

In the Matter of Correcting Scrivener's Error)

Notice of Scrivener's Error
Correcting Exhibit

Resolution No. R2022-09

Certificate of Re-filing (Book of Record)

CJ 2022-150

Below signed Curry County Legal Counsel, pursuant to Curry County Ordinance No. 17-05, hereby provides notice of correction of scrivener's error, to wit:

_____ Erroneous order/resolution number

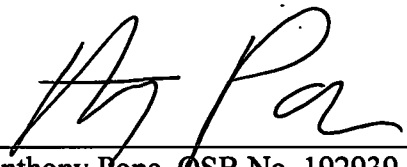
XXX **Erroneous exhibit:** The Exhibit A recorded with Resolution No. 2022-09 erroneously omitted the exhibit. **The correct and complete Exhibit A is attached hereto.**

_____ Other:

The prior Resolution, No. R2022-09, dated June 8, 2022, accompanies this notice.

RE-FILED AT THE REQUEST OF CURRY COUNTY LEGAL COUNSEL TO CORRECT
RESOLUTION NO. R2022-09 PREVIOUSLY RECORDED AS DOCUMENT NUMBER CJ
2022-150.

Dated this 1st day of July, 2022



Anthony Pope, OSB No. 192939
Curry County Legal Counsel

BEFORE THE BOARD OF COUNTY COMMISSIONERS

IN AND FOR THE COUNTY OF CURRY, OREGON

In the Matter of a Resolution)
Adopting a Corrective Action Plan)
To Address Audit Findings for)
Curry County for Fiscal Year 2020-21)

RESOLUTION No.

R2022-09

WHEREAS, the 2020-2021 Curry County financial audit including the single audit was completed by Moss Adam; and,

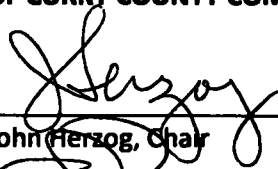
WHEREAS, there were two additional findings relating to the single audit; and,

WHEREAS, Exhibit "A" outlines the corrective action to correct the material findings that will help improve the county's financial stability, minimize legal issues, and show the public the county is doing everything within their ability to be good stewards of public monies.

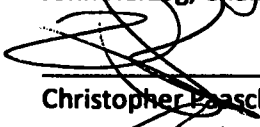
NOW, THEREFORE, THE BOARD OF CURRY COUNTY COMMISSIONERS HEREBY RESOLVES to approve the Corrective Action Plan shown as Exhibit 'A', attached, and instruct staff to implement the best practices identified.

DATED 8th day of June 2022.

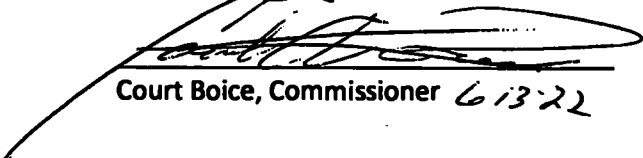
BOARD OF CURRY COUNTY COMMISSIONERS:



John Herzog, Chair

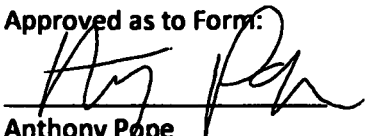


Christopher Boesch, Vice Chair



Court Boice, Commissioner 6/13/22

Approved as to Form:



Anthony Pope
Curry County Legal Counsel

EXHIBIT A

Curry County, Oregon Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

Section II – Financial Statement Findings

Finding 2021-001 Significant Deficiency over Financial Reporting

This is a repeat finding (2020-002) and modified.

Criteria: The County is responsible for maintaining effective internal controls over their accounting records, account balances, and financial statement disclosures. Duties should be segregated to provide reasonable assurance so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction.

Governmental financial statements are presented on three bases of accounting – budgetary basis to address budgetary compliance and monitoring for the current year, modified accrual basis for individual fund reporting designed to report the inflows and outflows of current available financial resources for the year, and full accrual basis for external government-wide financial reporting designed to better measure the true cost of providing services.

The financial close and reporting process requires preparing financial statements on all bases of accounting as noted above. It is common for the general ledger to be maintained during the year solely on the budgetary basis, or the budgetary basis and modified accrual basis of accounting. As a result, records must be developed and maintained outside of the general ledger to create individual fund statements on the modified accrual basis in some instances, and to report government-wide statements on the full accrual basis. The financial close and reporting process requires policies, procedures, internal controls, and a formal plan designed to address the 'off general ledger' accounting adjustments and entries necessary to adjust from the budgetary basis to these other bases of accounting in a timely manner to allow for the preparation and audit of the financial statements within six months after year-end.

Condition/Context: During the audit, we had several conversations with key finance personnel regarding the implementation of technical accounting pronouncements and the different basis of accounting related to the different types of funds. For instance, we discussed implementation of GASB Statement 84, Fiduciary Activities and why capital assets cannot be reported in the governmental funds. The County finance director is a competent individual who has a good understanding of the County's operations. The finance staff, as well as the finance director, have a solid accounting background, but are not as competent in applying and implementing governmental accounting standards. Additionally, due to the limited number of available accounting personnel in the County's offices, there is some lack of segregation of duties over related accounting records or transactions.

Cause: There are a limited number of personnel in the finance department and the personnel of the finance department have limited governmental accounting training.

Effects: While no material errors were detected during the audit, a lack of understanding of governmental accounting could result in material errors especially upon implementation of a new accounting standard.

Curry County, Oregon
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Recommendations: We recommend government specific accounting training for the finance department personnel and implementing a plan to attend training annually to keep up to date on new accounting principles. We also recommend the County purchase the GFOA's Governmental Accounting, Auditing, and Financial Reporting "Blue Book".

