

Preliminary FOLLOW-UP REPORT

A Financial Audit of Salt Lake County Deferred Revenue

SEPTEMBER 2025



Chris Harding, CPA, CFE, CIA
County Auditor

Office of the Auditor
Salt Lake County

Audit Team

Audra Bylund, CIA, Audit Manager

Pete Busche, CIA, Senior Internal Auditor

JC Bailey, 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

September 8, 2025

In accordance 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. This process is also instrumental in shaping future audits.

This communication serves as the preliminary follow-up report for An Audit of Salt Lake County Deferred Revenue, following the original audit report issued in October 2023. That audit identified seven key findings with 22 associated recommendations, resulting in a total of 38 recommendations for the agencies within scope. The purpose of this review was to evaluate progress in addressing the findings and implementing recommendations aimed at enhancing operational efficiency and compliance.

In this preliminary follow-up audit, agencies have fully implemented 18 of the 38 audit recommendations, with 17 still in progress. We closed three recommendations after determining that the Surveyor's Office should treat unreturnable permit fees as unclaimed property under Utah's Unclaimed Property Act and not deferred revenue, making a breakage policy inapplicable. We encourage all relevant parties to complete the necessary steps to fully implement the outstanding recommendations prior to our final follow-up audit.

Implementing recommendations to develop breakage policies for unclaimed funds, and to establish policies, procedures, and documentation for building rentals and security/cleaning deposits, demonstrates management's commitment to addressing the risks identified in the initial audit.

Further work is essential to fully mitigate risks associated with the untimely approval of outstanding venue deposit reconciliations. Additionally, risks remain regarding incomplete or not retained annual pass memberships, venue and party room rentals, and existing monument permit applications. These areas require further attention from both staff and management.

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 such a basis.

We extend our appreciation to all leaders and team members of the agencies involved for their cooperation during this process. The enclosed follow-up audit report summarizes the status of the recommendations. Should you have any questions or wish to discuss the report further, please do not hesitate to contact me at 385-468-7200.

A handwritten signature in black ink, appearing to read "Chris Harding". The signature is fluid and cursive, with the first name "Chris" and last name "Harding" clearly distinguishable.

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

Action Since Audit Report

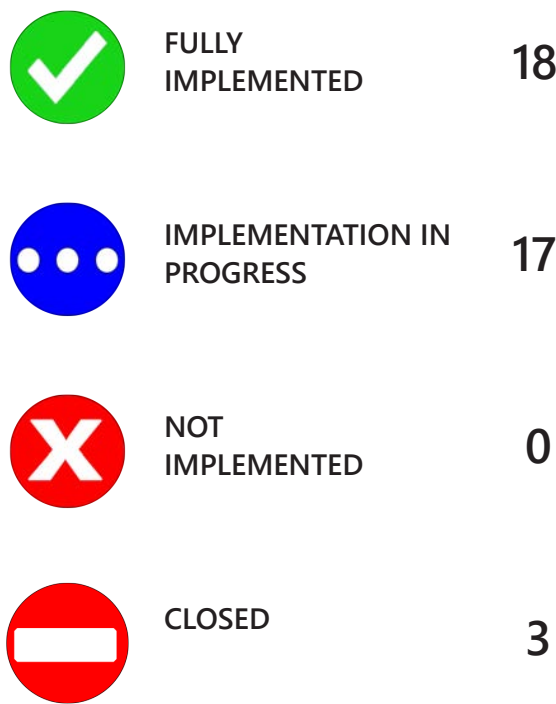
An Audit of Salt Lake County Deferred Revenue

Original Audit: Report Issued October 2023

7 findings with 22 recommendations for agencies within scope, resulting in 38 agency and department recommendations that were reported in October 2023.

Preliminary Follow-up

The agencies/departments have fully implemented 18 of the 38 recommendations, 17 are in progress, and 3 were closed.

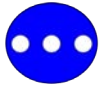


Remaining Risks

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

FINDING 1. LACK OF BREAKAGE POLICY FOR UNCLAIMED FUNDS

Recommendation 1.1 - We recommend that the agencies, in collaboration with the County Council and legal counsel, take proactive steps to establish and implement a breakage policy or defined cut-off period to be able to recognize unclaimed revenue in compliance with applicable legal parameters.



ARTS AND CULTURE: Agency Action – Implementation in Progress – While the policy draft contains gift card expiration dates and addresses unclaimed revenue and how the funds will be recorded, the policy was not yet officially approved by management. A second follow-up is required.



CLARK PLANETARIUM: Agency Action – Implemented our recommendation.



SURVEYOR'S OFFICE: Agency Action – Recommendation Closed. Management consulted with the District Attorney's Office and determined that the Surveyor's Office should treat unreturnable permit fees as unclaimed property under Utah's Unclaimed Property Act and is thus not applicable for a breakage policy.

Recommendation 1.2 - We recommend that once a breakage policy or cut-off period is established, agencies publish this policy to the public on their website and on corresponding documentation that relates to qualifying transactions, such as gift card sales and the existing monument permits.



ARTS AND CULTURE: Agency Action – Implemented our recommendation.



