

TULSA COUNTY SINGLE AUDIT

FOR THE YEAR ENDED
JUNE 30, 2009

COUNTY AUDIT



Oklahoma State Auditor
& Inspector

**TULSA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
FOR THE YEAR ENDED JUNE 30, 2009**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

July 19, 2010

TO THE CITIZENS OF
TULSA COUNTY, OKLAHOMA

Transmitted herewith are the Schedule of Expenditures of Federal Awards and the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 of Tulsa County, Oklahoma for the fiscal year ended June 30, 2009. 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*.

A report of this type is 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.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our audit.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink, reading "Steve Burrage", is positioned above the printed name.

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

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TULSA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through Oklahoma State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 25,074
National School Lunch Program	10.555	N/A	43,391
Total U.S. Department of Agriculture			<u>68,465</u>
<u>U.S. DEPARTMENT OF DEFENSE</u>			
Passed through Oklahoma State Treasurer:			
Flood Control Projects	12.106	N/A	<u>2,100</u>
Total U.S. Department of Defense			<u>2,100</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>			
Direct Grant:			
Payments in Lieu of Taxes (PILT)	15.226	N/A	<u>6,946</u>
Total U.S. Department of Interior			<u>6,946</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed through Oklahoma Department of Civil Emergency Management:			
Disaster Grants - Public Assistance - Sheriff	97.036	PA-1735	82,053
Disaster Grants - Public Assistance - Parks	97.036	PA-1735	11,485
Total CFDA 97.036			<u>93,538</u>
Emergency Management Performance Grants	97.042	ID#64336	<u>72,127</u>
Passed through Oklahoma Office of Homeland Security:			
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	92.001	26,000
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	35.071	15,877
Total CFDA 97.074			<u>41,877</u>
Homeland Security Grant Program	97.067	104.012	<u>35,369</u>
Total U.S. Department of Homeland Security			<u>242,911</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant:			
Home Investment Partnerships Program (HOME)	14.239		<u>1,331,708</u>
Passed through Oklahoma Department of Commerce:			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	CDBG98	5,625
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	CDBGED98	4,680
Total CFDA 14.228			<u>10,305</u>
Total U.S. Department of Housing and Urban Development			<u>1,342,013</u>

TULSA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-0794	635,184
Passed through Oklahoma District Attorneys Council:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	J07-34	61,116
Edward Byrne Memorial Justice Assistance Grant Program	16.738	J08-32	35,846
Passed through the City of Tulsa:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DJ-BX-0634	10,456
Total CFDA 16.738			<u>742,602</u>
Passed through District Attorneys Council:			
Project Safe Neighborhoods	16.609	PSNN08-03	18,119
Project Safe Neighborhoods	16.609	PSNN07-002	15,394
Passed through the City of Tulsa:			
Project Safe Neighborhoods	16.609	PSNN08-002	25,000
Total CFDA 16.609			<u>58,513</u>
Passed through the City of Tulsa:			
Edward Byrne Memorial Formula Grant Program	16.579	AGN07-002	15,181
Violence Against Women Formula Grants	16.588	V08-027	27,600
Total U.S. Department of Justice			<u>843,896</u>
<u>NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u>			
Passed through Oklahoma Highway Safety Office:			
State and Community Highway Safety	20.600	PT-08-03-29-07	41,517
State and Community Highway Safety	20.600	PT-09-28-08	79,086
Total National Highway Traffic Safety Administration			<u>120,603</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,626,934</u></u>

The accompanying note is an integral part of this schedule.

TULSA COUNTY, OKLAHOMA
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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).

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

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Report on Compliance with Requirements Applicable to Each Major Program and on 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 are applicable to each of its major federal programs for the year ended June 30, 2009. 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.

As described in items 2009-35 and 2009-36, in the accompanying schedule of findings and questioned costs, Tulsa County did not comply with requirements regarding Subrecipient Monitoring and Reporting that are applicable to its Edward Byrne Memorial Justice Assistance Grant Program (16.738). Compliance with such requirements is necessary, in our opinion, for Tulsa County to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Tulsa County, complied, in all material respects, with requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-32, 2009-33, 2009-34, 2009-35, 2009-38, and 2009-39 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 2009-34 and 2009-35 to be material weaknesses.

Tulsa County's response 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 response and, accordingly, we express no opinion on it.

