



# WASHITA COUNTY

## Financial Audit

For the fiscal year ended June 30, 2021

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

**WASHITA COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

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



**OKLAHOMA**  
Office of the State Auditor & Inspector

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

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | [www.sai.ok.gov](http://www.sai.ok.gov)

---

April 18, 2022

TO THE CITIZENS OF  
WASHITA COUNTY, OKLAHOMA

Transmitted herewith is the audit of Washita County, Oklahoma for the fiscal year ended June 30, 2021. The audit was conducted in accordance with 19 O.S. § 171.

A report of this type can be critical in nature. Failure to report commendable features in the accounting and operating procedures of the entity should not be interpreted to mean that they do not exist.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

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

This report is 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.

Sincerely,

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

**WASHITA COUNTY OFFICIALS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

**Board of County Commissioners**

District 1 – Bart Gossen  
District 2 – Leo Goeringer  
District 3 – Steve Tompkins

**County Assessor**

Krystle Uecke

**County Clerk**

Kristen Dowell

**County Sheriff**

Roger Reeve

**County Treasurer**

Sherry Nightengale

**Court Clerk**

Lynda Vermillion

**District Attorney**

Angela Marsee

**WASHITA COUNTY, OKLAHOMA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

**TABLE OF CONTENTS**

FINANCIAL SECTION

Report of State Auditor and Inspector .....	1
Financial Statement:	
Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis .....	4
Notes to the Financial Statement.....	5

SUPPLEMENTARY INFORMATION

Comparative Schedule of Expenditures—Budget and Actual—Budgetary Basis—General Fund.....	12
Note to Supplementary Information .....	13
Schedule of Expenditures of Federal Awards .....	14
Notes to the Schedule of Expenditures of Federal Awards .....	15

INTERNAL CONTROL AND COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	16
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	18

**WASHITA COUNTY, OKLAHOMA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

INTERNAL CONTROL AND COMPLIANCE SECTION - CONTINUED

Schedule of Findings and Questioned Costs.....	20
Appendix A: Corrective Action Plan (Prepared by County Management).....	26
Appendix B: Summary Schedule of Prior Audit Findings (Prepared by County Management) .....	28

## **FINANCIAL SECTION**



## **Independent Auditor's Report**

TO THE OFFICERS OF  
WASHITA COUNTY, OKLAHOMA

### ***Report on the Financial Statement***

We have audited the total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Washita County, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the County's basic financial statement as listed in the table of contents.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting described in Note 1, and for determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1, the financial statement is prepared by Washita County using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Washita County as of June 30, 2021, or changes in financial position for the year then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the total receipts, disbursements, and changes in cash balances for all county funds of Washita County, as of and for the year ended June 30, 2021, in accordance with the basis of accounting described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the total of all county funds on the financial statement. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the remaining supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and is not a required part of the financial statement.

The schedule of expenditures of federal awards and the remaining supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, 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 and the remaining supplementary information is fairly stated, in all material respects, in relation to the financial statement.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2022, on our consideration of Washita County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washita County's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Cindy Byrd". The signature is written in a cursive, flowing style.

