

Preliminary FOLLOW-UP REPORT

An Audit of Salt Lake County
ARTS & CULTURE PAYROLL
OCTOBER 2025



Chris Harding, CPA, CFE, CIA
County Auditor

Office of the Auditor
Salt Lake County

Audit Team

Brenda Nelson, CISA, Audit Manager
Tammy Brakey, Senior Internal Auditor
Anthony Kournianos, CFE, Internal Auditor
Tyler Standing, Internal Auditor

Audit Management

Chris Harding, CPA, CFE, CIA, Auditor
Richard Jaussi, MBA, Chief Deputy Auditor
Roswell Rogers, Senior Advisor
Shawna Ahlborn, Audit Division Director

Audit Management

Marty Van Wagoner, CPA, MBA



Office of the Auditor
Salt Lake County
2001 S State Street, Ste N3-300
Salt Lake City, UT 84190-1100
Phone: (385) 468-7200

www.saltlakecounty.gov/auditor/

Salt Lake County Auditor



Chris Harding, CPA, CFE, CIA
County Auditor

2001 S State Street, Ste N3-300, Salt Lake City, UT 84190
Phone: (385) 468-7200 www.saltlakecounty.gov/auditor/

AUDITOR'S LETTER

October 14, 2025

In line with generally accepted government auditing standards and the established policies of the Auditor's Office, as authorized by Utah Code Title 17, Chapter 19a, "County Auditor," Part 2, "Powers and Duties," we maintain our responsibility to monitor and ensure that audit recommendations are addressed by county agencies through appropriate corrective action, which is also instrumental in shaping future audits.

This communication serves as the preliminary follow-up report for the Audit of Salt Lake County Arts & Culture Payroll, which follows the original audit report issued in July 2024. The original audit identified nine findings with 26 recommendations. The purpose of this review was to evaluate the progress made in addressing the findings and recommendations aimed at enhancing operational efficiency and compliance.

Our follow-up review indicates that Arts & Culture management has fully implemented 16 of the 26 audit recommendations, with 10 still in progress. By developing written internal policies, ensuring timecards are approved by supervisors, verifying the accuracy of cell phone allowances, and strengthening controls over the issuance of gift cards, management has demonstrated commitment to addressing the risks identified in the initial audit.

Further work is critical to fully address risks related to timecard edits, retroactive payments, final payouts, reconciliation of time transfers between systems, accuracy and authorization of overtime and compensatory time, completion of bonus award documentation, and timely access termination in accordance with updated countywide policy. A secondary follow-up audit will be conducted no sooner than March 2026 to verify compliance in these areas.

We performed this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

We extend our appreciation to Arts & Culture management for their cooperation during this process. The enclosed follow-up audit report summarizes the current status of the recommendations. Should you have any questions or require further discussion, please do not hesitate to contact me at 385-468-7200.

A handwritten signature in black ink, appearing to read "Chris Harding".

Chris Harding, CPA, CFE, CIA
Salt Lake County Auditor

Action Since Audit Report

An Audit of Salt Lake County Arts & Culture Payroll

Original Audit: Report Issued July 2024

9 findings with 26 recommendations repoted in July 2024.

Preliminary Follow-up: Arts & Culture fully implemented 16 of the 26 recommendations, and 10 are in progress.

	FULLY IMPLEMENTED	16
	IMPLEMENTATION IN PROGRESS	10
	NOT IMPLEMENTED	0
	CLOSED	0

Remaining Risks

A secondary follow-up audit will be conducted by the Auditor’s Office no sooner than March 2026.

FINDING 1. NO RECONCILIATION OF DATA TRANSFERRED TO THE PAYROLL SYSTEM

Risk Rating: **Significant Risk Finding**



Recommendation 1.1 - We recommend that Arts & Culture Management work with MFA Payroll Administration to make the necessary corrections to the employees' time for the variances identified.

Agency Action – Implemented our recommendation.



Recommendation 1.2 - We recommend that Arts & Culture Management implement a documented reconciliation of time entries transferred from external timekeeping applications to PeopleSoft each pay period to ensure accuracy and completeness. Procedures should include an independent review and approval of the reconciliation performed.

Agency Action – Implementation in progress. Reconciliations were performed but lacked sufficient evidence of independent review. In addition, variances between Time Clock Plus (TCP) and PeopleSoft time records were noted without appropriate corrections or supporting documentation, including the reason the variance occurred.

