



October 29, 2024

Mr. Dave Harner
County Manager of Lee County

Dear Mr. Harner,

This letter serves as a recap of the events that transpired between Tuesday, October 15th and Thursday, October 17th. Following the conclusion of the Board of County Commissioner's meeting on October 15th, I verbally informed you the external auditor intended to schedule individual meetings with each County Commissioner to discuss the external audit of the annual financial statements. The purpose of those meetings was to discuss the External Auditor's concern with the financial statements of the Sheriff's Office and the overall audit opinion of Lee County. In that brief discussion, you invited County Attorney Richard Wesch to participate, where we all agreed to have a pre-meeting, with a smaller group of attendees, prior to the External Auditor and me meeting with each board member.

My office scheduled the audit discussion pre-meeting for October 17th, inviting representatives of the County Manager, County Attorney, Clerk and Comptroller, and External Auditor. The list of attendees who showed up and participated in the meeting consisted of a broader group of individuals, all of whom are copied to this letter.

In the pre-meeting, the External Auditor explained the complexities of this year's audit in light of the public allegations of fraud within the Lee County Sheriff's Office. County leadership and the Undersheriff expressed passionate disagreements with most of the External Auditor's perspective, however, all parties did agree that the allegations of fraud would likely be difficult to prove or disprove without access to non-government private records. The discussion lasted well over an hour, as all parties attempted to get on the same page about what was needed to move forward. There was no immediate path forward on an independent investigation being performed by the County, the Sheriff, or the Clerk due to disagreements on legal authority and feasibility. The External Auditor agreed to further discuss the County's and Undersheriff's affidavit suggestion with the firm's Quality and Risk team, but warned the group those

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suggestions would likely not be sufficient. Beyond those points, next steps were not clearly defined and the meeting ended abruptly.

In summary, the External Auditor has brought forth concerns that could negatively impact the county's financial statements. Although the Clerk's involvement may be viewed as connected to my role as County Auditor, I am compelled as County Comptroller to ensure the County Commissioners are notified of the financial risk(s) the county may face in the future. Despite the fact that these allegations may be politically motivated or might not be able to be proven as true or false, I believe county leaders still have a duty to ensure the concerns of the External Auditor are addressed, even if the Board chooses to document in writing they are taking no action. An official response of the Board then allows the External Auditors to complete their review of the Sheriff's financial statements and issue a county-wide audit opinion. Getting to the next immediate step in the audit process, while addressing the external auditor's concern, is my sole objective. The Board, Clerk and Comptroller, Sheriff's Office, and External Auditor will probably have to meet to discuss other details as the external audit progresses. In a separate letter to the full board, I will provide a more detailed perspective of the financial risks ahead if no action is taken to address the external auditor's concerns.

If any of the details described above require modification, please let me know. I look forward to working with the Board to preserve the financial interests of the taxpayers we all serve.

Sincerely,

Lee County Clerk of Court and Comptroller

cc: Vice Chair Commissioner Kevin Ruane (District 1)
Pete Winton, Assistant County Manager
Richard Wesch, County Attorney
John Holloway, Undersheriff with Lee County Sheriff's Office
Michael Healy, General Counsel with the Lee County Clerk's Office
Chris Kessler, Principal with CliftonLarsonAllen, LLP

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