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

April 11, 2022

## **REGULATORY BASIS FINANCIAL STATEMENT**

**WASHITA COUNTY, OKLAHOMA**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BALANCES—REGULATORY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Beginning Cash Balances July 1, 2020	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2021
County Funds:						
County General	\$ 1,270,114	\$ 2,470,505	\$ 15,000	\$ 15,000	\$ 2,738,261	\$ 1,002,358
County Highway Unrestricted	3,984,316	4,625,577	-	-	4,263,992	4,345,901
County Bridge and Road Improvement	1,608,066	285,656	-	-	314,856	1,578,866
Sheriff Service Fee	375,459	245,818	-	-	227,170	394,107
Rural Fire Sales Tax	814,897	128,321	-	-	119,413	823,805
Senior Citizens Center Sales Tax	141,828	42,774	-	-	39,767	144,835
Sheriff Drug Buy	77,636	-	-	-	-	77,636
Sheriff Commissary	127,119	68,783	-	-	108,129	87,773
County Clerk Lien Fee	52,177	9,662	17,000	17,000	16,964	44,875
County Clerk Records Management and Preservation	37,638	35,437	-	-	17,034	56,041
Assessor Revolving Fee	14,276	1,935	-	-	1,413	14,798
Treasurer Mortgage Certification Fee	13,307	2,550	-	-	916	14,941
Resale Property	241,985	73,726	129,328	59,752	37,358	347,929
Court Clerk Payroll	3,836	46,057	-	-	46,055	3,838
911 Phone Fees	66,717	69,792	-	-	69,688	66,821
Local Emergency Planning Committee	1,932	2,000	-	-	26	3,906
Ambulance Service District Sales Tax	237,289	76,042	-	-	92,503	220,828
Extension Sales Tax	366,851	114,063	-	-	98,702	382,212
Fair Sales Tax	17,164	23,230	-	-	8,518	31,876
General Government Sales Tax	151,562	-	-	-	70,471	81,091
Jail Sales Tax	145,146	382,371	-	-	361,280	166,237
Jail Debt Payments	78,153	718,650	-	-	734,777	62,026
American Rescue Plan Act of 2021	-	1,060,152	-	-	-	1,060,152
CENA Grant Fund	-	1,700	2,000	2,000	1,700	-
REAP Grant	-	59,713	59,752	-	59,713	59,752
EMPG Grant	9,679	25,000	-	-	11,177	23,502
<b>Total - All County Funds</b>	<b>\$ 9,837,147</b>	<b>\$ 10,569,514</b>	<b>\$ 223,080</b>	<b>\$ 93,752</b>	<b>\$ 9,439,883</b>	<b>\$ 11,096,106</b>

The notes to the financial statement are an integral part of this statement.

**WASHITA COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

Washita County is a subdivision of the State of Oklahoma created by the Oklahoma Constitution and regulated by Oklahoma Statutes.

The accompanying financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds under the control of the primary government. The general fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund, where its use is restricted for a specified purpose. Other funds established by statute and under the control of the primary government are also presented.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, libraries, school districts, and cities and towns. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement; those funds play no part in the County's operations. Any trust or agency funds maintained by the County are not included in this presentation.

**B. Fund Accounting**

The County uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Following are descriptions of the county funds included within the financial statement:

County General – accounts for the general operations of the government.

County Highway Unrestricted – accounts for state, local, and miscellaneous receipts to be disbursed for the purpose of constructing and maintaining county roads and bridges.

County Bridge and Road Improvement – accounts for collections from the State of Oklahoma to be disbursed for the purpose of maintaining bridges and roads.

Sheriff Service Fee – accounts for the collection of sheriff process service fees to be disbursed as restricted by state statute, the collection of funds from the State Department of Corrections and local police departments to be disbursed as restricted by state statute, fees collected through the courts to be disbursed for administrative expenses and supervision of offenders, and for fees collected through the courts to be disbursed for courthouse security.

Rural Fire Sales Tax – accounts for the collection of sales tax money to be disbursed for maintenance and operations of Rural Fire Departments.

**WASHITA COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

Senior Citizens Center Sales Tax – accounts for the collection of sales tax money to be disbursed for the maintenance and operations of the Senior Citizens Centers.

Sheriff Drug Buy – accounts for profits made from seized monies and the sale of seized properties to be disbursed for the use of drug investigations and drug education.

Sheriff Commissary – accounts for profits made from the sale of commissary items to inmates to be disbursed for operations of the jail.

County Clerk Lien Fee – accounts for lien collections to be disbursed as restricted by state statute.

County Clerk Records Management and Preservation – accounts for fees collected for instruments filed in the County Clerk's office to be disbursed as restricted by state statute for the preservation of records.

Assessor Revolving Fee – accounts for the collection of fees for copies to be disbursed as restricted by state statute.

Treasurer Mortgage Certification Fee – accounts for the collection of fees by the Treasurer for mortgage tax certificates to be disbursed as restricted by state statute.