CLARK PLANETARIUM: Agency Action – Implemented our recommendation.



SURVEYOR'S OFFICE: Agency Action – Recommendation Closed. Management consulted with the District Attorney's Office and determined that the Surveyor's Office should treat unreturnable permit fees as unclaimed property under Utah's Unclaimed Property Act and is thus not applicable for a breakage policy.

Recommendation 1.3 - We recommend that Arts and Culture, in collaboration with legal counsel, implement an expiration date for gift certificates of at least five years. The expiration date and terms should comply with the federal, state and County gift card expiration date requirements.



ARTS AND CULTURE: Agency Action – Implemented our recommendation.

Recommendation 1.4 - We recommend the Surveyor's office, in collaboration with legal counsel, develop a cut-off period for permittees to return the signed Existing Monument Fee Notification Letter.



SURVEYOR'S OFFICE: Agency Action – Recommendation Closed. Management no longer requires a signed notification fee letter to be returned for refunds.

Management updated their procedures to automatically refund the permittee. The language in the Notification Fee letter was updated to mention that a refund is issued and no signature is required by permit holder.

FINDING 2. INADEQUATE MONTHLY RECONCILIATIONS OF GIFT CERTIFICATE BALANCES

Recommendation 2.1 - We recommend that when Arts and Culture perform the monthly gift certificate reconciliation, to include the beginning and ending outstanding gift certificate balances in addition to their net gift certificate balance of redeemed and unredeemed gift certificate balances.



ARTS AND CULTURE: Agency Action – Implementation in Progress – Arts & Culture is in the process of implementing the reconciliation of gift card balances, testing will be delayed until the secondary follow-up audit.

Recommendation 2.2 - We recommend that Clark Planetarium's fiscal team perform monthly gift card reconciliations. Balances from the point-of-sale report should be compared with the liability account balance reported in PageCenterX to document and account for variances such as potential timing or human error.



CLARK PLANETARIUM: Agency Action – Implemented our recommendation.

FINDING 3. INADEQUATE RETENTION OR INCOMPLETE ANNUAL PASS MEMBERSHIP, VENUE, AND PARTY ROOM RENTAL, AND EXISTING MONUMENT PERMIT APPLICATIONS

Recommendation 3.1 - We recommend that Management for four agencies retain their applications electronically within a share drive. This approach would facilitate enhanced record keeping by enabling employees to efficiently maintain and access application records.



ACORD ICE CENTER: Agency Action – Implementation in progress - Acord Ice Center has not yet implemented the recommendations; a secondary follow-up audit is required.



CLARK PLANETARIUM: Agency Action – Implemented our recommendation.



SALT LAKE COUNTY ICE CENTER: Agency Action – Implemented our recommendation.



SALT LAKE COUNTY SPORTS COMPLEX: Agency Action – Implementation in progress – 11/25 (44%) memberships reviewed did not include completed

application forms. A second follow-up audit is required.

Recommendation 3.2 - We recommend that Viridian Event Center Management conduct a review with their legal counsel of their rental application and contract, to assess whether the inclusion of the signature line with the rental application is necessary or could potentially be removed.



VIRIDIAN EVENT CENTER: Agency Action – Implementation in progress. The customer signature line was not removed for all applications due to a marketing error. A second follow-up audit is required.

Recommendation 3.3 - We recommend that the seven agencies designate either Front Desk personnel, Office Coordinators, or other assigned employees to conduct thorough reviews of applications. The review should encompass verifying completion, including signatures, dates, pricing, and payment information, if applicable.



ACORD ICE CENTER: Agency Action – Implementation in progress - Acord Ice Center has not implemented the recommendations yet due to turnover; a secondary follow-up audit is required.



CLARK PLANETARIUM: Agency Action – Implemented our recommendation.



SALT LAKE COUNTY ICE CENTER: Agency Action – Implemented our recommendation.



SALT LAKE COUNTY SPORTS COMPLEX: Agency Action – Implementation in progress - 11/25 (44%) memberships reviewed did not include completed application forms. A second follow-up audit is required.



SURVEYOR'S OFFICE: Agency Action – Implementation in progress – 1/3 (33%) surveyor permit applications was missing the customer's signature. A secondary follow-up audit is required.



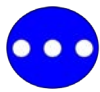
VIRIDIAN EVENT CENTER: Agency Action – Implemented our recommendation.



WHEELER FARM: Agency Action – Implemented our recommendation.

FINDING 4. LACK OF MEMBERSHIP EXPIRATION DATE RETENTION AND EXTENSION POLICIES

Recommendation 4.1 - We recommend agencies establish and implement written procedures for documenting extensions or adjustments to memberships. To safeguard County revenue, these procedures should encompass an approval process for granting extensions and retaining documentation, whether in digital or physical form, containing both the records of approval and the explanations for the granted extensions.



ACORD ICE CENTER: Agency Action – Implementation in progress - Acord Ice Center has not implemented the recommendations yet due to turnover. A secondary follow-up audit is required.



CLARK PLANETARIUM: Agency Action – Implemented our recommendation.



SALT LAKE COUNTY ICE CENTER: Agency Action – Implementation in progress - Parks and Recreation is still in the process of creating a policy and procedure for membership extensions. A secondary follow-up audit is required.



