding the review of reports -***

The finding relates to the internal controls of the Sheriff's Office. An individual performing a review of the reports submitted that includes tracing the reported amounts to *readily available* supporting documentation and signing off on their review could prevent future discrepancies. We concur with management's decision to create an additional position with accounting responsibilities that will assist in reviewing and reconciling the grant financial reports.

Criteria: *OMB A-133, Subpart C, §\_\_\_\_.300* reads as follows:

Subpart C—Auditees

§\_\_\_\_.300 Auditees responsibilities.

The auditee shall:

- (a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.
- (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

**Schedule of Prior Year Findings and Questioned Costs**

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**Finding 2007-24 – Reporting**

**Federal Program:** All

**Funding Agency:** All

**Finding Summary:** The auditors detected misstatements on the Schedule of Expenditures of Federal Awards. The County's internal controls did not detect the misstatements.

**Status:** Corrected

**Finding 2008-15 – Reporting**

**CFDA:** 14.239

**Federal Program:** Home Investment Partnerships Program (HOME)

**Funding Agency:** U.S. Department of Housing and Urban Development

**Finding Summary:** Subsidiary ledgers maintained by INCOG and the Tulsa County Fiscal Office were not reconciled to each other or to the County's ARMS accounting system to ensure all federal expenditures were properly accounted for.

**Status:** Corrected

**Finding 2008-24 –Reporting**

**CFDA:** All

**Federal Program:** All

**Funding Agency:** All

**Finding Summary:** The auditors detected misstatements on the Schedule of Expenditures of Federal Awards. The County's internal controls did not detect the misstatements.

**Status:** Corrected

**Finding 2009-38 – Activities Allowed or Unallowed**

**CFDA:** 14.239

**Federal Program:** HOME Investment Partnerships Program

**Funding Agency:** U.S. Department of Housing and Urban Development

**Finding Summary:** Subsidiary ledgers maintained by INCOG and the Tulsa County Fiscal Office were not reconciled to each other or to the County's ARMS accounting system to ensure all federal expenditures were properly accounted for.

**Status:** Corrected

**Finding 2009-39 – SEFA**

**CFDA:** N/A

**Federal Program:** All federal programs

**Funding Agency:** N/A

**Finding Summary:** The auditors detected misstatements on the Schedule of Expenditures of Federal Awards. The County's internal controls did not detect the misstatements.

**Status:** Corrected

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**Finding 2010-9 – SEFA**

**CFDA:** N/A

**Federal Program:** All federal programs

**Funding Agency:** N/A

**Finding Summary:** Several exceptions resulted in revised SEFA's.

**Status:** Corrected

**Finding 2010-11 – Reporting**

**CFDA:** 14.218

**Federal Program:** Community Development Block Grant for Entitlement Communities

**Funding Agency:** U.S. Department of Housing and Urban Development

**Finding Summary:** The required Form HUD 60002 was not completed and filed for FY2010.

**Status:** Corrected

**Finding 2010-14 – Procurement and Suspension and Debarment**

**CFDA:** 14.239

**Federal Program:** HOME Investment Partnerships Program

**Funding Agency:** U.S. Department of Housing and Urban Development

**Finding Summary:** INCOG failed to verify that the contractor was not suspended or debarred for one of four purchase orders tested.

**Status:** Corrected





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