Schedule of Expenditure 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, 2009, and have issued our report thereon dated April 1, 2010. 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 the management of Tulsa County, federal awarding agencies, and pass-through entities and should not be used 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.



STEVE BURRAGE, CPA
STATE AUDITOR AND INSPECTOR

June 11, 2010, except for the Report on the Schedule of Expenditures of Federal Awards, as to which the date is April 1, 2010

**TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 that are not
considered to be material weaknesses?..... Yes

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

For fiscal year 2009, 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 and related findings, was issued under separate cover dated April 1, 2010, and the Comprehensive Annual Financial Report (CAFR) for Tulsa County for the year ended June 30, 2009, was also issued under separate cover dated April 1, 2010.

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified that are not
considered to be material weakness(es)? Yes

Type of auditor's report issued on compliance for major programs: Unqualified for the Home Investment Partnerships Program (14.239), and qualified for the Edward Byrne Memorial Justice Assistance Grant Program (16.738).

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, 2009**

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.239	Home Investment Partnerships Program
16.738	Edward Byrne Memorial Justice Assistance Grant Program

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
JUNE 30, 2009

Findings related to the Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Finding 2009-32

FEDERAL AGENCY: U.S. Department of Justice

CFDA NO: 16.738

FEDERAL PROGRAM NAME: Edward Byrne Memorial Justice Assistance Grant Program

FEDERAL AWARD NUMBER: 2007-DJ-BX-0794

FEDERAL AWARD YEAR: 2007

CONTROL CATEGORY: Cash Management

QUESTIONED COSTS: \$-0-

Criteria: *OMB A-133*, §____105 states:

Internal controls pertaining to the compliance requirements for Federal programs (Internal control over Federal programs) means a process—effected by an entity's management and other personnel—designed to provide reasonable assurance regarding the achievement of the following objectives for Federal programs:

Transactions are properly recorded and accounted for to:

- (i) Permit the preparation of reliable financial statements and Federal reports;
- (ii) Maintain accountability over assets; and
- (iii) Demonstrate compliance with laws, regulations, and other compliance requirements.

Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, supporting documentation for all transactions should be retained.

Condition: During our audit of the Justice Assistance Grant Program (JAG), OSAI noted there was no supporting documentation for the receipt of the grant award. In addition, miscellaneous receipts were not retained to support interest income for the grant. OSAI found supporting documentation was limited within grant files maintained by the grant coordinator.

Effect: Without proper supporting documentation the risk of unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds increases.

Recommendation: OSAI recommends proper supporting documentation be maintained for all transactions.

Views of responsible officials and planned corrective actions:

TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

Debi Benight, Grant Coordinator and Christina Belda, Fiscal Officer, Tulsa County Sheriff's Office

There was proper documentation of the salary and benefits spent in the grant. They were on a spreadsheet on computer, but a copy was not filed in the master grant file. Debi Benight had taken them out to make the spreadsheet for the federal auditors. She did provide the state auditor with a copy.

OSAI Response: OSAI concurs that ledgers/spreadsheets for salary and benefit expenses were obtained by the auditor. However, as noted in our finding, we stated "there was no supporting documentation for the receipt of the grant award" (i.e. evidence of deposit, miscellaneous receipt, etc). In addition, support for the sub-recipient payment (i.e. copy of warrant, purchase order, etc.) was not found in grant files for verification of payment from the grant.

One of the purposes of maintaining grant files is for easy access to grant documents and supporting documentation for the verification of reporting amounts to the granting agency. It is also a requirement of OMB Circular A-133 and grant award/contract conditions.

Finding 2009-33

FEDERAL AGENCY: U.S. Department of Justice

CFDA NO: 16.738

FEDERAL PROGRAM NAME: Edward Byrne Memorial Justice Assistance Grant Program

FEDERAL AWARD NUMBER: J07-34 and J08-32

FEDERAL AWARD YEAR: 2007 and 2008

CONTROL CATEGORY: Cash Management

QUESTIONED COSTS: \$-0-

Criteria: *OMB A-133*, §____105 states:

Internal controls pertaining to the compliance requirements for Federal programs (Internal control over Federal programs) means a process—effected by an entity's management and other personnel—designed to provide reasonable assurance regarding the achievement of the following objectives for Federal programs:

Transactions are properly recorded and accounted for to:

- (i) Permit the preparation of reliable financial statements and Federal reports;
- (ii) Maintain accountability over assets; and
- (iii) Demonstrate compliance with laws, regulations, and other compliance requirements.

Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, subsidiary ledgers should be reconciled to the County's ARMS/MUNIS accounting systems.

Condition: It appears two grants (J07-34 - grant period July 1, 2007 through August 2008 and J08-32 - grant period July 1, 2008 through June 30, 2009) were placed within the same ORG. account in the ARMS accounting system causing a loss of identity for each grant's transaction activity.

TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

Effect: By placing two grants into one account there is a possibility that grant transactions (revenue and expenditures) could be mistakenly used for purposes that are not within grant guidelines. In addition, by not separately identifying grants, reconciliation between grant ledgers and the ARMS/MUNIS accounting systems can be difficult if several transactions have occurred.

Recommendation: OSAI recommends that all grants be maintained in an individual account with their own identity. This will ensure that all transactions within that account can be easily accessed and reviewed for verification of grant purposes and guidelines.

Views of responsible officials and planned corrective actions:

Debi Benight, Grant Coordinator and Christina Belda, Fiscal Officer, Tulsa County Sheriff's Office

Up until last year, it was the practice of the county to re-use accounts and org numbers. No money was co-mingled and, although the dates overlapped, funds could not be drawn from the new grant until the first grant was completely spent. We have since changed our policy to change org numbers every time.

Finding 2009-34

FEDERAL AGENCY: U.S. Department of Justice

CFDA NO: 16.738

FEDERAL PROGRAM NAME: Edward Byrne Memorial Justice Assistance Grant Program

FEDERAL AWARD NUMBER: 2007-DJ-BX-0794, J07-34, J08-32

FEDERAL AWARD YEAR: Various

CONTROL CATEGORY: Cash Management, Period of Availability, Reporting

QUESTIONED COSTS: \$-0-

Criteria: *OMB A-133, Subpart C, §____.300(b)* 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.

Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated.

Condition: During our test work, we noted that the grant coordinator prepares all of the primary accounting records for the receipts and disbursements of the federal award. It was further noted that quarterly and financial status reports are all prepared by the grant coordinator without any form of review.

TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

Effect: Lack of segregation of duties could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends management be aware of this condition and realize the concentration of duties and responsibilities in only one individual is not desirable from a control point of view. Under these conditions, the most effective controls lie in management's knowledge of office operations and periodic review of operations. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Views of responsible officials and planned corrective actions:

Debi Benight, Grant Coordinator and Christina Belda, Fiscal Officer, Tulsa County Sheriff's Office
We are in the process of hiring another employee to help with the grant duties.

Finding 2009-35

FEDERAL AGENCY: U.S. Department of Justice

CFDA NO: 16.738

FEDERAL PROGRAM NAME: Edward Byrne Memorial Justice Assistance Grant Program

FEDERAL AWARD NUMBER: 2007-DJ-BX-0794

FEDERAL AWARD YEAR: 2007

CONTROL CATEGORY: Reporting

QUESTIONED COSTS: \$-0-

Criteria: 28 CFR Section 66.41 – Financial Reporting states in part:

- (a) General. (1) Except as provided in paragraphs (a) (2) and (5) of this section, grantees will use only the forms specified in paragraphs (a) through (e) of this section, and such supplementary or other forms as may from time to time be authorized by OMB, for:
 - (i) Submitting financial reports to Federal agencies, or
 - (ii) Requesting advances or reimbursements when letters of credit are not used.

(b) Financial Status Report--(1) Form. Grantees will use Standard Form 269 or 269A, Financial Status Report, to report the status of funds for all nonconstruction grants and for construction grants when required in accordance with Sec. 66.41(e)(2)(iii).

- (2) Accounting basis. Each grantee will report program outlays and program income on a cash or accrual basis as prescribed by the awarding agency. If the Federal agency requires accrual information and the grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to

TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

convert its accounting system but shall develop such accrual information through and analysis of the documentation on hand.

(3) Frequency. The Federal agency may prescribe the frequency of the report for each project or program. However, the report will not be required more frequently than quarterly. If the Federal agency does not specify the frequency of the report, it will be submitted annually. A final report will be required upon expiration or termination of grant support.

(4) Due date. When reports are required on a quarterly or semiannual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support.

Accountability and stewardship are overall goals of management in the accounting of funds. To help insure a proper accounting of funds, subsidiary ledgers should be reconciled to the County's ARMS/MUNIS accounting systems.

Condition: The County did not report on the SF-269 Financial Status Report all disbursements, including disbursements made to subrecipients. The amount reported on the SF-269 did not reconcile to subsidiary ledgers.

Effect: The SF 269 Financial Status Reports did not reflect the total program disbursements.

Recommendation: OSAI recommends management reconcile subsidiary ledgers to the County's accounting system in order to accurately reflect all disbursements on the quarterly reports. Also, management should perform periodic reviews of quarterly reports prior to submission to the federal agency to ensure accuracy.

Views of responsible officials and planned corrective actions:

Debi Benight, Grant Coordinator and Christina Belda, Fiscal Officer, Tulsa County Sheriff's Office
After our 2007 federal audit, we were instructed by the federal auditors that the money was not spent until the City of Tulsa actually spends it. The SA&I defined that the money was spent when we wrote the check to the City of Tulsa. Since it is a federal grant and federal quarterly report forms, we have no choice but to continue to submit the forms as instructed by the federal auditors.

OSAI Response: OSAI contacted a Department of Justice federal auditor that stated the disbursements should have been reported on the quarterly reports at the time the payment was made to the subrecipient.

TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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Finding 2009-36

FEDERAL AGENCY: U.S. Department of Justice

CFDA NO: 16.738

FEDERAL PROGRAM NAME: Edward Byrne Memorial Justice Assistance Grant Program

FEDERAL AWARD NUMBER: 2007-DJ-BX-0794, J07-34 and J08-32

FEDERAL AWARD YEAR: 2007, 2008

CONTROL CATEGORY: Subrecipient Monitoring (Repeat Finding)

QUESTIONED COSTS: \$-0-

Criteria: Compliance requirements in OMB Circular A-133 state that a pass-through entity is responsible for:

- *Award Identification* – At the time of the award, identifying to the subrecipient the Federal award information (e.g., CFDA title and number, award name, name of Federal agency) and applicable compliance requirements.
- *During-the-Award Monitoring* – 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.
- *Subrecipient Audits* – (1) Ensuring that subrecipients expending \$300,000 (\$500,000 for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133, as revised) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period, (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report, and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions. (The revised circular at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>).
- *Pass-Through Entity Impact* – Evaluating the impact of subrecipient activities on the pass-through entity's ability to comply with applicable Federal regulations.

Condition: Per the State Policy Advisor from the Bureau of Justice for the Justice Assistance Grant Program, the City of Tulsa was considered a subrecipient of the Justice Assistance Grant Program (2007-DJ-BX-0794). Tulsa County did not obtain supporting documentation for the City of Tulsa's expenditures and did not ensure that the City of Tulsa met audit requirements of OMB Circular A-133.

Also, for the J07-34 and J08-32 grants, while reviewing the Memorandum of Understanding (MOU) between Tulsa County and their subrecipient, OSAI did not find where Tulsa County made the subrecipient aware of grant information. (i.e., CFDA#, award name, name of Federal agency, grant requirements, etc.) In addition, Tulsa County did not ensure that subrecipients met audit requirements and that audit findings were to be reviewed and monitored.

TULSA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

Effect: By not monitoring the subrecipient's use of federal funds, Tulsa County is not in compliance with the OMB Circular A-133 requirements for pass-through funds.

Recommendation: OSAI recommends Tulsa County ensure all subrecipients are made aware of their requirements as recipients of federal funds and the County begin monitoring their use of federal funds 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.

Views of responsible officials and planned corrective actions:

Debi Benight, Grant Coordinator and Christina Belda, Fiscal Officer, Tulsa County Sheriff's Office

This is the third time we have been cited for not monitoring the Tulsa Police Department. However, this is the first time we were made aware that we were supposed to be monitoring the City of Tulsa's audits. After September of this year, it should no longer be a problem. They will no longer be a sub-recipient to our agency.

In reference to the finding of not including the grant CFDA#, award name, name of federal agency, or grant requirements in our MOU with Bixby: The Grant Coordinator will do that in future Memorandums of Understandings per the SA&I's request.

OSAI Response: When acting as a pass through agent of federal funds, subrecipient monitoring is a compliance requirement, which should be noted in the grant agreement of which the County has agreed to comply with upon acceptance of the grant award.