SALT LAKE COUNTY SPORTS COMPLEX: Agency Action – Implementation in progress - Parks and Recreation is in the process of creating a policy and procedure for membership extensions. A secondary follow-up audit is required.

FINDING 5. ABSENCE OF CLEAR POLICIES, PROCEDURES, AND DOCUMENTATION FOR BUILDING RENTALS, EXISTING MONUMENT PERMIT FIELD, AND SECURITY AND CLEANING/DAMAGE DEPOSIT ADJUSTMENTS

Recommendation 5.1 - We recommend that the Surveyor's Office Management establish and implement a retention policy for images and documentation for each permit filed with the Surveyor's office, ensuring the availability for future reference.



SURVEYOR'S OFFICE: Agency Action – Implemented our recommendation.

Recommendation 5. 2 - We recommend that Surveyor's Office Management establish and implement written policies and procedures regarding the timeliness of when Notification Letters are sent out to Permit Holders once construction and field inspection is complete.



SURVEYOR'S OFFICE: Agency Action – Implementation in progress. Due to Management changing their procedures in tracking completion dates and the timeliness of notification letters being sent out, a secondary follow-up audit is required.

Recommendation 5. 3 - We recommend that Aging and Adult Services Management finalize their policies and procedures for rentals and include clarifying language regarding short-notice rentals, pricing and security and cleaning/damage deposit requirement options.



AGING AND ADULT SERVICES: Agency Action – Implemented our recommendation.

Recommendation 5.4 - We recommend that Aging and Adult Services Management clarify the security and cleaning/ damage deposit requirements in their Conditions of Contract to agree to the current procedures.



AGING AND ADULT SERVICES: Agency Action – Implemented our recommendation.

Recommendation 5.5 - We recommend that Aging and Adult Services Management review and update the rental application conditions concerning the collection of required security and cleaning/damage deposits, particularly if the procedures are no longer applicable.



AGING AND ADULT SERVICES: Agency Action – Implemented our recommendation.

Recommendation 5.6 - We recommend that Aging and Adult Services Management establish and implement written procedures to ensure revenue redistributions are completed timely by the Fiscal Manager or alternative designee. If redistributions are considered donations, Management should consult with the Fiscal team or legal counsel to ensure adherence to CWP 1006 Donation of Property or Funds to Salt Lake County.



AGING AND ADULT SERVICES: Agency Action – Implemented our recommendation.

Recommendation 5.7 - We recommend that The Surveyor's Office Management document when permit holders appeal their refund amount. Management should retain the reason for changes in refund amounts and initial who authorized the adjustment and one other designee to review and approve the change on the notification letter.



SURVEYOR'S OFFICE: Agency Action– Implementation in progress. No appeals were made during June 1, 2024, to December 31, 2024. This will be tested again as part of the secondary follow-up audit.

FINDING 6. UNTIMELY AND UNREVIEWED OUTSTANDING VENUE DEPOSIT RECONCILIATIONS

Recommendation 6.1 - We recommend that the Arts and Culture Fiscal Manager perform and review all monthly outstanding venue deposit reconciliations prior to the end of the new month to ensure accurate and timely reporting.



ARTS AND CULTURE: Agency Action – Implementation in Progress – 2/7 (29%) Reconciliation reports were not signed by the staff member prior to the end of the new month. Additionally, all 7 reconciliation reports reviewed were not signed by the fiscal manager or alternative designee prior to the end of the new month. This will be tested as part of the secondary follow-up audit.

Recommendation 6.2 - We recommend that Arts and Culture Management have an alternative designee be assigned for when there are staff shortages, or a primary employee is absent to review venue deposit reconciliations.



ARTS AND CULTURE: Agency Action – Implemented our recommendation.

FINDING 7. LACK OF EASY PAY CANCELLATION FORMS AND RECURRING CHARGES ON ACCOUNT

Recommendation 7.1 - We recommend that SLC Sports Complex Management retain a digitally scanned copy of the Easy Pay cancellation form for a minimum of one year.



SALT LAKE COUNTY SPORTS COMPLEX: Agency Action -Implementation in Progress – No cancellations were recorded during June 1, 2024, to December 31, 2024. This will be tested as part of the secondary follow-up audit.

Recommendation 7.2 - We recommend that the SLC Sports Complex Office Coordinator conduct quarterly reviews of all Easy Pay Cancellations to ensure there are no recurring charges on the accounts that need to be cancelled and refunded to the patron.







SALT LAKE COUNTY SPORTS COMPLEX: Agency Action -Implementation in Progress – No cancellations were recorded during June 1, 2024, to December 31, 2024. This will be tested as part of the secondary follow-up audit.

Recommendation 7.3 - We recommend SLC Sports Complex Management establish an alternative designee responsible for reviewing Easy Pay Cancellations if the Office Coordinator or primary reviewer is absent.



SALT LAKE COUNTY SPORTS COMPLEX: Agency Action -Implementation in Progress – No cancellations were recorded during June 1, 2024, to December 31, 2024. This will be tested as part of the secondary follow-up audit.

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 currently.</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> |