

CACHE COUNTY COUNCIL

DAVID L. ERICKSON, *CHAIR*
BARBARA Y. TIDWELL, *VICE CHAIR*
KATHRYN A BEUS
SANDI GOODLANDER
NOLAN P. GUNNELL
MARK R. HURD
KARL B. WARD



199 NORTH MAIN STREET
LOGAN, UT 84321

435-755-1840
www.cachecounty.org

December 12, 2023

**Contact: Micah Safsten
435-755-1840**

FOR IMMEDIATE RELEASE

Cache County Council Responds to Special Audit Report

In the fall of 2022, the Cache County Council authorized a special audit to investigate concerns regarding financial dealings and internal control issues in the operations of the County. Sage Forensic Accounting was hired to perform the audit on behalf of the Council, with Dentons Durham Jones Pinegar serving as legal counsel. Other governmental audits related to the operations of Cache County, including one from the Utah State Auditor's Office and another from the Utah Office for Victims of Crime, raised additional concerns and prompted further inquiry.

The final draft of the Special Audit Report was delivered to the County Council on December 8, 2023. The report raises significant concerns over Cache County's internal controls with regard to finances, questionable expenses made or approved by elected officials, and revelations of County employees being instructed by elected County Officers to withhold information from or misrepresent information given to the Council or its auditors.

In the past year, the County Council has implemented many changes to county policy and procedure, in part due to recent audits that have revealed a need for these changes. Attached to this press release is a full statement detailing some of these changes, and how they relate to potential problems raised by the Special Audit Report. These changes are not a complete or exhaustive list of all actions the council has taken or still can take. The County Council takes allegations of the misuse of public funds extremely seriously, and will continue to consider how it can improve the oversight it is required to provide.

Like any other governmental audit, this Special Audit commissioned by the Council is meant to identify possible areas for improvement. The Cache County Council looks forward to working with other County Officers and all county employees to improve the County's stewardship over public funds, while also providing the necessary services that make Cache County a great place to live.

The full Special Audit Report is available online at <https://www.cachecounty.org/news/>.

####

CACHE COUNTY COUNCIL

DAVID L. ERICKSON, *CHAIR*

BARBARA Y. TIDWELL, *VICE CHAIR*

KATHRYN A BEUS

SANDI GOODLANDER

NOLAN P. GUNNELL

MARK R. HURD

KARL B. WARD



199 NORTH MAIN STREET
LOGAN, UT 84321

435-755-1840
www.cachecounty.org

December 12, 2023

Cache County Council's Response to the Special Audit Report Dated December 8, 2023

On December 8, 2023, the Cache County Council received the Special Audit Report from Sage Forensic Accounting, summarizing the findings of the audit commissioned by the Council in the fall of 2022. The report raises significant concerns over Cache County's internal controls with regard to finances, questionable expenses made or approved by elected officials, and revelations of County employees being instructed by Elected County Officers to withhold information from or misrepresent information given to the Council or its auditors.

The County Council takes allegations of misused public funds or mistreatment of county employees very seriously. In the past year, the County Council has implemented many changes to county policy and procedure, in part due to other audits that have revealed a need for these changes. These changes, which date back to the fall of 2022, when Council members first learned about some of the allegations that initiated this Special Audit, have been a response to inadequate internal controls and insufficient policies to protect public funds and the ability of County employees to speak out against troubling behavior.

Actions that have already been taken, actions currently being considered, and ideas for future policies include:

Actions Already Taken:

- Ordinance 2022-36: Passed December 6, 2022. Allows a County Department Head who is removed for any reason except for cause to continue their employment in the same department and at the same salary they received while working as Department Head. Unlike most other positions in the County, Department Heads are "at will" employees, who can be terminated at any time with or without cause. Ordinance 2022-36, which applies only to Department Heads and not all "at will" employees, protects Department Heads from retaliatory action by allowing them to continue their employment, without depriving the Office of County Executive of its statutory right to appoint Department Heads with the advice and consent of the County Council.
- Ordinance 2022-37: Passed December 13, 2022. Adopts the State of Utah's established standards of conduct for County Elected Officers and employees, requiring them to disclose conflicts of interest between their public duties and personal interests. This includes requiring all County Elected Officers and employees to annually sign a sworn statement disclosing either a potential conflict of interest or the lack of any potential conflicts of interest and filing that statement with the County Council.

