

**INDEPENDENT AUDITORS' REPORT IN ACCORDANCE  
WITH STATE COMPLIANCE AUDIT GUIDE ON:  
- COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS  
- INTERNAL CONTROL OVER COMPLIANCE**

The Honorable County Council  
Davis County, Utah

**Report On Compliance with General State Compliance Requirements**

We have audited Davis County, Utah's compliance with the general compliance requirements described in the State Compliance Audit Guide, issued by the Office of the Utah State Auditor, that could have a direct and material effect on Davis County, Utah for the year ended December 31, 2016.

General state compliance requirements were tested for the year ended December 31, 2016 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Utah Retirement Systems Compliance
- Restricted Taxes and Related Revenues
- Open and Public Meetings Act
- Treasurer's Bond
- Utah Public Finance Website
- Cash Management
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Statement of Taxes Charged, Collected & Disbursed

*Management's Responsibility*

Management is responsible for compliance with the general state requirements referred to above.

*Auditors' Responsibility*

Our responsibility is to express an opinion on Davis County, Utah's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State Compliance Audit Guide. Those standards and the State Compliance Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on Davis County, Utah occurred. An audit includes examining, on a test basis, evidence about Davis County, Utah's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of Davis County's compliance.

### *Opinion on General State Compliance Requirements*

In our opinion, Davis County, Utah complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended December 31, 2016.

### *Other Matters*

The results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying schedule of findings. Our opinion on compliance is not modified with respect to these matter.

Davis County, Utah's response to the findings identified in our audit are described in the accompanying schedule of findings. Davis County, Utah's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of Davis County, Utah is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Davis County, Utah's internal control over compliance with the compliance requirements that could have a direct and material effect on Davis County, Utah to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the State Compliance Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Davis County, Utah's internal control over compliance.

*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 general state or major state program compliance requirement 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 general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

### *Purpose of Report*

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of integral control and compliance and the results of that testing based on the requirement of the *State Compliance Audit Guide*. Accordingly, this communication is not suitable for any other purpose.

*Ulrich & Associates, P.C.*

Ogden, UT  
June 16, 2017

**Davis County, Utah**  
**State Legal Compliance - Schedule of Findings**  
**For the Year Ended December 31, 2016**

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**CURRENT YEAR FINDINGS**

Statement of Condition - 2016-1

During 2016 the County did not provide financial reports to the commissioners on a quarterly basis.

Criteria

State Law requires that financial reports are prepared quarterly and reviewed by the commissioners. State law also dictates the specific information that must be included on these reports.

Cause

The County has a new accounting information system that does not yet provide the required reports to provide to the commissioners.

Recommendation

We recommend that the County design a system or use the current system in conjunction with other software to create the financial reports as required by state law and provide those reports to the commissioners on a quarterly basis.

Response

We concur with the recommendation and will work to create and provide the required reports to the commissioners on a quarterly basis.