FINDING 2. TIMECARDS NOT APPROVED BY A SUPERVISOR AND INADEQUATE SEGREGATION OF DUTIES

Risk Rating: **Significant Risk Finding**



Recommendation 2.1 - We recommend that Arts & Culture Management establish and document procedures regarding the review and approval of employee time by direct supervisors or managers.

Agency Action – Implemented our recommendation.



Recommendation 2.2 - We recommend that Arts & Culture Management establish clear procedures that address situations when the direct supervisor is unavailable to approve time, outlining alternative approval processes. These procedures should include documentation requirements to ensure proper oversight and accountability.

Agency Action – Implemented our recommendation.



Recommendation 2.3 - We recommend that Arts & Culture Management establish and document procedures regarding time edits made by supervisors and other staff and the communication of those time edits to the employee affected by them. These procedures should include documentation requirements to ensure proper oversight and accountability.

Agency Action – Implementation in progress. Arts & Culture was unable to provide documentation showing that a supervisor notified the employee of four edits made to the employee's timecard.



Recommendation 2.4 - We recommend that the Arts & Culture Management implement a review process for timecard entries that were not made by the employee, requiring timecards to be reviewed and approved by a higher-level manager or by an independent reviewer who is at a higher organizational level.

Agency Action – Implemented our recommendation.

FINDING 3. OUTDATED AND INADEQUATE DOCUMENTATION SUPPORTING EMPLOYEE CELL PHONE ALLOWANCES

Risk Rating: **Significant Risk Finding**



Recommendation 3.1 - We recommend that Arts & Culture Management obtain and submit unaltered 1035-A forms showing reimbursements on a per pay period basis.

Agency Action – Implemented our recommendation.



Recommendation 3.2 - We recommend that Arts & Culture Management establish and implement a regular review process for actual cell phone bill costs. This process should include receiving annual updates of billing statements from employees, verifying matching cell phone numbers and documenting the review.

Agency Action – Implemented our recommendation.



Recommendation 3.3 - We recommend that Arts & Culture Management obtain new 1035-A forms and current billing statements for all employees, including transfers, who are receiving a cell phone allowance.

Agency Action – Implemented our recommendation.



Recommendation 3.4 - We recommend that Arts & Culture Management establish and implement a standard procedure for when an employee changes their phone number that includes obtaining an updated billing statement and verifying the employee's cell phone number.

Agency Action – Implemented our recommendation.



Recommendation 3.5 - We recommend that Arts & Culture Management stop the reimbursement to the employee whose phone number used for County business was not listed on the billing documentation, until documentation showing the employee is

incurring out-of-pocket costs is obtained.

Agency Action – Implemented our recommendation.

FINDING 4. TERMINATION REQUESTS SUBMITTED AFTER EMPLOYEES' LAST WORKING DATE

Risk Rating: **Significant Risk Finding**



Recommendation 4.1 - We recommend that Arts & Culture Management establish and implement policies and procedures for employee offboarding. These procedures should outline the specific timeframe for terminating access to sensitive data systems, including timekeeping and network access.

Agency Action – Implemented our recommendation.



Recommendation 4.2 - We recommend that Arts & Culture Management ensure the timely removal of employees from timekeeping applications upon termination of employment.

Agency Action – Implemented our recommendation.



Recommendation 4.3 - We recommend that Arts & Culture Management work with Information Technology to ensure the timely removal of employees from network access upon termination of employment.

Agency Action – Implementation in progress. One merit employee was terminated during the audit period. However, there was no request submitted for the employee's access to the County network to be revoked.

FINDING 5. AGENCY DID NOT UNDERSTAND RETRO PAY AND FINAL PAYOUT RESPONSIBILITIES

Risk Rating: **Moderate Risk Finding**



Recommendation 5.1 - We recommend that Arts & Culture Management establish and implement clear written policies and procedures for calculating and verifying retroactive payments and leave payouts.

Agency Action – Implementation in progress. An internal policy was drafted, but only states that documentation will be retained for retro payments and final payouts. The policy does not include calculating or verifying retroactive payments

and leave payouts.



Recommendation 5.2 - We recommend that Arts & Culture Management work with Payroll Administration to establish and implement a documentation retention system to ensure that documentation supporting payroll payments is maintained on file.

Agency Action – Implementation in progress. We did not test retro pay during this follow-up because Arts & Culture Management did not process any retro payments. For documentation retention related to leave and vacation payouts, Arts and Culture management used a payroll template provided by the Mayor's Office Administration Payroll. However, they did not begin using the payroll template until early 2025. Therefore, we will revisit this recommendation in our next follow-up audit.

