



OKLAHOMA COUNTY SINGLE AUDIT REPORT

For the fiscal year ended June 30, 2023

Cindy Byrd, CPA
State Auditor & Inspector

**SINGLE AUDIT REPORT
OKLAHOMA COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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) 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.



June 11, 2025

TO THE CITIZENS OF
OKLAHOMA COUNTY, OKLAHOMA

Transmitted herewith is the Single Audit Report of Oklahoma County, Oklahoma for the fiscal year ended June 30, 2023. 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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 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.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

**OKLAHOMA COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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Schedule of Expenditures of Federal Awards

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Pass-Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Food and Nutrition Service				
Passed Through the Oklahoma Department of Education:				
Child Nutrition Cluster				
School Breakfast Program	10.553	26500		\$ 61,235
National School Lunch Program	*	26500		115,572
Total U.S. Department of Agriculture Cluster				<u>176,807</u>
U.S. DEPARTMENT OF THE INTERIOR				
Direct Grant:				
Payments in Lieu of Taxes	15.226			17,030
Total U.S. Department of the Interior				<u>17,030</u>
U.S. DEPARTMENT OF JUSTICE				
Office of Justice Programs				
Direct Grant:				
National Criminal History Improvement Program (NCHIP)	16.554	2019-MU-BX-K		129,669
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0574		86,666
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0906		40,536
Total Office of Justice Program				<u>256,871</u>
Office of Criminal Division				
Direct Grant:				
Equitable Sharing Program	16.922			126,883
Total U.S. Department of Justice				<u>383,754</u>
U.S. DEPARTMENT OF TRANSPORTATION				
National Highway Traffic Safety Administration (NHTSA)				
Passed Through the Oklahoma Highway Safety Office:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT-22-03-20-15		57,229
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT-23-03-25-16		178,434
Total U.S. Department of Transportation				<u>235,663</u>

Continued on next page

*Partially Non-Cash Assistance

The accompanying notes are an integral part of this schedule.

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Pass-Through to Subrecipients	Federal Expenditures
Continued from previous page				
U.S. DEPARTMENT OF THE TREASURY				
Direct Grant:				
COVID-19 Coronavirus Relief Fund	21.019	SLT0259		332,551
COVID-19 Emergency Rental Assistance Program	21.023	ERAE0418	1,739,575	1,739,575
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP3722	<u>14,462,067</u>	<u>30,011,945</u>
Total U. S. Department of the Treasury			<u>16,201,642</u>	<u>32,084,071</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Office of Federal Emergency Management Agency (FEMA)				
Passed Through the Oklahoma Department of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			428,749
Hazard Mitigation Grant	97.039	4299-0050-OK		539,439
BRIC: Building Resilient Infrastructure and Communities	97.047			19,977
Passed Through the Oklahoma Department of Homeland Security:				
Emergency Management Performance Grants	97.042			82,385
Homeland Security Grant Program	97.067	1130.053		6,732
Homeland Security Grant Program	97.067	1230.05		<u>16,761</u>
Total U.S. Department of Homeland Security				<u>1,094,043</u>
Total Expenditures of Federal Awards			<u>\$ 16,201,642</u>	<u>\$ 33,991,369</u>

*Partially Non-Cash Assistance

The accompanying notes are an integral part of this schedule.

**OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Oklahoma County under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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 Oklahoma County as presented in the Annual Comprehensive Financial Report (ACFR). Component Units included in the ACFR prepare individual financial statements that meet the requirements of the Uniform Guidance and have not been included in this Schedule.

B. Basis of Presentation

Expenditure reported on the Schedule are reported on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Revenue and expenditures are reported using the modified accrual basis of accounting in the ACFR. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

C. Non-Cash-Assistance-National School Lunch Program Assistance Listing 10.555

Non-cash assistance in the form of commodities was received from the Oklahoma State Department of Education. The federal value of \$17,045 is included in the Schedule of Expenditures of Federal Awards.

