

COUNTY AUDIT

TULSA COUNTY SINGLE AUDIT

For the fiscal year ended June 30, 2015



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

**SINGLE AUDIT REPORT
TULSA COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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Oklahoma State Auditor & Inspector

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March 30, 2016

TO THE CITIZENS OF
TULSA COUNTY, OKLAHOMA

Transmitted herewith is the Single Audit Report of Tulsa County, Oklahoma for the fiscal year ended June 30, 2015. 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".

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

**TULSA COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards.....	1
Notes to the Schedule of Expenditures of Federal Awards.....	4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.....	5
Schedule of Findings and Questioned Costs.....	8
Schedule of Prior Year Findings and Questioned Costs	14

Schedule of Expenditures of Federal Awards

**TULSA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Office of Food and Nutrition Service			
Passed Through the Oklahoma Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	\$ 28,388
National School Lunch Program	10.555	N/A	<u>50,346</u>
Total U.S. Department of Agriculture			<u>78,734</u>
U.S. DEPARTMENT OF COMMERCE			
Economic Development Administration			
Investments for Public Works and Economic Development Facilities	11.300	08-79-04973	<u>950,000</u>
Total U.S. Department of Commerce			<u>950,000</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Office of Community Planning and Development			
Direct Grant:			
Community Development Block Grants/Entitlement Grants	14.218	B-09-UC-40-0001	93,335
Community Development Block Grants/Entitlement Grants	14.218	B-10-UC-40-0001	24,565
Community Development Block Grants/Entitlement Grants	14.218	B-11-UC-40-0001	119,612
Community Development Block Grants/Entitlement Grants	14.218	B-12-UC-40-0001	301,024
Community Development Block Grants/Entitlement Grants	14.218	B-13-UC-40-0001	661,542
Community Development Block Grants/Entitlement Grants	14.218	B-14-UC-40-0001	431,933
Total CFDA 14.218			<u>1,632,011</u>
Direct Grant:			
Home Investment Partnerships Program	14.239	N/A	1,812,952
Total U.S. Department of Housing and Urban Development			<u>3,444,963</u>
U.S. DEPARTMENT OF INTERIOR			
Office of the Secretary			
Direct Grant:			
Payments in Lieu of Taxes	15.226	N/A	<u>6,958</u>
Total U.S. Department of Interior			<u>6,958</u>
U.S. DEPARTMENT OF JUSTICE			
Violence Against Women Office			
Direct Grant:			
Violence Against Women Act Court Training and Improvement Grants	16.013	2013-FL-AX-0019	134,495
Bureau of Justice Assistance			
Passed Through City of Tulsa (Tulsa Polic Department):			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011 JAG	28,857
Continued on next page			

The accompanying notes are an integral part of this schedule.

TULSA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
Continued from previous page			
Passed Through the Oklahoma Attorney General:			
Justice Reinvestment Initiative	16.827	N/A	46,211
Total U.S. Department of Justice			<u>209,563</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Office of Federal Highway Administration (FHWA)			
Passed Through the Oklahoma Department of Transportation:			
Highway Planning and Construction	20.205	N/A	49,478
Department of National Highway Traffic Safety Administration (NHTSA)			
Passed Through Oklahoma Highway Safety Office:			
State and Community Highway Safety	20.600	164AL-15-03-09-08	29,739
State and Community Highway Safety	20.600	164AL-16-03-10-09	76,498
Total CFDA 20.600			<u>106,237</u>
Total U.S. Department of Transportation			<u>155,715</u>
U.S. DEPARTMENT OF ENERGY			
Passed Through the Oklahoma Department of Commerce:			
ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	N/A	392,461
Total U.S. Department of Energy			<u>392,461</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Substance Abuse and Mental Health Services Administration			
Passed Through the Oklahoma Department of Mental Health and Substance Abuse Services:			
Substance Abuse and Mental Health Services_			
Projects of Regional and National Significance	93.243	N/A	41,429
Total U.S. Department of Health and Human Services			<u>41,429</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through the Oklahoma Department of Emergency Management:			
Emergency Management Performance Grants	97.042	EMPG-13	39,500
Emergency Management Performance Grants	97.042	EMPG-13 Extra	843
Emergency Management Performance Grants	97.042	EMPG-14	39,500
Total CFDA 97.042			<u>79,843</u>
Continued on next page			

The accompanying notes are an integral part of this schedule.