- Ordinance 2023-19: Passed June 13, 2023. Requires the County Auditor to include a monthly expense report as part of the monthly examination he or she is required to perform of all books and accounts of the county. This monthly expense report is then to be signed by the Auditor, certifying all expenses as consistent with authorized budgets, County Code, State law, and generally accepted accounting principles and reporting any expenses that may be in conflict. This signed report is then to be delivered to the County Council.
- Ordinance 2023-29: Passed August 22, 2023. Provided sweeping changes to the financial administration of the County. The changes included naming the County Auditor as the Finance Officer of the County, except in regard to the preparation of the Annual Tentative Budget, which remains a responsibility of the County Executive. It also included the County Treasurer in the proper disbursement of County funds, requiring his approval for expenses over a certain amount.

This change had the effect of moving the management of the County Finance Department from the County Executive to the County Auditor. It also decentralized the oversight of County funds by including the County Executive, Auditor, and Treasurer in various points of the budgeting and expenditure process. Nothing in this ordinance changes the auditing powers and authority of the County Council, County Auditor, or County Executive.

- Ordinance 2023-33: Passed September 12, 2023. Requires the County Auditor to prepare a monthly report of all expenditures for which a change has been made to the general ledger account initially assigned to the expenditure (referred to as “reclassifications” in the Special Audit Report). This report is to be delivered to the County Council and County Executive. It also requires that any travel by a County employee be approved by the relevant Department Head, Elected County Officer, and authorized by the County Auditor before the travel occurs.
- Ordinance 2023-34: Passed September 12, 2023. Implements into County Code the action of Executive Order 2023-01, which adopted the State of Utah’s County Personnel Management Act. This replaced the County Human Resources Department with an Office of Personnel Management, the director of which must be appointed by the County Executive with the advice and consent of the County Council. This gives personnel management a level of independence, rather than serving at the pleasure of one elected official. The County’s new Director for the Office of Personnel Management was nominated by the County Executive and approved by the County Council on September 12, 2023.

Actions Currently Being Considered:

- Resolution 2023-28: On the agenda for the December 12, 2023 Council Meeting. This will create a countywide policy manual, where all policies made by the Council through resolution can be housed and disseminated. The manual would not replace the current Cache County Personnel Policy and Procedures manual, but would include all policies dealing with internal practices and procedures.
- Whistleblower Policy: The Cache County Ordinance and Policy Review Committee is currently drafting an updated whistleblower policy, which would provide protections to any employees who speak out against unlawful or unethical actions by County Elected Officers or other employees.

Future Ideas for Consideration in 2024:

- A policy prohibiting any County Elected Officer or employee from approving their own travel expenses or reimbursements. Only a few positions in the County are ever permitted to approve their own travel expenses, but a policy naming who would approve the expenses for each of these positions would eliminate this practice entirely.
- Creating a more standardized travel policy, with County travel reimbursement rates matching the GSA reimbursement rates and applied to all lodging, meal, and travel expenses. Such a policy would likely cause some employees to pay a small amount of their own travel in certain circumstances, but would make travel easier to budget and provide oversight for.

These changes are not a complete or exhaustive list of all actions the council has taken or still can take. None of these actions will entirely eliminate public funds from potential misuse or prevent the mistreatment of County employees. However, they put up significant barriers to some of the actions detailed in the Special Audit Report.

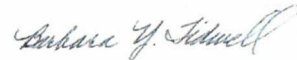
The Cache County Council will continue to work diligently to do what is best for Cache County, its finances, and the wonderful and hardworking employees in our organization.

The County Council would also like to thank Sage Forensic Accounting for its professionalism and discretion throughout this process.

Signed,



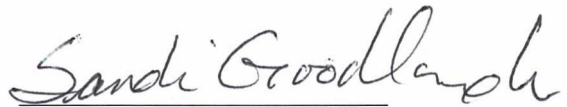
David Erickson
Council Chair



Barbara Tidwell
Council Vice Chair



Kathryn Beys
Councilwoman



Sandi Goodlander
Councilwoman

/s/ Nolan Gunnell (signed electronically with permission)

Nolan Gunnell
Councilman



Mark Hurd
Councilman



Karl Ward
Councilman