2. Indirect Cost Rate

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

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

TO THE OFFICERS OF
OKLAHOMA COUNTY, OKLAHOMA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Oklahoma County's, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Oklahoma County's major federal programs for the year ended June 30, 2023. Oklahoma County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Emergency Rental Assistance Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Oklahoma County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Emergency Rental Assistance Program for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Oklahoma County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Oklahoma County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on

compliance for each major federal program. Our audit does not provide a legal determination of Oklahoma County’s compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Emergency Rental Assistance Program

As described in the accompanying schedule of findings and questioned costs, Oklahoma County did not comply with requirements regarding the following:

Assistance			
Finding #	Listing	Program (or Cluster) Name	Compliance Requirement
2023-018	21.023	Emergency Rental Assistance Program	Subrecipient Monitoring

Compliance with such requirements is necessary, in our opinion, for Oklahoma County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Oklahoma County’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Oklahoma County’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Oklahoma County’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Oklahoma County’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Oklahoma County’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Oklahoma County’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs to be material weaknesses. Those material weaknesses in internal control over compliance related to the following program and compliance requirement:

Assistance		Program (or Cluster) Name	Compliance Requirement
Finding #	Listing #		
2023-018	21.023	Emergency Rental Assistance Program	Subrecipient Monitoring

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Oklahoma County’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Oklahoma County’s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Oklahoma County’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Oklahoma County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Oklahoma County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Oklahoma County as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Oklahoma County's basic financial statements. We issued our report thereon dated March 24, 2025, which contained unmodified opinions on those financial statements. Our report included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

May 29, 2025, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is March 24, 2025.

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SECTION 1 - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to the financial statements noted?..... Yes

For fiscal year 2023, the Annual Comprehensive Financial Report for Oklahoma County for the year ended June 30, 2023, was issued under separate cover dated March 24, 2025.

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:

21.023 – Emergency Rental Assistance Program..... Qualified
21.027 – Coronavirus State and Local Fiscal Recovery Funds 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 Numbers

21.023
21.027

Name of Federal Program or Cluster

Emergency Rental Assistance Program
Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:..... \$1,019,741

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

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 Statement Performed in Accordance With *Government Auditing Standards*

Finding 2023-001 – Lack of Internal Controls Over the Financial Statements and Disclosures

Condition: Management of the County is responsible for preparing their Annual Comprehensive Financial Report (ACFR), which consists of the County’s basic financial statements, notes to the financial statements, and required supplementary information prepared in accordance with Generally Accepted Accounting Principles (GAAP). Management has not designed and implemented internal controls necessary to prepare the ACFR. Further, management does not possess the skills, knowledge, and experience needed to ensure the accurate and complete presentation of the ACFR. During the review of the original ACFR prepared by the County, the following weaknesses were noted:

- Three (3) new funds created in the fiscal year ending June 30, 2023 were excluded:
 - County Jail Bond Fund in the amount of \$46,311,597.
 - Capital Project – New Jail Facility Fund in the amount of \$3,000,000.
 - ARPA – Local Assistance and Tribal Consistency Fund in the amount of \$50,000.
- Investment Income in the amount of \$2,000,000 reported in the American Rescue Plan Act fund should have been reported in the General Fund.
- The Government-Wide Financial Statements and the Notes to the Financial Statements did not include \$1,000,000 in Current Liabilities for Judgments Payable and \$2,000,000 in Noncurrent Liabilities for Judgments Payable.
- The Notes to the Financial Statements overstated Property Taxes Receivable in the amount of \$2,003,344.
- The General Fund – Budget to Actual Comparison Schedule in the Required Supplementary Information excluded two (2) accounts:
 - Employee Benefits Supplement – Final Budget and Actual Amounts in the amount of \$3,567,970.
 - Self-Insurance Supplement – Final Budget and Actual Amounts in the amount of \$296,900.

The items above were corrected on the appropriate financial statements and schedules after they were brought to the attention of the County.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the amounts and disclosures in the County’s basic financial statements, notes to the financial statements, and required supplementary information is identified and reported accurately.

Effect of Condition: These conditions resulted in the County continually having to present revised information for the ACFR and could result in misstated financial statements, notes to the financial statements, and required supplementary information.

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the County design and implement policies and procedures to ensure all of the County's financial activities are properly identified and reported accurately and completely.