TULSA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
Continued from previous page			
Passed Through the Oklahoma Department of Emergency Management: Fire Management Assistance Grant	97.046	DR-2944	15,189
Total U.S. Department of Homeland Security			<u>95,032</u>
Total Expenditures of Federal Awards			<u>\$ 5,374,855</u>

The accompanying notes are an integral part of this schedule.

**TULSA COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 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). Component units included in the CAFR prepare individual financial statements that meet the requirements of OMB Circular A-133, and have not been included in the Schedule. OMB Circular A-133 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 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).

2. Subrecipients

Of the Federal Expenditures presented in the schedule, Tulsa County provided federal awards to subrecipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount Provided to Subrecipients</u>
14.218	Community Development Block Grants/Entitlement Grants	\$1,361,657
14.239	Home Investment Partnerships Program	\$1,745,972

**Independent Auditor's Report on Compliance for Each Major Federal Program; Report on
Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133**



Oklahoma State Auditor & Inspector

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Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

TO THE OFFICERS OF
TULSA COUNTY, OKLAHOMA

Report on Compliance for Each Major Program

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 Tulsa County's major federal programs for the year ended June 30, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Tulsa County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. Our audit does not provide a legal determination of Tulsa County's compliance.

Basis for Qualified Opinion on the Community Development Block Grants and on the Home Investment Partnerships Program

As described in items 2015-01 and 2015-02, in the accompanying schedule of findings and questioned costs, Tulsa County did not comply with requirements regarding Subrecipient Monitoring that are applicable to its Community Development Block Grants/Entitlement Grants (CFDA #14.218) or with requirements regarding Subrecipient Monitoring, Eligibility, and Earmarking applicable to its Home

Investment Partnerships Program (CFDA #14.239), respectively. Compliance with such requirements is necessary, in our opinion, for Tulsa County to comply with the requirements applicable to each program.

Qualified Opinion on the Community Development Block Grants/Entitlement Grants and on the Home Investment Partnerships Program

In our opinion, except for the noncompliance described in the preceding paragraph, Tulsa County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Community Development Block Grants/Entitlement Grants (CFDA #14.218) and on its Home Investment Partnerships Program (CFDA #14.239) for the year ended June 30, 2015.

Unmodified Opinion on Each of the Other Major Programs

In our opinion, the County complied, in all material respects, with types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Tulsa 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 Tulsa County's internal control over compliance with the 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 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 2015-01 and 2015-02. *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 finding 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.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the 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, 2015, and have issued our report thereon dated February 29, 2016 which contained an unmodified opinion on those financial statements. 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 is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 taken as a whole.

This report is intended solely for the information and use of management, those charged with governance, others within the entity, 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., section 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, 2016 except as to the Schedule of Expenditures
of Federal Awards, for which the date is February 29, 2016

Schedule of Findings and Questioned Costs

**TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

For fiscal year 2015, the Comprehensive Annual Financial Report (CAFR) for Tulsa County for the year ended June 30, 2015, was issued under separate cover dated February 29, 2016.

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 See below

- Qualified:
 - 14.218 – Community Development Block Grants/Entitlement Grants
 - 14.239 – Home Investment Partnerships Program
- Unqualified:
 - 11.300 – Investments for Public Works and Economic Development Facilities
 - 81.128 – Energy Efficiency and Conservation Block Grant Program (EECBG)

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

**TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
11.300	Investments for Public Works and Economic Development Facilities
14.218	Community Development Block Grants/Entitlement Grants
14.239	Home Investment Partnerships Program
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)

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

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

**TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 2015-01 – Community Development Block Grant/Entitlement Grant Subrecipient Monitoring

FEDERAL AGENCY: U.S. Department of Housing and Urban Development

CFDA NO: 14.218

FEDERAL PROGRAM NAME: Community Development Block Grants/Entitlement Grants

FEDERAL AWARD NUMBER: B-09-UC-40-0001, B-10-UC-40-0001, B-11-UC-40-0001, B-12-UC-40-0001, B-13-UC-40-0001, B-14-UC-40-0001

FEDERAL AWARD YEAR: 2015

CONTROL CATEGORY: Subrecipient Monitoring

QUESTIONED COSTS: \$0

Condition: As of March 21, 2016, INCOG has performed monitoring visits for approximately one-third of the total expenditures of the County's Community Development Block Grant/Entitlement Grants (CDBG) program for the fiscal year ended June 30, 2015. Further, while INCOG representatives expressed they have a systematic process of determining which subrecipients will be monitored, there does not appear to be adequate documentation to support the rationale of how a sample of subrecipients for monitoring is selected or when monitoring visits will be performed.

