



## Board Summary Report

---

**File #:** 24-375

**Agenda Date:** 7/9/2024

**Agenda #:** 6.1

---

**To:** Board of County Commissioners

**Through:** County Attorney's Office

**Prepared By:**

Commissioners' Office

**Subject:**

A resolution instituting additional fiscal controls for the Arapahoe County Sheriff's Office

**Purpose and Request:**

This resolution institutes additional fiscal controls on the Arapahoe County Sheriff's Office.

**Background and Discussion:** The Board of County Commissioners (Board) has exclusive power to adopt the annual budget for the operation of county government, including all offices, departments, boards, commissions or other spending agencies of the county government, and other agencies which are funded in whole or part by county appropriations, per statute. This includes the approval of financial policies which establish and direct the budget process of Arapahoe County. The Finance Department is responsible for carrying out the policy directives of the Board and establishing the necessary procedures to do so.

Colorado statute requires local governments to prepare and adopt an annual budget, and it also specifies the information that the budget is required to include (§§ 29-1-101 through 115, C.R.S.). The Board is responsible for the annual adoption and appropriation of the budget in accordance with these statutory requirements. The scope of these financial policies extends to all funds, elected offices, and departments for the County and to the related districts and authorities under the purview of the Board to include the Law Enforcement Authority, Recreation District, and the Arapahoe County Water and Wastewater Public Improvement District. The County also is required to adhere to the Local Government Audit Law (C.R.S. §§ 29-1-601 *et seq.*).

During the County's quarterly budget review in January 2023, the Board learned the Sheriff's Office had overspent its 2023 budget by nearly \$1 million, which is not allowed under state statute. The Board adopted a supplemental appropriation request to adjust the 2023 budget and required the Sheriff's Office to implement new fiscal controls to address the independent elected office's ability to manage its established 2024 budget, including:

- The Sheriff's Office implemented monthly meetings with all budget managers to discuss any

foreseeable problems.

- The Sheriff's Office will present to the Board and the County's Executive Budget Committee at a quarterly review to share all known budget issues.
- All Command Staff members will receive training and education from the County's finance department on budget, financial accounting applications, and finance practices.
- The Sheriff's Office will meet with the County finance department monthly to ensure that communication is clear and that relevant issues are quickly addressed.
- The Sheriff's Office will review overspent areas and develop a plan to compensate for these shortfalls as best as possible within the existing budget.

As part of the County's established budget process, the Board in June discovered the Sheriff's Office diverted \$380,000 in taxpayer funds owed to Arapahoe County to a nonprofit organization. This diversion of funds was inconsistent with state statutes and approved fiscal policies and procedures, circumventing the Board's statutory responsibilities over County financial matters.

As such, the Board has determined signature authority revisions and additional fiscal controls are needed within the Sheriff's Office to achieve accountability and transparency to residents and community partners as well as compliance with County fiscal policies, procedures, and statutory requirements. The Board expects these supplemental controls will ensure expenditures of the Sheriff's Office remain within their approved annual budget appropriation for 2024 as knowingly exceeding such appropriations has statutory and budgetary consequences.

**Alternatives:** The Board could decide not to implement these controls.

**Fiscal Impact:** N/A

**Alignment with Strategic Plan:**

- Be fiscally sustainable
- Provide essential and mandated service
- Be community focused

**Concurrence:** County Attorney, Finance Department.

**Resolution:** Attach a copy of the draft resolution.