Resale Property – accounts for the collection of interest and penalties on delinquent ad valorem taxes to be disbursed as restricted by state statute.

Court Clerk Payroll – accounts for monies received from Court Clerk's Court Fund to be disbursed for the payroll to Court Clerk employees.

911 Phone Fees – accounts for fees collected on land line and cellular telephone bills to be disbursed to establish and provide continuous 911 services for the County.

Local Emergency Planning Committee – accounts for state grant money received to be disbursed according to the grant agreement.

Ambulance Service District Sales Tax – accounts for the collection of sales tax money to be disbursed for maintenance and operations of the Ambulance Service District.

Extension Sales Tax – accounts for the collection of sales tax money to be disbursed for maintenance and operations of the OSU Extension Service and 4-H.

Fair Sales Tax – accounts for the collection of sales tax money to be disbursed for maintenance and operations of the Washita County Free Fair.

**WASHITA COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

General Government Sales Tax – accounts for the collection of sales tax money to be disbursed for maintenance and operations of the Washita County Courthouse, County Jail, and County Fair Facilities.

Jail Sales Tax – accounts for the collection of sales tax money to be disbursed for the indebtedness in the construction and equipping of the jail facility.

Jail Debt Payments – accounts for the collection of sales tax money to be disbursed for the use of the Justice Center (Jail) monthly payments.

American Rescue Plan Act of 2021 – accounts for the collection of federal grant money to be disbursed according to grant requirements.

CENA Grant Fund – accounts for the collection of grant money to be disbursed for the operation of the Cloud Chief Community Center and Cowden Community Center.

REAP Grant – accounts for grant money received to be disbursed for economic development according to grant requirements.

EMPG Grant – accounts for federal grant money received to be disbursed according to grant requirements.

**C. Basis of Accounting**

The financial statement is prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. This regulatory basis financial presentation is not a comprehensive measure of economic condition or changes therein.

Title 19 O.S. § 171 allows Oklahoma counties to prepare financial statements either in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) or on a regulatory basis. The County has elected to present their financial statement on a regulatory basis in conformity with Title 19 O.S. § 171, which specifies the format and presentation of such regulatory basis financial statements: county governments (primary only) are required to present their financial statements on a fund basis format with, at a minimum, the general fund and all other county funds, which represent ten percent or greater of total county revenue with all other funds included in the audit presented in the aggregate in a combining statement. However, the County has elected to present all funds included in the audit in the Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis.

**WASHITA COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

**D. Budget**

Under current Oklahoma Statutes, a general fund and a county health department fund are the only funds required to adopt a formal budget. On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget is approved for the respective fund by office, or department and object. The County Board of Commissioners may approve changes of appropriations within the fund by office or department and object. To increase or decrease the budget by fund requires approval by the County Excise Board.

**E. Cash and Investments**

For the purposes of financial reporting, "Ending Cash Balances, June 30" includes cash and cash equivalents and investments as allowed by statutes. The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County's books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County's deposits. The amount of collateral securities to be pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

The County Treasurer has been authorized by the County's governing board to make investments. Allowable investments are outlined in statutes 62 O.S. § 348.1 and § 348.3.

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured. All investments as classified by state statute are nonnegotiable certificates of deposit. Nonnegotiable certificates of deposit are not subject to interest rate risk or credit risk.

**2. Ad Valorem Tax**

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board. Title 68 O.S. § 2820.A. states, ". . . Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable property within the county at least once each four (4) years."



**WASHITA COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

Taxes are due on November 1 following the levy date, although they may be paid in two equal installments. If the first half is paid prior to January 1, the second half is not delinquent until April 1. The County Treasurer, according to the law, shall give notice of delinquent taxes and special assessments by publication once a week for two consecutive weeks at any time after April 1, but prior to the end of September following the year the taxes were first due and payable. Unpaid real property taxes become a lien upon said property after the treasurer has perfected the lien by public notice.

Unpaid delinquent personal property taxes are usually published in May. If the taxes are not paid within 30 days from publication, they shall be placed on the personal tax lien docket.

**3. Other Information**

**A. Pension Plan**

Plan Description. The County contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates.

**B. Other Post Employment Benefits (OPEB)**

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

**C. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the County expects such amounts, if any, to be immaterial.

**WASHITA COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

As of the end of the fiscal year, there were no claims or judgments that would have a material adverse effect on the financial condition of the County; however, the outcome of any lawsuit would not be determinable.

**D. Sales Tax**

**Sales Tax of June 9, 2009**

The voters of Washita County approved a three-quarters percent (3/4%) sales tax effective June 9, 2009. This sales tax was established to provide revenue for the retirement of indebtedness incurred for the construction and equipping of a new Washita County Detention Facility and the operation and maintenance of the Washita County Detention Facility and existing jail renovations.

Half of the sales tax, three-eighths (3/8) of one percent (1%) sales tax shall have a limited duration of twenty (20) years from the date of commencement or until the principal and interest upon indebtedness incurred is paid in full, whichever occurs earlier. The remaining half of sales tax, three-eighths (3/8) of one percent (1%), will terminate after twenty (20) years unless continued by a majority of the voters of Washita County. These funds are accounted for in the Jail Debt Payments fund.

**Sales Tax of January 8, 2019**

On January 8, 2019, the voters of Washita County approved a one and one-quarter percent (1.25%) sales tax effective October 1, 2019. This sales tax was established to provide revenues as follows: 40.0% for the Washita County Justice Center; 20.0% for the County General Fund; 13.5% for Rural Fire Departments; 12.0% for the OSU Extension Center/4-H Program; 8.0% for the Ambulance Service District; 4.5% for the Senior Citizen Centers; and 2.0% for the County Free Fair/Jr. Livestock Show. This sales tax shall have a duration of sixty (60) months, expiring September 30, 2024. This sales tax is accounted for within the Jail Sales Tax fund, County General fund, Rural Fire Sales Tax fund, Extension Sales Tax fund, Ambulance Service District Sales Tax fund, Senior Citizens Center Sales Tax fund, and Fair Sales Tax fund.

**E. Interfund Transfers**

During the fiscal year, the County made the following transfers between cash funds:

- \$2,000 was transferred to the CENA Grant Fund from the County Clerk Lien Fee fund as an interfund temporary loan transfer for operating expenses as allowed by 68 O.S. § 3021.
- \$2,000 was transferred to the County Clerk Lien Fee from the CENA Grant Fund to reimburse the original interfund loan transfer in accordance with 68 O.S. § 3021.
- \$129,328 was transferred to the Resale Property fund from Excess Resale fund (a trust and agency fund) in accordance with 68 O.S. § 3131C.

**WASHITA COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

- \$59,752 was transferred to the REAP Grant fund from the Resale Property fund as an interfund temporary loan transfer for project expenses as allowed by 68 O.S. § 3021. Upon the reimbursement of REAP funding from the Southwest Development Authority in July 2021, the reimbursement of \$59,752, the original interfund loan transfer, was transferred from the REAP Grant fund to the Resale Property fund.
- \$15,000 was transferred to the County General fund from the County Clerk Lien Fee fund as an interfund temporary loan transfer for operating expenses as allowed by 68 O.S. § 3021.
- \$15,000 was transferred to the County Clerk Lien Fee from the County General fund to reimburse the original interfund loan transfer in accordance with 68 O.S. § 3021.