Cause of Condition: INCOG has not designed and implemented policies and procedures to ensure a risk-based statistically representative sample is utilized to monitor subrecipients and that documentation to support the rationale is maintained.

Effect of Condition: CDBG program funds could be expended for unallowable costs and violations of federal requirements may go undetected.

Recommendation: The Oklahoma State Auditor and Inspector's Office recommends INCOG design and implement policies and procedures to ensure adequate documentation is maintained to support the rationale of subrecipient monitoring sampling. The U.S. Department of Housing and Urban Development's own risk-based selection used for monitoring may be helpful in establishing these policies.

Management Response:

INCOG, Community & Economic Development Planner: INCOG will design and implement policies and procedures to ensure adequate documentation is maintained to support the rationale of selection of subrecipient monitoring sampling. INCOG will request technical assistance from the Oklahoma City CPD Field Office Representative assigned to Tulsa County in the development of the selection criteria, and will utilize HUD Notice CPD-6-10: Implementing risk analysis for monitoring grant programs, per the CPD Representative. INCOG will design procedures to provide a consistent methodology for

**TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

conducting risk analysis for subrecipients and establish monitoring priorities. The major steps for implementing risk-based monitoring will include: developing risk-based rating systems for program grantees; rating and selecting grantees for monitoring; identifying program risks and setting monitoring objectives; and documenting the process and recording the rationale for choosing grantees. Although the subrecipient monitoring plan already in place for the Urban County CDBG Program identifies Risk factors in determining subrecipient monitoring selection, the risk categories and criteria will be expanded to include additional factors, such as financial, physical, management, satisfaction and services. A pre-monitoring selection checklist will be developed and completed for each subrecipient which lists the score of each factor and concludes with a determination per subrecipient of the rationale for selection for sampling.

Criteria:

24 CFR § 85.40 reads, in relevant part:

Monitoring by grantees. Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

24 CFR § 85.40 reads, in relevant part:

A pass-through entity is responsible for: Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Finding 2015-02 – Home Investment Partnerships Program Subrecipient Monitoring

FEDERAL AGENCY: U.S. Department of Housing and Urban Development

CFDA NO: 14.239

FEDERAL PROGRAM NAME: Home Investment Partnerships Program

FEDERAL AWARD NUMBER: M-09-DC-40-0205, M-10-DC-40-0205, M-11-DC-40-0205, M-12-DC-40-0205, M-13-DC-40-0205, M-14-DC-40-0205

FEDERAL AWARD YEAR: 2015

CONTROL CATEGORY: Eligibility, Earmarking, and Subrecipient Monitoring

QUESTIONED COSTS: \$0

Condition: As of March 21, 2016, INCOG had performed monitoring visits on less than 5% of the total expenditures of the County's Home Investment Partnerships Program for the fiscal year ended June 30, 2015. Further, there does not appear to be adequate documentation to indicate a review of subrecipients

**TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

has been performed to determine if monitoring is required and how a sample of subrecipients for monitoring is selected or when monitoring visits will be performed.

Our audit relies on evidence of INCOG's monitoring documentation to substantiate compliance with Home Investment Partnerships Program Eligibility and Earmarking requirements. Due to the condition noted above, we were unable to render an opinion on whether Eligibility and Earmarking compliance requirements were met.

Cause of Condition: INCOG has not designed and implemented policies and procedures to ensure a risk-based statistically representative sample is utilized and that documentation to support the rationale is maintained.

Effect of Condition: Home Investment Partnerships Program funds could be expended for unallowable costs and violations of federal eligibility, earmarking, and subrecipient monitoring requirements may go undetected.

Recommendation: OSAI recommends INCOG design and implement policies and procedures to ensure adequate documentation is maintained to support the rationale of subrecipient sampling. The U.S. Department of Housing and Urban Development's own risk-based selection used for monitoring may be helpful in establishing these policies.

