

Preliminary FOLLOW-UP REPORT

An Audit of Salt Lake County Council Tax Administration Payroll

JUNE 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
Jacqueline Zhang, 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

June 16, 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 Council Tax Administration Payroll, following the original audit report issued in January 2024. The original audit identified six findings with 11 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 indicates that Council Tax Administration Management has fully implemented six of the 11 audit recommendations, with five still in progress. By implementing recommendations to develop written internal policies and secure personal identifiers demonstrates management's commitment to addressing the risks identified in our preliminary audit.

Further work is critical to fully address risks related to approving timecards when supervisors are unavailable, documenting overtime agreements for non-exempt employees, and ensuring timely access termination in accordance with updated countywide policy. A secondary follow-up audit will be conducted no sooner than December 2025 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 Council Tax Administration 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.

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

Action Since Audit Report

An Audit of Salt Lake County Council Tax Administration Payroll

Original Audit: Report Issued January 2024

6 findings with 11 recommendations issued.

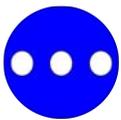
Preliminary Follow-up

Council Tax Administration fully implemented six recommendations, five are in progress.



FULLY
IMPLEMENTED

6



IMPLEMENTATION IN
PROGRESS

5



NOT
IMPLEMENTED

0



CLOSED

0

Remaining Risks

A secondary follow-up audit will be conducted by the Auditor's Office no earlier than December 2025.

FINDING 1. TIMECARDS NOT APPROVED BY A SUPERVISOR



Recommendation 1.1 - We recommend that Council Tax Administration Management establish and implement written procedures that include:

- Clearly defined guidelines outlining the process for reviewing and approving employee time by their direct supervisors or managers
- Procedures addressing situations in which the direct supervisor is unavailable to approve time, specifying necessary documentation required to ensure proper oversight and accountability.
- Implementation of safeguards to ensure that the approval is not provided by a subordinate.

Agency Action – Implementation in progress. Council Tax Administration's Internal Policy included responsibility for supervisors and managers to approve employee time. However, the policy did not clearly outline procedures for when the direct supervisor was unavailable to approve time, nor the documentation required when that occurs. Follow-up will be required to verify the implementation of this recommendation.



Recommendation 1.2 - We recommend retaining documentation on file whenever a supervisor does not approve the employee's timecard. Council Tax Administration can achieve this by utilizing PeopleSoft's delegation and comments feature, making use of the comments section during timecard approval, or through alternative documentation methods.

Agency Action – Implemented our recommendation.

FINDING 2. INADEQUATE SEGREGATION OF DUTIES



Recommendation 2.1 -We recommend that Council Tax Administration Management establish and document procedures for ensuring proper segregation of duties in the entry and approval of employee time, including paper timesheets, late entries, and adjustments.

Agency Action –Implemented our recommendation.



Recommendation 2.2 -We recommend that Council Tax Administration Management implement a review process for timecard entries requiring timecards to be reviewed by an independent reviewer who is at a higher organizational level.

Agency Action –Implemented our recommendation.

FINDING 3. AGENCY DID NOT UNDERSTAND RETRO PAY RESPONSIBILITIES



Recommendation 3.1 - We recommend that Council Tax Administration Management establish clear and well-defined policies and procedures for calculating and verifying retroactive payments.

Agency Action – Implemented our recommendation.



Recommendation 3.2 - We recommend that Council Tax Administration Management work with Payroll Administration to establish a documentation retention system to ensure that documentation supporting retro payments is maintained on file.

Agency Action – Implementation in progress. There were no retroactive payments processed during the audit period. As a result, testing for this recommendation was postponed until the next follow-up audit.

FINDING 4. NO INTERNAL POLICY FOR EXEMPT EMPLOYEE'S COMPENSATORY TIME



Recommendation 4.1 - We recommend that Council Tax Administration Management establish and implement written policies and procedures addressing compensatory time for exempt employees.

Agency Action – Implemented our recommendation.



Recommendation 4.2 - We recommend that Council Tax Administration Management ensure separation of duties be in place in the signature approval sections of the Overtime Compensation Agreement form and that form only be used for non-exempt staff.

Agency Action – Implementation in progress. One out of three non-exempt employees tested did not have an Overtime Compensation Agreement on file for the audit period. Follow-up will be required to verify the implementation of this recommendation.

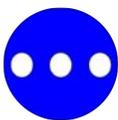
FINDING 5. ACCESS TERMINATION REQUESTS NOT SUBMITTED TIMELY



Recommendation 5.1 - We recommend that Council Tax Administration Management establish and implement Policies and Procedures for employee offboarding including the timing of access termination to sensitive data and systems, including timekeeping and network access.

Agency Action – Implementation in progress. In consideration of temporary employees that work seasonally and return each year, Council Tax Administration implemented a policy stating that termination is considered effective when the employee is notified of their termination. However, this conflicts with recent revisions to Human Resource Policy 02-400, which requires access to be revoked no later than the employee’s last workday.

Since county policy takes precedence, follow-up will be required to verify the implementation of this recommendation and ensure compliance.



Recommendation 5.2 - We recommend that Council Tax Administration Management work with Information Technology to ensure the timely removal of employees from network access upon termination of employment.

Agency Action – Implementation in progress. We noted that one merit employee’s last day was May 9, 2024. However, the request for the employee’s access to be revoked was not made until May 13, 2024. Recent revisions to Human Resource Policy 02-400 require access to be revoked no later than the employee’s last workday. Follow-up will be required to verify the implementation of this recommendation and ensure compliance.

FINDING 6. PERSONAL IDENTIFIERS NOT PROPERLY SECURED



Recommendation 6.1 - We recommend that Council Tax Administration implement measures to restrict access to documents containing employee personal identifier information. Management should consider the following options:

- Securing the key on the person of the Administration Assistant
- Utilizing a key lockbox for authorized personnel
- Securely scanning documents and limiting access to the folder on the network drive

Agency Action – Implemented our recommendation.

APPENDIX A: AUDIT RECOMMENDATION IMPLEMENTATION STATUS

Audit Recommendation Implementation Status			
 <p>Fully Implemented</p>	 <p>Implementation In Progress</p>	 <p>Not Implemented</p>	 <p>Closed</p>
<p>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 at this time.</p>	<p>The agency has begun taking corrective actions to address the audit recommendation. However, full implementation has not yet been achieved.</p>	<p>The agency has not taken corrective action to address the audit recommendation.</p>	<p>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.</p>