## **SUPPLEMENTARY INFORMATION**

**WASHITA COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—**  
**BUDGETARY BASIS—GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund		
	Budget	Actual	Variance
District Attorney County	\$ 4,700	\$ 3,903	\$ 797
County Sheriff	834,761	832,978	1,783
County Treasurer	188,920	182,995	5,925
County Clerk	250,420	248,383	2,037
Court Clerk	194,443	192,085	2,358
County Assessor	129,436	126,924	2,512
General Government	385,310	378,548	6,762
Excise-Equalization Board	4,150	3,004	1,146
County Election Board	94,681	86,138	8,543
Emergency Management	58,885	58,360	525
County Audit Budget Account	31,224	-	31,224
Visual Inspection	117,527	106,360	11,167
Sales Tax	491,532	467,536	23,996
Total Expenditures, Budgetary Basis	<u>\$ 2,785,989</u>	<u>\$ 2,687,214</u>	<u>\$ 98,775</u>

**WASHITA COUNTY, OKLAHOMA  
NOTE TO SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

**1. Budgetary Schedules**

The Comparative Schedule of Expenditures—Budget and Actual—Budgetary Basis for the General Fund present comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Statement of Receipts, Disbursements, and Changes in Cash Balances because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in these funds. At the end of the year unencumbered appropriations lapse.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**WASHITA COUNTY, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. DEPARTMENT OF INTERIOR</b>			
Direct Grant:			
Payments In Lieu of Taxes	15.226	N/A	\$ 115
Total U.S. Department of Interior			<u>115</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Passed Through the Oklahoma District Attorneys Council:			
National Criminal History Improvement (NCHIP)	16.554	20PO14	<u>17,433</u>
Total U.S. Department of Justice			<u>17,433</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through the Oklahoma Department of Transportation:			
Highway Planning and Construction	20.205	ERSTP-275C00550000ER	<u>61,788</u>
Total U.S. Department of Transportation			<u>61,788</u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
Passed Through the Oklahoma State Finance:			
Coronavirus Relief Fund	21.019	SA-0298	<u>254,981</u>
Total U.S. Department of Treasury			<u>254,981</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through the Oklahoma Department of Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4438-DR-OK	941,483
Hazardous Mitigation Grant	97.039	HMG-20-21	5,625
Emergency Management Performance Grants	97.042	EMPG-20-21	<u>7,312</u>
Total U.S. Department of Homeland Security			<u>954,420</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 1,288,737</u></u>



**WASHITA COUNTY, OKLAHOMA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Washita County, and is presented on the *cash basis of accounting*. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

Indirect Cost Rate

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

Eligible Expenditures Incurred in the Prior Fiscal Year

On June 1, 2019 the President of the United States approved a Major Disaster Declaration DR – 4438 for Washita County in response to Oklahoma Severe Storms, Straight-line Winds, Tornadoes, and Flooding occurring May 7, 2019 through June 9, 2019. The County incurred \$1,028,318 in eligible expenditures in the prior fiscal year ending June 30, 2019. The Federal Emergency Management Agency approved two (2) project worksheets for this disaster in the fiscal year ending June 30, 2020 of which eligible expenditures totaled \$18,038 during fiscal year June 30, 2020, and the remaining sixteen (16) project worksheets were approved in the fiscal year ending June 30, 2021. Therefore, expenditures on the schedule of expenditures of federal awards for Assistance Listing #97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) includes \$502,905 in eligible expenditures incurred in the fiscal year ending June 30, 2020 and all eligible expenditures totaling \$438,578 that were incurred in the fiscal year ending June 30, 2021.

## **INTERNAL CONTROL AND COMPLIANCE SECTION**



**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance With *Government Auditing Standards***

TO THE OFFICERS OF  
WASHITA COUNTY, OKLAHOMA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the total—all county funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances of Washita County, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise Washita County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated April 11, 2022.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County for the year ended June 30, 2021, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered Washita County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Washita County's internal control. Accordingly, we do not express an opinion on the effectiveness of Washita County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement

of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Washita County's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters regarding statutory compliance that we reported to the management of Washita County, which are included in Section 4 of the schedule of findings and questioned costs contained in this report.

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

Washita County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Washita County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

April 11, 2022



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

TO THE OFFICERS OF  
WASHITA COUNTY, OKLAHOMA

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of Washita County, Oklahoma, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Washita County's major federal program for the year ended June 30, 2021. Washita County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Washita County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Washita County's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Washita 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 major federal program for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of Washita 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 Washita County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Washita 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. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-013 and 2021-014, that we consider to be material weaknesses.

## Washita County's Response to Findings

Washita County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Washita County's responses was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

April 11, 2022

**WASHITA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

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

Financial Statements

Type of auditor's report issued:.....Adverse as to GAAP; unmodified as to regulatory presentation

Internal control over financial reporting:

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

Noncompliance material to the financial statement noted? ..... No

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR § 200.516(a) of the Uniform Guidance? ..... Yes

Identification of Major Programs

Assistance Listing Number(s)

97.036

Name of Federal Program or Cluster

Disaster Grants - Public Assistance  
(Presidentially Declared Disasters)

Dollar threshold used to distinguish between

Type A and Type B programs: ..... \$750,000

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

**WASHITA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

**SECTION 2—Findings related to the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

No matters were reported.

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

**Finding 2021-013 – Lack of County-Wide Controls Over Major Federal Programs – Disaster Grants - Public Assistance (Presidentially Declared Disasters) (Repeat Finding 2016-013, 2017-013)**

**PASS-THROUGH GRANTOR:** Oklahoma Department of Emergency Management

**FEDERAL AGENCY:** U.S. Department of Homeland Security

**ASSISTANCE LISTING NO:** 97.036

**FEDERAL PROGRAM NAME:** Disaster Grants - Public Assistance (Presidentially Declared Disasters)

**FEDERAL AWARD YEAR:** 2021

**FEDERAL AWARD NUMBER:** DR-4438

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking; Period of Performance; and Special Tests and Provisions

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

**Condition:** County-wide controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure the County complies with grant requirements.

**Effect of Condition:** This condition could result in noncompliance with grant requirements.

**Recommendation:** The Oklahoma State Auditor and Inspector's office (OSAI) recommends the County implement a system of internal controls to ensure compliance with grant requirements.

**Management Response:**

**Chairman of the Board of County Commissioners:** We will work to implement a Risk Assessment plan. We will implement controls to help make sure we are in compliance with all grant requirements and federal funds are expended in accordance with grant agreements and in a timely manner. We will ensure employees have the current and correct compliance supplement to work from.



**WASHITA COUNTY, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

**Criteria:** The United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

*Definition of Internal Control*

Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.04 states in part:

*Components, Principles, and Attributes*

Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.

Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

Information and Communication - The quality information management and personnel communicate and use to support the internal control system.

Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

**Finding 2021-014 – Lack of Internal Controls Over Major Programs - Disaster Grants - Public Assistance (Presidentially Declared Disasters) (Repeat Finding 2016-014, 2017-014)**

**PASS-THROUGH GRANTOR:** Oklahoma Department of Emergency Management

**FEDERAL AGENCY:** U.S. Department of Homeland Security

**ASSISTANCE LISTING NO:** 97.036

**FEDERAL PROGRAM NAME:** Disaster Grants - Public Assistance (Presidentially Declared Disasters)

**FEDERAL AWARD YEAR:** 2021

**FEDERAL AWARD NUMBER:** DR-4438

**CONTROL CATEGORY** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking; Period of Performance; and Special Tests and Provisions

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

**WASHITA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

**Condition:** During the process of documenting the County's internal controls regarding federal disbursements, we noted that Washita County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking, Period of Performance, and Special Tests and Provisions of Federal Funds.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure federal expenditures are made in accordance with federal compliance requirements.

**Effect of Condition:** This condition could result in noncompliance to grant requirements and loss of federal funds to the County.

**Recommendation:** OSAI recommends that the County implement a system of internal controls to ensure compliance with grant requirements.

**Management Response:**

**Chairman of the Board of County Commissioners:** The Board of County Commissioners will work with all County Officials to go over all grants and federal monies that Washita County receives to ensure that proper internal controls over the compliance requirements are implemented.

**Criteria:** *OMB 2 CFR 200, Subpart D. § .303(a)* reads as follows:

Subpart D-Post Federal Award Requirements

§200.303 Internal Controls

The non-Federal entity must:

Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Further, accountability and stewardship should be overall goals in management's accounting of federal funds. Internal controls should be designed to monitor compliance with laws and regulations pertaining to grant contracts.

**WASHITA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

**SECTION 4—**This section contains certain matters not required to be reported in accordance with *Government Auditing Standards*. However, we believe these matters are significant enough to bring to management’s attention. We recommend that management consider these matters and take appropriate corrective action.

**Finding 2021-009 – Lack of Internal Controls and Noncompliance Over the Court Clerk’s Receipting and Disbursement Processes (Repeat Finding 2017-009, 2020-009)**

**Condition:** Upon inquiry and observation of records, we noted that the Court Clerk’s office does not have an adequate segregation of duties to ensure that duties assigned to individuals are done so in a manner that would not allow one individual to control both the recording function and the procedures relative to processing a transaction.

Additionally, a test of twelve (12) Court Fund vouchers reflected that four (4) Court Fund claims did not have receiving documentation.

A test of seventeen (17) Revolving Fund claims reflected the following weaknesses:

- Two (2) Court Clerk Revolving Fund claims did not have adequate supporting documentation.
- Seven (7) Court Clerk Revolving Fund claims did not have receiving documentation.

**Cause of Condition:** Policies and procedures have not been designed and implemented with regard to segregation of duties over all aspects of the collection, disbursement, and reporting and reconciliation processes of Court Fund and Court Clerk Revolving Fund.

**Effect of Condition:** These conditions resulted in noncompliance with state statute. Further, a single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in the untimely detection of unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds.

**Recommendation:** OSAI recommends that the receipting and disbursement processes be adequately segregated to strengthen the internal controls. OSAI further recommends management implement internal controls over the expenditure process to safeguard assets to ensure compliance with 20 O.S. § 1304.

**Management Response:**

**Court Clerk:** We will work to design and implement internal controls over the collection, reconciliation and expenditure processes for the Court Fund and the Court Clerk Revolving Fund.

**Criteria:** The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

*Segregation of Duties*

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities

**WASHITA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

Additionally, Principle 10 - Segregation of Duties states:

10.12 – Management considers segregation of duties in designing control activity responsibilities so that incompatible duties are segregated and, where such segregation is not practical, designs alternative control activities to address the risk.

10.13 – Segregation of duties helps prevent fraud, waste, and abuse in the internal control system. Management considers the need to separate control activities related to authority, custody, and accounting of operations to achieve adequate segregation of duties. In particular, segregation of duties can address the risk of management override. Management override circumvents existing control activities and increases fraud risk. Management addresses this risk through segregation of duties but cannot absolutely prevent it because of the risk of collusion, where two or more employees act together to commit fraud.

10.14 – If segregation of duties is not practical within an operational process because of limited personnel or other factors, management designs alternative control activities to address the risk of fraud, waste, or abuse in the operational process.

Title 20 O.S. § 1304 provides guidance with regards to the expenditure process for the Court Fund.

**APPENDIX A**

**CORRECTIVE ACTION PLAN**

**(Prepared by County Management)**

Board of County Commissioners of Washita County

P.O. Box 380 Cordell, Oklahoma

(580) 832-2284

Corrective Action Plan  
in accordance with 2 CFR § 200.511c  
for the fiscal year ended June 30, 2021

Finding No.	Title (Financial) or CFDA No. & Program Name (Federal)	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2021-013	Assistance Listing No. 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)	The Board of County Commissioners will work to ensure internal controls are designed and implemented.	7/1/2022	Leo Goeringer, BOCC Chairman
2021-014	Assistance Listing No. 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)	The Board of County Commissioners will work with county officials on grants and federal monies that Washita County receives to ensure that proper internal controls are implemented.	7/1/2022	Leo Goeringer, BOCC Chairman

**APPENDIX B**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**(Prepared by County Management)**

# Board of County Commissioners of Washita County

P.O. Box 380 Cordell, Oklahoma

(580) 832-2284

## **Summary Schedule of Prior Audit Findings in accordance with 2 CFR § 200.511b for the fiscal year ended June 30, 2021**

### **FINANCIAL AUDIT FINDINGS**

#### **Finding 2017-001**

##### **Lack of Internal Controls Over the Collection Process**

**Finding Summary:** Internal controls have not been designed and implemented by the County Treasurer to ensure ad valorem tax levies are properly input into the software system and bank balances are fully pledged. Internal controls have not been designed and implemented to maintain documentation supporting review processes that ensure accuracy of daily reports.