Views of responsible officials: The finance office will find appropriate continuing educational training to keep up to date on new accounting principles. Additionally, funds to purchase the governmental accounting, auditing, and financial reporting "Blue Book" will be included in the 2022-23 budget.

Finding 2021-002 Property tax assessments, Significant deficiency in internal controls

This is a repeat finding (2020-003).

Criteria: Per the Oregon Appraisal Methods Manual 1-3: From 1955 to 1996, the assessor was required by law to physically reappraise all property in the County every six years. This requirement was eliminated in 1997 for various reasons including budget constraints, accelerated appraisal techniques, and the successful application of computerized valuation programs. Current law requires that each parcel of real property be appraised using a method of appraisal approved by DOR administrative rule.

Condition/Context: The County has not been reassessing properties on a timely basis.

Cause: The County does not have the resources available to assess the value of properties and ensure tax is collected on a timely basis.

Effects: As a result, total property taxes levied could be significantly impacted.

Recommendations: We recommend that the County implement a process of assessing and inspecting properties to ensure property tax levies are accurate.

Views of responsible officials: The Assessor's office has implemented software which to help streamline office work to allow more time spent in the field conducting appraisal work.

Curry County, Oregon
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III – Federal Award Findings and Questioned Costs

Finding 2021-003 Allowable Cost Principles, Material Weakness in Internal Controls Over Compliance and Instance of Material Non-Compliance

Identification of the federal program: ALN 21.019 COVID-19 Coronavirus Relief Fund

Criteria or specific requirement: Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act and as amended by section 1001 of Division N of the Consolidated Appropriations Act, requires that States, Tribal governments, or units of local government use the funds received to cover only those costs that (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the budget most recently approved as of March 27, 2020, for the State or government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2021.

Condition/Context: Two transactions selected for testwork were reimbursements to two different vendors for a total of \$24,330 incurred by the vendors on behalf of the County. Based on review of the invoices, one expenditure was for road work engineering, and the other expenditure was for County park maintenance. Neither of these expenditures appear to be necessary expenditures incurred due to the public health emergency. Additionally, the population of total expenditures provided by the County of \$519,587 did not agree to the schedule of expenditures and federal awards \$554,230 and the County could not provide a reconciliation resulting in a difference of \$34,643.

Cause: Management did not review expenditures in the accounting system, Caselle, after recording to the COVID-19 grant code. Additionally, there was a change in the Finance Director position and the supporting reconciliations between Caselle and the expenditures charged to the award were not able to be located or were not prepared.

Effect: Non-compliance with allowable cost principles.

Known Questioned costs: \$58,973

Recommendation: We recommend the County establish a control system to ensure federal funds are used only for allowable expenditures in accordance with the federal requirements.

Views of responsible officials: The current control in place is that department managers understand the expenses allowed by their grants and code and approve expenditures accordingly to the correct grant. The County is unsure how this wasn't caught. However, as an additional control the SEFA will be reconciled twice a year to ensure expenditures tie out to the award. All documents required to reconcile will be maintained.

Curry County, Oregon
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Finding 2021-004 Procurement and Suspension and Debarment, Significant Deficiency in Internal Controls Over Compliance and Instances of Non-Compliance

Identification of the federal program: ALN 20.513 Transit Services Programs Cluster

Criteria or specific requirement: Per 2 CFR 200.318, non-Federal entities must have and use documented procurement procedures, consistent with state, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327.

Condition/Context: The County has not updated their procurement policy since 2008 and the policy in place does not conform to the procurement standards identified in §§ 200.317 through 200.327. As a result, one sample tested did not have documentation sam.gov was checked for suspension/debarment, and the County entered into a covered transaction prior to the contract being signed. Ultimately, the vendor tested was not suspended or debarred per review of sam.gov.

Cause: Management did not review expenditures in Caselle after posting to the COVID-19 grant code. Additionally, there was a change in the Finance Director position and the supporting reconciliations between Caselle and the expenditures charged to the award were not able to be located or were not prepared.

Effect: Noncompliance with procurement and suspension and debarment.

Questioned costs: None.

Recommendation: We recommend the County update their procurement policy to document procurement procedures that conform to the procurement standards identified in §§ 200.317 through 200.327 and establish internal controls to ensure the procurement policy is followed.

Views of responsible officials: Curry County is in the process of updating the procurement policy to conform with procurement standards identified in section 200.317 through 200.327. Internal controls will also be updated to ensure the policy is followed.

**Brad Rueckert**

Finance Director
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Gold Beach, OR 97444
(541)247-3254
rueckertb@co.curry.or.us

CORRECTIVE ACTION PLAN

Fiscal Year Ended June 30, 2021

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2021-001	The finance office will find appropriate continuing educational training to keep up to date on new accounting principles. Additionally, funds to purchase the governmental accounting, auditing, and financial reporting "Blue Book" will be included in the 2022-23 budget.	6/30/22	Brad Rueckert, Finance Director
2021-002	The Assessor's office has implemented software which to help streamline office work to allow more time spent in the field conducting appraisal work.	6/30/22	Jim Kolen, Assessor
2021-003	The current control in place is that department managers understand the expenses allowed by their grants and code and approve expenditures accordingly to the correct grant. As an additional control the SEFA will be reconciled twice a year to ensure expenditures tie out to the award. All documents required to reconcile will be maintained.	6/30/22	Brad Rueckert, Finance Director
2021-004	Curry County is in the process of updating the procurement policy to conform with procurement standards identified in section 200.317 through 200.327. Internal controls will also be updated to ensure the policy is followed.	6/30/22	Anthony Pope, County Counsel