

COMMUNITY ACTION AGENCY OF OKLAHOMA CITY &
OKLAHOMA/CANADIAN COUNTIES, INC.
Oklahoma City, Oklahoma

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended March 31, 2021

Section I – Summary of Auditor’s Results

Financial Statements:

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal Control Over Major Programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weakness(es)? Yes 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 the Uniform Guidance?
 Yes No

Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Identification of Major Programs:

Federal

CFDA #
93.600
81.042

PROGRAM TITLE

Head Start
Weatherization Assistance for Low-Income Persons

Section II – Financial Statement Findings and Questioned Costs:

2021-001 – RECOGNITION OF PAYROLL COSTS TO APPROPRIATE PERIOD

Criteria: Accrual basis financial statements should include an accrual for payroll costs (salaries and fringe) incurred but not yet paid.

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2021-001 – RECOGNITION OF PAYROLL COSTS TO APPROPRIATE PERIOD, CONTINUED

Condition: During the 2020-2021 fiscal year CAA/OKC switched from a monthly payroll processing schedule to a bi-weekly payroll schedule. This change resulted in a need to record accruals to recognize payroll costs in the proper period. However, subsequent to this change, wages have been recorded in the general ledger in the period paid versus the period earned. This resulted in no recognition of payroll liability and related expenses in the financial statements for the portion of wages earned during March 2021 but not paid until April 2021. As part of the audit process, the lack of a payroll accrual was identified, discussed with CAA/OKC, and an adjustment was made to recognize the payroll liability (\$364,602) and related salaries and fringe expenses as of March 31, 2021.

Cause/Effect: Liabilities and expenses were understated in financial statements before accrual adjustment was made as part of audit process.

Reply: See Corrective Action Plan.

Section III – Federal Awards Findings and Questioned Costs:

None reported.

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CORRECTIVE ACTION PLAN

For the Year Ended March 31, 2021

2021-001 – RECOGNITION OF PAYROLL COSTS TO APPROPRIATE PERIOD

Corrective Action Plan Prepared by:

Name: Carol Barnes

Position: Fiscal Services Director

During the audit, an accrual entry was provided by the Fiscal Director and included as an adjustment in the financial statements as of March 31, 2021.

One fund, the Head Start program ended March 31, 2021. CAA/OKC's contact with that office stated CAA/OKC will be able to request the funds for the last eight days of March, as the award was underspent by \$1,743,000. The accrual for that fund is \$293,320.

Going forward, the Fiscal Director will prepare an accrual for the month that any funding award ends and an accrual for the agency's fiscal year ending date. This information will be relayed to all staff in the Fiscal Services Department.