



Auditor

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Curtis Koch, MBA, CGFM
Auditor

Blake Woodall
Internal Auditor

To: Sheriff Kelly Sparks
From: Curtis Koch, Auditor; Blake Woodall, Internal Auditor
CC: Davis County Audit Committee
Date: August 14, 2023
Re: Sheriff Office Deposit Issue

Summary of Key Facts:

A Treasurer's office staff member notified an Auditor staff member that some deposits prepared by the Sheriff's office lacked appropriate documentation. After further review by the Auditor's office it was discovered that the Sheriff's office was using desk top depositing to move money from the Inmate bank account to the County's operating bank account.

By issuing a check from the inmate bank account then depositing that check into the County's operating bank account using desktop deposit, the Sheriff's office was able to move funds with little oversight from the Treasurer's office. As a result of this process, Treasurer's office staff did not receive the appropriate supporting documentation for each deposit as expected.

Desk top depositing was implemented by the County under the direction of Treasurer Altom in August of 2022. Due to this decision, the Sheriff's office changed their depositing process and as a result no longer sent supporting documentation to the Treasurer's office via interoffice mail. Instead, the supporting documentation was attached to each deposit in the County's general ledger system (Tyler/Munis).

Issues/Risks:

If the Treasurer's office does not have access to view deposit documentation, Treasurer Staff cannot fulfill their statutory responsibility to insure each deposit is valid and complete.

Separation of duties issues may have been introduced into the new deposit process followed by the Sheriff's office, if Treasurer's staff cannot review each deposit.

Moving funds between county bank accounts introduces a higher level of risk and accountability. A singular department should not perform this function without oversight from the Treasurer or Auditor's office.

Recommendations:

Sheriff's office staff should discontinue the practice of transferring funds from the Inmate bank account to the County operating bank account by issuing a check then depositing a check using desk top deposit. Instead, work with the Treasurer and Auditor's staff to design and implement a more controlled method to transfer these funds.

Further, all funds and deposits accepted or received by the Treasurer's office must be accounted for and verified by personnel within the Treasurer's office and an accurate receipt issued to the department that deposited it.

Conclusion:

Desk top depositing is a good tool to be used by Sheriff Office staff members when depositing inmate funds into the inmate bank account. However, when moving money between county bank accounts a higher level of transparency and control is required and should be performed in cooperation with the Treasurer's Office.