Management Response:

INCOG, Community & Economic Development Planner: INCOG will design and implement policies and procedures to ensure adequate documentation is maintained to support the rationale of selection of subrecipient monitoring sampling. INCOG will request technical assistance from the Oklahoma City CPD Field Office Representative assigned to Tulsa County in the development of the selection criteria, and will utilize HUD Notice CPD-6-10: Implementing risk analysis for monitoring grant programs, per the CPD Representative. INCOG will design procedures to provide a consistent methodology for conducting risk analysis for subrecipients and establish monitoring priorities. The major steps for implementing risk-based monitoring will include: developing risk-based rating systems for program grantees; rating and selecting grantees for monitoring; identifying program risks and setting monitoring objectives; and documenting the process and recording the rationale for choosing grantees. Although the subrecipient monitoring plan already in place for the Tulsa County HOME Program identifies risk factors in determining subrecipient monitoring selection, the Risk categories and criteria will be expanded to include additional factors, such as financial, physical, management, satisfaction and services. A pre-monitoring selection checklist will be developed and completed for each subrecipient which lists the score of each factor and concludes with a determination per subrecipient of the rationale for selection for sampling.

**TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Criteria:

24 CFR § 85.40 reads, in relevant part:

Monitoring by grantees. Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

24 CFR § 85.40 reads, in relevant part:

A pass-through entity is responsible for: Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Schedule of Prior Year Findings and Questioned Costs

**TULSA COUNTY, OKLAHOMA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Finding 2011-2 – JR-39-039 – JAG Reconciliation

Pass-Through Grantor: Oklahoma District Attorneys Council

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, 2010 JAG

Control Category: Reporting

Questioned Costs: \$0

Finding Summary: The Tulsa County Sheriff's Office had not completed the reconciliation process with the County Clerk's office in order to support the amounts reported in the County's records.

Status: Management does not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal clearinghouse, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and a management decision has not been issued.

Finding 2012-1 – JR-10-026, JR-39-039, and 2010 JAG – Internal Controls

Pass-Through Grantor: Oklahoma District Attorneys Council

Federal Agency: U.S. Department of Justice

CFDA No: 16.738

Federal Program Name: Edward Byrne Memorial Justice Assistance Grant Program

Federal Award Number: J09-10-026, JR09-039, 2010 JAG

Control Category: Allowable Costs/Cost Principles, Procurement and Suspension and Debarment

Questioned Costs: \$137,193

Finding Summary: Multiple *Allowable Costs/Cost Principles* exceptions regarding purchase orders reviewed. Exceptions included a lack of adequate supporting documentation and internal controls that were not found to be operating effectively. This resulted \$137,193 in questioned costs.

Status: Management does not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal clearinghouse, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and a management decision has not been issued.

Finding 2013-01 – Internal Controls and Noncompliance

Pass-Through Grantor: City of Tulsa, Oklahoma District Attorneys Council

Federal Agency: U.S. Department of Justice

CFDA No: 16.738

Federal Program Name: Edward Byrne Memorial Justice Assistance Grant Program

Federal Award Number: J09-10-026, CO-SO-037, CJ-024, 2009a-002, 2012 JAG (1)

Control Category: Activities Allowed or Unallowed; Allowable Costs/Cost Principles

Questioned Costs: \$61,058.10

Finding Summary: Multiple *Allowable Costs/Cost Principles* exceptions regarding purchase orders reviewed. Exceptions included a lack of adequate supporting documentation. This resulted \$61,058.10 in questioned costs.

**TULSA COUNTY, OKLAHOMA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Finding 2014-01 – Internal Controls and Reconciliations

Federal Agency: U.S. Department of Housing and Urban Development

CFDA No: 14.218, 14.239

Federal Program Name: Community Development Block Grants and Home Investment Partnership Program

Federal Award Number: CDBG (B-09-UC-40-0001, B-10-UC-40-0001, B-11-UC-40-0001, B-12-UC-40-0001, B-13-UC-40-0001) and HOME (M-09-DC-40-0205, M-11-DC-40-0205, M-12-DC-40-0205, M-13-DC-40-0205)

Control Category: Reporting

Questioned Costs: \$0

Finding Summary: The County had not reconciled their financial reports with the financial reports of INCOG, the administrator of their HUD programs.

Status: Corrected.



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