Management Response:

Chairman of the Board of County Commissioners: The County Clerk has corrected all weaknesses noted: 1) They have included the three (3) funds created in the fiscal year ending June 30, 2023, 2) Investment income reported in the ARPA Fund is now reported in the General Fund, 3) The Government-wide Financial Statements and the Notes to the Financial Statements now include the monies in Current Liabilities for Judgments and Noncurrent Liabilities for Judgments Payable, 4) Property Tax Receivable is now correct in the Notes to the Financial Statements, and 5) The Employee Benefits Supplement-Final Budget and Actual Amounts and the Self Insurance Supplement-Final Budget and Actual Amounts are now included in the General Fund-Budget to Actual Comparison Schedule. Oklahoma County will design and implement policies and procedures to ensure all the County's financial activities are properly identified and reported accurately and completely.

County Clerk: The current Oklahoma County Clerk, Maressa Treat, took office in April 2023, in the waning months of FY 2023. The former County Clerk resigned mid-term, leaving the office in a state of disarray. In the time leading to Clerk Treat's tenure, all three finance staff members, including the division director, retired within thirteen months. When these employees separated from Oklahoma County, they took with them a combined 90 years of county finance experience and critical knowledge without leaving intelligible instructions for their successors. Our present-day finance team members are qualified and capable professionals that have navigated many challenges during this time.

As difficult as the past year has been, our office has made great strides to implement an enterprise system to streamline manual processes and minimize reliance on one person or team to complete critical tasks. We have invested in training for several key employees to prepare them to fully implement the system. We have developed written policies and procedures, together with an ACFR requirement checklist, to guide our staff in the submission of accurate and timely reports. We also expanded our contract with an external specialist in governmental accounting to support our new team in their efforts. The County Clerk's office will continue to develop our team and explore options that will strengthen our ability to deliver the ACFR and other required financial reports in the future.

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 2 – Establishing an Effective Internal Control System – Objectives of an Entity – OV2.16 states:

Management, with oversight by an oversight body, sets objectives to meet the entity's mission, strategic plan, and goals and requirements of applicable laws and regulations.

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Management sets objectives before designing an entity's internal control system. Management may include setting objectives as part of the strategic planning process.

The GAO Standards – Principle 4 – Demonstrate Commitment to Competence states:

Expectation of Competence

4.02 – Management establishes expectations of competence for key roles, and other roles at management's discretion, to help the entity achieve its objectives. Competence is the qualification to carry out assigned responsibilities. It requires relevant knowledge, skills, and abilities, which are gained largely from professional experience, training, and certifications. It is demonstrated by the behavior of individuals as they carry out their responsibilities.

Additionally, Principle 13 – Use of Quality Information states:

Identification of Information Requirements

13.02 – Management designs a process that uses the entity's objectives and related risks to identify the information requirements needed to achieve the objectives and address the risks. Information requirements consider the expectations of both internal and external users. Management defines the identified information requirements at the relevant level and requisite specificity for appropriate personnel.

Data Processed into Quality Information

13.05 – Management processes the obtained data into quality information that supports the internal control system. This involves processing data into information and then evaluating the processed information so that it is quality information. Quality information meets the identified information requirements when relevant data from reliable sources are used. Quality information is appropriate, current, complete, accurate, accessible, and provided on a timely basis. Management considers these characteristics as well as the information processing objectives in evaluating processed information and makes revisions when necessary so that the information is quality information. Management uses the quality information to make informed decisions and evaluate the entity's performance in achieving key objectives and addressing risks.

A basic objective of (GAAP) is to provide accurate and reliable information.

The County is required to present a financial statement for each fiscal year ended June 30. Title 19 O.S. § 171 states, in part,

Unless the county elects to prepare its financial statement in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board, the county shall present their financial statements in a regulatory basis of accounting.

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Finding 2023-003 – Lack of Internal Controls and Noncompliance Over the Purchasing Process
(Repeat Finding – 2022-002)**

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

Non-Major Fund: For our sample of 30 of the 683 expenditures:

- Two (2) expenditures totaling \$198,779 were not timely encumbered.

Accounts Payable Non-Major Fund: For our sample of 22 of the 276 expenditures:

- Two (2) expenditures totaling \$4,187 were not supported by adequate documentation.