FINDING 6. W-4 FORMS NOT OBTAINED AND ON FILE

Risk Rating: **Moderate Risk Finding**



Recommendation 6.1 - We recommend that Arts & Culture Management establish and document procedures for obtaining, storing, and entering W-4 forms. These procedures should include a documented secondary review and approval process to ensure the accuracy of the data entered.

Agency Action – Implemented our recommendation.



Recommendation 6.2 - We recommend that Arts & Culture Management maintain hard or electronic copies of each employee's W-4 documentation for a minimum of four years.

Agency Action – Implemented our recommendation.

FINDING 7. GIFT CARD REQUESTS LACKING PROPER SEGREGATION OF DUTIES AND AUTHORITY

Risk Rating: **Moderate Risk Finding**



Recommendation 7.1 - We recommend that Arts & Culture Management design and implement controls to ensure a clear segregation of responsibilities within the gift card process where designated individuals with the appropriate managerial roles initiate, authorize, and approve gift cards.

Agency Action – Implemented our recommendation.



Recommendation 7.2 - We recommend that Arts & Culture Management conduct regular reviews of the gift card approval process to identify any irregularities and prevent such instances from occurring in the future.

Agency Action – Implemented our recommendation.

FINDING 8. INSUFFICIENT OVERTIME AND COMPENSATORY TIME APPROVALS, NO INTERNAL POLICY, AND MISSING OR CONFLICTING COMPENSATION AGREEMENT FORMS

Risk Rating: **Moderate Risk Finding**



Recommendation 8.1 - We recommend that Arts & Culture Management establish and implement controls to ensure overtime and compensatory time earned during each pay period are consistent with each employee's election.

Agency Action – Implementation in progress. Arts & Culture Management has established policies requiring periodic reviews to confirm that employee overtime and compensatory time elections align with actual compensation. However, management has not yet fully implemented these reviews. As a result, Overtime Compensation Agreement Forms sampled for the follow-up audit remained incomplete and in one instance did not accurately reflect the compensation the employee was receiving.



Recommendation 8.2 - We recommend that Arts & Culture Management establish and implement procedures that include supervisors and the payroll coordinator reviewing time for unexpected changes in time reporting.

Agency Action – Implementation in progress. Arts & Culture Management has established procedures requiring periodic reviews to identify unexpected changes in time reporting; however, they are still in the process of completing the initial review and formalizing the review procedures.



Recommendation 8.3 - We recommend that Arts & Culture Management establish and implement written internal policies and procedures addressing compensatory time for FLSA exempt employees.

Agency Action – Implemented our recommendation.



Recommendation 8.4 - We recommend that Arts & Culture Management establish and implement written internal policies and procedures addressing retention of Overtime Compensation Agreement Forms as well as overtime pre-approval authorizations. All support documentation should be retained in a central location or electronic file that is accessible to management, and not in an email account.

Agency Action – Implementation in progress. Arts & Culture Management has established procedures for storing Overtime Compensation Agreement Forms and pre-approval authorizations but has not yet fully implemented the standard process for storage.

FINDING 9. DOCUMENTATION OF AN EMPLOYEE BONUS AWARD NOT RETAINED

Risk Rating: **Moderate Risk Finding**



Recommendation 9.1 - We recommend that Arts & Culture Management develop and implement document management procedures to ensure that all relevant support documentation is systematically organized, filed, and easily retrievable.

Agency Action – Implementation in progress. The Employee Identification Number (EIN) was not included with bonus documentation, as required by Human Resources Policy 5-100, Pay and Employment Practices. Additionally, as noted in Recommendation 5.2, Arts & Culture was not using the payroll template provided by MFA Payroll until 2025.



Recommendation 9.2 - We recommend that Arts & Culture Management establish standardized documentation formats and templates to ensure consistency and completeness. This will facilitate easy review and verification of support documentation.

Agency Action – Implementation in progress. Standardized documentation and formats were not being used.

APPENDIX A: AUDIT RECOMMENDATION IMPLEMENTATION STATUS

Audit Recommendation Implementation Status			
 Fully Implemented	 Implementation In Progress	 Not Implemented	 Closed
The audit recommendation has been implemented, and the corrective actions effectively address the original issue or finding, as verified by the follow-up audit. No further action is required currently.	The agency has begun taking corrective actions to address the audit recommendation. However, full implementation has not yet been achieved.	The agency has not taken corrective action to address the audit recommendation.	Circumstances have changed surrounding the original finding or recommendation that make it no longer applicable, or the agency will only implement a portion of the recommendation as verified by the follow-up audit. No further follow-up is required.