Finding 2009-38

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

CFDA NO: 14.239

FEDERAL PROGRAM NAME: Home Investment Partnerships Program (HOME)

FEDERAL AWARD NUMBER: M-07-DC-40-0205

FEDERAL AWARD YEAR: Various Years

CONTROL CATEGORY: Activities Allowed or Unallowed (Repeat Finding)

QUESTIONED COSTS: \$-0-

Criteria: *OMB A-133, Subpart C, §____.300(b)* reads as follows:

Subpart C—Auditees

§____.300 Auditee 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

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provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

A goal of effective internal controls as related to governmental entities is to demonstrate accountability and stewardship. To help ensure a proper accounting of funds, subsidiary ledgers should be reconciled to the County's ARMS accounting system.

Condition: 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.

Effect: Subsidiary ledgers do not accurately reflect the HOME expenditures.

Recommendation: OSAI recommends the ledger maintained by the fiscal office be reconciled to INCOG's records and the County's ARMS accounting system.

Views of responsible officials and planned corrective actions:

Jim Smith, Tulsa County Fiscal Officer

The Fiscal Office has had a strong point of emphasis this past year on reconciling the Fiscal Office's records with INCOG's records. I do not know how much, if any that the finding to reconcile the Fiscal Office records with INCOG from the June 30, 2008 Single Audit was not provided until the end of the June 30, 2009 year end close had any effect on the year ending June 30, 2009. All I know is that Patty Thornburg has spent much time since the Fiscal Office was notified of the original finding in an effort to reconcile between the two entities. As a result of this finding, grants accounting for the Fiscal Office is being reassigned from Patty Thornburg to William Beatty. Also, I have notified INCOG to reemphasize the importance of the reconciliation and the importance of providing accurate information to the Fiscal Office, including any changes to documents that were sent from INCOG to the Fiscal Office and then changed at a later date by INCOG (e.g. change in grant year).

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Finding 2009-39

FEDERAL AGENCY: All

CFDA NO: All

FEDERAL PROGRAM NAME: All

FEDERAL AWARD NUMBER: All

FEDERAL AWARD YEAR: All

CONTROL CATEGORY: All (**Repeat Finding**)

QUESTIONED COSTS: \$-0-

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

Subpart C—Auditees

§____.300 Auditee 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.

(d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §____.310.

Condition: During our review and reconciliation of the Schedule of Expenditures of Federal Awards (SEFA) as initially prepared by Tulsa County, we noted the following exceptions:

- Three grants totaling \$50,636.55 were omitted from the SEFA. (CDFA #16.609 - \$25,000.04; CFDA #16.579 - \$15,180.51; CFDA #16.738 - \$10,456.00)
- CFDA #97.036 – Disaster Grants-Public Assistance-Sheriff, initially stated \$86,475.87 on the SEFA. However only \$82,053.15 could be supported by documentation, thereby overstating the SEFA by \$4,422.72.
- CFDA #16.738 – Pass-through numbers J07-34 and J08-32 were combined in total and not separated to identify activity.
- An error in support documentation for CFDA #14.239 - HOMES grant, understated the SEFA amount by \$85,789.07.
- Tulsa County did not identify the pass-through entity's identifying number assigned by the pass-through entity for Federal awards received as a subrecipient for many of the grants listed on the SEFA.

Effect: Internal Controls were not effective in the detection of misstatements reported on the Schedule of Federal Awards.

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Recommendation: OSAI recommends Tulsa County consider coordinating all federal grants that are either direct grants or pass-through grants under Tulsa County's jurisdiction. Tulsa County should also have a policy for handling all federal grants within the County. These policies could incorporate by reference applicable federal regulations to be followed, as well as the appropriate policy for the application, receipt, and expenditure of federal funds. OSAI also recommends that amounts reported on the Schedule of Expenditures of Federal Awards be reconciled to accounting records.

Views of responsible officials and planned corrective actions:

Earlene Wilson, Tulsa County Clerk

The Tulsa County Clerk's Office continues to be the collector and organizer of federal grant information provided from other departments and agencies. Additional procedures have been adopted to include tracking Board of County Commissioner's minutes that indicate the application or receipt of federal grants, accumulating federal grant award documents, and helping prepare reconciliations between internally generated ledgers and the financial accounting system. Quarterly reports to state agencies will also be reconciled to the financial accounting system. It is likely that the new accounting system will strengthen the monitoring of federal grants.

Debi Benight, Grant Coordinator and Christina Belda, Fiscal Officer, Tulsa County Sheriff's Office

The three grants omitted from the SEFA:

This was just a miscommunication between TCSO and the County Clerk's CPA, Susan Bieber. They were all Project Safe Neighborhood awards, so it was all the same funding. The Grant Coordinator neglected to explain that to Ms. Bieber.

Tulsa County did not identify the pass-through entity's identifying number:

We were unaware of this requirement, but will provide this information from this time forward.

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Finding 2007-21 – Subrecipient Monitoring

CFDA: 16.738

Federal Program: Edward Byrne Memorial Justice Assistance Grant Program

Funding Agency: U.S. Department of Justice

Finding Summary: Tulsa County has not monitored their subrecipient's use of Federal awards. Per the State Policy Advisor from the Bureau of Justice for the Justice Assistance Grant, the City of Tulsa is considered a subrecipient of the Justice Assistance Grant and should be monitored by Tulsa County.

Status: Not corrected.

Finding 2007-23 – Reporting, Allowable Costs/Cost Principles, Activities Allowed or Unallowed, Cash Management

CFDA: 16.738

Federal Program: Edward Byrne Memorial Justice Assistance Grant Program

Funding Agency: U.S. Department of Justice

Finding Summary: The grant coordinator prepares all the primary accounting and disbursements of the Federal award. Its budget and actual numbers as well as quarterly and annual reports are all prepared by the grant coordinator without any form of review.

Status: Not corrected.

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: Not 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: Not corrected.

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Finding 2008-18 – Period of Availability

CFDA: 97.036

Federal Program: Disaster Grants – Public Assistance

Funding Agency: U.S. Department of Homeland Security

Finding Summary: It appears that work was performed subsequent to the period of availability for highway projects #544, #574, and #575. Each of these projects extended beyond the period of availability by fourteen (14) days.

Status: Corrected.

Finding 2008-19 – Cash Management, Program Income

CFDA: 14.239

Federal Program: Home Investment Partnerships Program (HOME)

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

Finding Summary: Per review of the HOME Returned Funds Ledger, it appears that income was held throughout the year and was not disbursed prior to the request of additional cash payments.

Status: Corrected.

Finding 2008-20 – Reporting

CFDA: 16.738

Federal Program: Edward Byrne Memorial Justice Assistance Grant Program

Funding Agency: U.S. Department of Justice

Finding Summary: The grant coordinator prepares all the primary accounting and disbursements of the federal award. It was further noted that budget and actual numbers as well as quarterly and annual reports are all prepared by the grant coordinator without any form of review.

Status: Not corrected.

Finding 2008-21 – Reporting

CFDA: 16.738

Federal Program: Edward Byrne Memorial Justice Assistance Grant Program

Funding Agency: U.S. Department of Justice

Finding Summary: We examined the reports submitted to the District Attorneys Council and compared those reports to the reports submitted by the Sheriff's office. There were significant differences between the submitted reports and the reconstructed reports. Many of the reports were filed past the required due date for the reports.

The amounts from documents prepared in the Sheriff's office for the Edward Byrne Memorial Justice Assistance Grant Program J07-34 differed from the budget categories, in some instances, by month, by quarter and in total. There was no evidence of reconciliations between the Sheriff's documents to explain those differences.

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Supporting documentation for interest for the Justice Assistance Grant 2005-DJ-BX-0697 was not retained by the Sheriff's office.

Status: Partially corrected.

Finding 2008-22 – Matching

CFDA: 16.738

Federal Program: Edward Byrne Memorial Justice Assistance Grant Program

Funding Agency: U.S. Department of Justice

Finding Summary: There does not appear to be an effective tracking system to determine the amount of monies advanced versus the amount of monies paid back to the originating fund for the advance. In addition, it is a violation of the criteria for acceptable contributions for matching if federal funds are used to pay for another award.

It appears evidence of advance monies being paid back to the originating fund is not clear. We also noted the grant fund in use for the Drug Task Force Grant was used for another grant prior to the receipt of the Drug Task Force Grant.

Status: Corrected.

Finding 2008-23 – Subrecipient Monitoring

CFDA: 16.738

Federal Program: Edward Byrne Memorial Justice Assistance Grant Program

Funding Agency: U.S. Department of Justice

Finding Summary: Tulsa County was not monitoring their subrecipient's use of Federal awards. Tulsa County was not aware that the City of Tulsa was a subrecipient.

Status: Not 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: Not corrected.



**OFFICE OF THE STATE AUDITOR AND INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896**

WWW.SAI.OK.GOV