Accounts Payable General Government: For our sample of forty (40) expenditures:

- Two (2) disbursements totaling \$31,234 were not timely encumbered.

Cause of Condition: Policies and procedures regarding the expenditure process have not been designed and implemented to ensure compliance with state statute.

Effect of Condition: These conditions resulted in noncompliance with state statute and could result in inaccurate records, incomplete information, and/or misappropriation of assets.

Recommendation: OSAI recommends that the County adhere to state statute. Purchase orders should be encumbered before goods or services are ordered. All purchases should be properly requisitioned, encumbered, approved, and reviewed with proper supporting documentation attached.

Management Response:

Chairman of the Board of County Commissioners: Oklahoma County will adhere to state statute. Purchase orders will be encumbered before goods or services are ordered. All purchase orders will be properly requisitioned, encumbered, approved, and reviewed with proper supporting documentation attached.

County Clerk: The Oklahoma County Clerk’s Office will develop policies and procedures in accordance with 19 O.S. § 1505 and will share this document with all departments within the County to reiterate statutory requirements.

The office will also expand internal controls by offering training opportunities for employees/departments by request and any time a violation occurs. The Accounts Payable department currently provides notice of improper purchase by e-mail but will fortify this process by sending formal notices to the elected official, department head, and purchaser to notify them of future violations. The notice will offer supplementary training for the purchaser and/or department to prevent further non-compliance with purchasing laws.

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Criteria: The GAO Standards – Section 2 – Establishing an Effective Internal Control System - Objectives of an Entity – OV2.23 states in part:

Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

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

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 2023-018 – Lack of Internal Controls and Noncompliance with Subrecipient Monitoring Requirement – Emergency Rental Assistance Program (Repeat Finding – 2021-002, 2022-011)

FEDERAL AGENCY: U.S. Department of the Treasury

ASSISTANCE LISTING: 21.023

FEDERAL PROGRAM NAME: Emergency Rental Assistance Program

FEDERAL AWARD NUMBER: ERAE0418

FEDERAL AWARD YEAR: 2023

CONTROL CATEGORY: Subrecipient Monitoring

QUESTIONED COSTS: \$1,739,575

Condition: During the process of documenting the County’s internal controls regarding federal disbursements, we noted that Oklahoma County has not established the following procedures to ensure compliance with the Subrecipient Monitoring requirements:

- Evaluate each subrecipient’s risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR § 200.332(c)).
- Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR § 200.332(d) through (f)).

Further, when performing tests over compliance of the federal grant, it was noted that the County did not perform any subrecipient monitoring procedures; however, the County did implement a subaward agreement that was designed to ensure the subrecipients understand and use the funds in accordance with federal regulations, terms, and conditions of the subaward.

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the County complies with federal laws and regulations and grant agreements.

Effect of Condition: This condition resulted in noncompliance with federal laws and regulations and grant requirements.

Recommendation: OSAI recommends the County comply with federal laws and regulations and grant agreements by designing and implementing risk assessments for non-compliance and ensuring Subrecipient Monitoring is performed.

Management Response:

Chairman of the Board of County Commissioners: Oklahoma County will comply with federal laws and regulations and grant agreements by creating award agreements that are designed and implemented to ensure Subrecipient Monitoring is performed.

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

Objectives of an Entity – Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

2 CFR § 200.303(a) *Internal Controls* reads as follows:

The non-Federal entity must:

(a) 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).

2 CFR § 200.332 states:

All pass-through entities must:

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward...

(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as: ...

(c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in § 200.208.

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved...

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals: ...

(f) Verify that every subrecipient is audited as required by Subpart F of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501.

(g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

(h) Consider taking enforcement action against noncompliant subrecipients as described in § 200.339 of this part and in program regulations.