**Status:** Corrective action taken in fiscal year 2018.

#### **Finding 2013-002, 2014-002, 2016-002, 2017-002, 2018-002, 2019-002**

##### **Lack of Internal Controls and Noncompliance Over the Disbursements of County Sales Tax**

**Finding Summary:** Sales tax appropriations and expenditures were not discreetly presented within the County General fund.

**Status:** Corrective action taken in fiscal year 2020.

#### **Finding 2016-003, 2017-003, 2018-001**

##### **Lack of County-Wide Controls**

**Finding Summary:** County-wide controls regarding Risk Assessment and Monitoring have not been designed.

**Status:** Corrective action taken in fiscal year 2020.

#### **Finding 2016-006, 2017-006, 2020-006**

##### **Lack of Internal Controls and Noncompliance Over the Disbursement Process**

**Finding Summary:** Policies and procedures have not been designed over the disbursement process to strengthen internal controls and ensure compliance with state statutes.

**Status:** Corrective action taken in fiscal year 2021.

#### **Finding 2016-016, 2017-016**

##### **Lack of Internal Controls Over the Financial Statement Presentation**

**Finding Summary:** The County has not designed and implemented internal controls to ensure the accurate presentation of the County's financial statement.

**Status:** Corrective action taken in fiscal year 2018.



# Board of County Commissioners of Washita County

P.O. Box 380 Cordell, Oklahoma

(580) 832-2284

## FEDERAL AUDIT FINDINGS

### **Finding 2008-004, 2016-004, 2017-004**

#### **Lack of Internal Controls Over Schedule of Expenditures of Federal Awards**

**Pass-Through Grantor:** Oklahoma Department of Homeland Security

**Federal Agency:** United States Department of Homeland Security

**Assistance Listing No:** 97.036

**Federal Program Name:** Disaster Grants - Public Assistance (Presidentially Declared Disasters)

**Federal Award Year:** 2016

**Control Category:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions.

**Questioned Costs:** \$-0-

**Finding Summary:** The County has not designed and implemented formal internal controls for the reporting of its major program for Disaster Grants- Public Assistance.

**Status:** Corrective action taken in fiscal year 2020.

### **Finding 2016-013, 2017-013**

#### **Lack of County-Wide Controls Over Major Federal Programs – Disaster Grants - Public Assistance (Presidentially Declared Disasters)**

**Pass-Through Grantor:** Oklahoma Department of Homeland Security

**Federal Agency:** United States Department of Homeland Security

**Assistance Listing No:** 97.036

**Federal Program Name:** Disaster Grants - Public Assistance (Presidentially Declared Disasters)

**Federal Award Year:** 2016

**Control Category:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions.

**Questioned Costs:** \$-0-

**Finding Summary:** County-wide controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

**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 2016-014, 2017-014**

#### **Lack of Internal Controls Over Major Federal Programs – Disaster Grants - Public Assistance (Presidentially Declared Disasters)**

**Pass-Through Grantor:** Oklahoma Department of Homeland Security

**Federal Agency:** United States Department of Homeland Security

**Assistance Listing No:** 97.036

# Board of County Commissioners of Washita County

P.O. Box 380 Cordell, Oklahoma

(580) 832-2284

**Federal Program Name:** Disaster Grants - Public Assistance (Presidentially Declared Disasters)

**Federal Award Year:** 2016

**Control Category:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions.

**Questioned Costs:** \$-0-

**Finding Summary:** County has not established procedures to ensure compliance with the compliance requirements applicable to its major federal programs.

**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.



Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | [www.sai.ok.gov](http://www.sai.ok.gov)