APPENDIX A

CORRECTIVE ACTION PLAN

(Prepared by County Management)



MYLES DAVIDSON
 OKLAHOMA COUNTY COMMISSIONER
 DISTRICT THREE

Corrective Action Plan
in accordance with 2 CFR § 200.511c
for the fiscal year ended June 30, 2023

Finding No.	Title (Financial) or Assistance Listing No. (formerly CFDA No.) & Program Name (Federal)	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	Lack of Internal Controls Over the Financial Statements and Disclosures	<p>Chairman of the Board of County Commissioner: The County Clerk has corrected all weaknesses noted: 1) They have included the three (3) funds created in the fiscal year ending June 30, 2023, 2) Investment income reported in the ARPA Fund is now reported in the General Fund, 3) The Governmentwide Financial Statements and the Notes to the Financial Statements now include the monies in Current Liabilities for Judgments and Noncurrent Liabilities for Judgments Payable, 4) Property Tax Receivable is now correct in the Notes to the Financial Statements, and 5) The Employee Benefits Supplement-Final Budget and Actual Amounts and the Self Insurance Supplement-Final Budget and Actual Amounts are now included in the General Fund-Budget to Actual Comparison Schedule. Oklahoma County will design and implement policies and procedures to ensure all the County's financial activities are properly identified and reported accurately and completely.</p> <p>County Clerk: The current Oklahoma County Clerk, Maressa Treat, took office in April 2023, in the waning months of FY 2023. The former County Clerk resigned mid-term, leaving the office in a state of disarray. In the time leading to Clerk Treat's tenure, all three finance staff members, including the division director, retired within thirteen months. When these employees separated from Oklahoma County, they took with them a combined 90 years of county finance experience and critical knowledge without leaving intelligible</p>	6/30/2025	<p>Myles Davidson, BOCC Chairman</p> <p>Maressa Treat, County Clerk</p>

		<p>instructions for their successors. Our present-day finance team members are qualified and capable professionals that have navigated many challenges during this time.</p> <p>As difficult as the past year has been, our office has made great strides to implement an enterprise system to streamline manual processes and minimize reliance on one person or team to complete critical tasks. We have invested in training for several key employees to prepare them to fully implement the system. We have developed written policies and procedures, together with an ACFR requirement checklist, to guide our staff in the submission of accurate and timely reports. We also expanded our contract with an external specialist in governmental accounting to support our new team in their efforts. The County Clerk's office will continue to develop our team and explore options that will strengthen our ability to deliver the ACFR and other required financial reports in the future.</p>		
2023-003	Lack of Internal Controls and Noncompliance Over the Purchasing Process (Repeat Finding – 2022-002)	<p>Chairman of the Board of County Commissioners: Oklahoma County will adhere to state statute. Purchase orders will be encumbered before goods or services are ordered. All purchase orders will be properly requisitioned, encumbered, approved, and reviewed with proper supporting documentation attached.</p> <p>County Clerk: The Oklahoma County Clerk's office will develop policies and procedures in accordance with 19 O.S. § 1505 and will share this document with all departments within the County to reiterate statutory requirements.</p>	6/30/2025	<p>Myles Davidson, BOCC Chairman</p> <p>Maressa Treat, County Clerk</p>
2023-018	Lack of Internal Controls and Noncompliance with Subrecipient Monitoring Requirement – Emergency Rental Assistance Program – ALN 21.023 (Repeat Finding 2021-002, 2022-011)	<p>Chairman of the Board of County Commissioners: Oklahoma County will comply with federal laws and regulations and grant agreements by creating award agreements that are designed and implemented to ensure Subrecipient Monitoring is performed.</p>	6/30/2025	Myles Davidson, BOCC Chairman

APPENDIX B

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

(Prepared by County Management)



MYLES DAVIDSON
OKLAHOMA COUNTY COMMISSIONER
DISTRICT THREE

**Summary Schedule of Prior Audit Findings
in accordance with 2 CFR § 200.511b
for the fiscal year ended June 30, 2023**

FINANCIAL AUDIT FINDINGS

Finding 2018-009, 2019-010, 2020-007, 2021-003, 2022-006

Lack of Internal Controls Over Business Continuity Plan

Finding Summary: Upon review of the County's Business Continuity Plan (BCP), we noted the County's plan needs to be updated and reviewed to ensure, in the event of a disaster, the County would not have delays in the recovery of operations. The specifics of the condition have been sanitized to protect the County pursuant to the provision of 51 O.S. § 24A.28.

Status: Fully Corrected.

Finding 2022-002

Lack of Internal Controls and Noncompliance Over Expenditures

Finding Summary: Upon inquiry and observation of the County's expenditure process and the testwork performed, the following was noted:

General Fund: For our sample of 83 of the 5,244 expenditures:

- Three (3) expenditures totaling \$122,914 were not timely encumbered.
- One (1) additional expenditure totaling \$55,911 was not charged to the proper account, was not timely encumbered, and was not charged to the proper period.

Highway Cash Fund: For our sample of 50 of the 3,982 expenditures:

- Three (3) expenditures totaling \$340,398 were not timely encumbered.

Special Projects Fund: For our sample of 30 of the 30 expenditures:

- One (1) expenditure totaling \$870 was not charged to the proper period and was not timely encumbered.
- Three (3) additional expenditures totaling \$51,390 were not timely encumbered.

Non-Major Funds: For our sample of 126 of the 2,779 expenditures:

- Eleven (11) expenditures totaling \$538,520 were not timely encumbered.
- Four (4) additional expenditures totaling \$61,919 were not timely encumbered and were not charged to the proper period.

Status: Not Corrected.

Chairman of the Board of County Commissioners: Oklahoma County will adhere to state statute. Purchase orders will be encumbered before goods or services are ordered. All purchase orders will be properly requisitioned, encumbered, approved, and reviewed with proper supporting documentation attached.

County Clerk: The Oklahoma County Clerk's office will develop policies and procedures in accordance with 19 O.S. § 1505 and will share this document with all departments within the County to reiterate statutory requirements. The office will also expand internal controls by offering training opportunities for employees/departments by request and any time a violation occurs. The Accounts Payable department currently provides notice of improper purchase by e-mail but will fortify this process by sending formal notices to the elected official, department head, and purchaser to notify them of future violations. The notice will offer supplementary training for the purchaser and/or department to prevent further non-compliance with purchasing laws.

Finding 2022-008

Noncompliance of Management Override of Controls – Disbursement Process

Finding Summary: Management overrode established policies and procedures over expenditures, and contrary to governing statutes, changed the vendor on the original blanket purchase order, paid invoices from a prior year and for a different

budgeted expenditure account purpose.

Status: Fully Corrected.

FEDERAL AUDIT FINDINGS

Finding 2021-001, 2022-010

Lack of Internal Controls and Noncompliance with Subrecipient Monitoring Requirement – Coronavirus Relief Fund

Federal Agency: U.S. Department of the Treasury

Assistance Listing No: 21.019

Federal Program Name: Coronavirus Relief Fund

Federal Grant Award Number: SLT0259

Federal Award Year: 2021

Control Category: Subrecipient Monitoring

Questioned Costs: \$176,562

Finding Summary: During the process of documenting the County's internal controls regarding federal disbursements, we noted that Oklahoma County has not established procedures to ensure compliance with the Subrecipient Monitoring requirements.

Status: Fully Corrected.

Finding 2021-002, 2022-011

Lack of Internal Controls and Noncompliance with Subrecipient Monitoring Requirement – Emergency Rental Assistance Program

Federal Agency: U.S. Department of the Treasury

Assistance Listing No: 21.023

Federal Program Name: Emergency Rental Assistance Program

Federal Grant Award Number: ERAE0514, ERAE0418

Federal Award Year: 2022

Control Category: Subrecipient Monitoring

Questioned Costs: \$13,241,928

Finding Summary: During the process of documenting the County's internal controls regarding federal disbursements, we noted that Oklahoma County has not established procedures to ensure compliance with the Subrecipient Monitoring requirements.

Status: Partially Corrected. The County has implemented obtaining agreements from subrecipients however, they are not following all requirements including subrecipient risk evaluation and monitoring process.

Finding 2022-012

Noncompliance with Period of Performance Requirement – Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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 Grant Award Number: FEMA-4575-DR-OK

Federal Award Year: 2022

Control Category: Period of Performance

Questioned Costs: \$0

Finding Summary: During the testing of 100% of federal projects of the ALN# 97.036 for compliance with the Period of Performance compliance requirements, the following was noted:

- Of the three (3) federal projects tested, one (1) was not completed within the allowable period.

Status: Fully Corrected

O·K·L·A·H·O·M·A
S·A·I
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov