

Preliminary FOLLOW-UP REPORT

An Audit of Salt Lake County **PUBLIC WORKS OPERATIONS PAYROLL**

DECEMBER 2025



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AUDITOR'S LETTER

December 4, 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 *An Audit of Salt Lake County Public Works Operations Payroll*, following the original audit report issued in August 2024. The original audit identified six findings with 14 recommendations. The purpose of this review was to evaluate the progress management made in addressing the findings and recommendations aimed at enhancing operational efficiency and compliance.

Public Works Operations management fully implemented eight of the 14 audit recommendations, three recommendations were still in progress, two recommendations were not implemented, and one recommendation was closed. By implementing recommendations such as ensuring that background checks and drug testing are completed timely for new hires and eliminating the storage of employee badges next to the clock-in area, management has demonstrated a commitment to addressing the risks identified in the initial audit.

It is important to note that one of the two non-implemented recommendations (Recommendation 1.1) carries a Critical risk rating. The original audit identified significant security concerns related to shared login credentials, and the recommended supplemental training was designed to directly address this risk. While management implemented alternative procedures to reduce reliance on shared credentials, the underlying risk remains because employees may still not fully understand the dangers of password sharing. Critical risk recommendations represent the highest level of exposure to the County. Although the decision to implement corrective actions ultimately rests with management, the Auditor's Office emphasizes the importance of fully mitigating this risk to protect County systems and data.

Public Works Operations successfully mitigated the risks associated with one of the 14 original audit recommendations. This recommendation was closed because Public Works Operations now requires all employees to enter their employee IDs when clocking in and out.

Further work is critical to fully address the remaining risks related to calculating retro-payment amounts, requesting prompt access removals for terminated employees, and documenting a review process for TimeClock Plus (TCP) report reconciliations. The Auditor's Office will commence a secondary follow-up audit no sooner than May 2026 to verify compliance in these areas. We underscore the heightened risks stemming from the non-implementation of two recommendations concerning enhanced security training and multi-factor authentication yet recognize that the final decision to address these risks rests with 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

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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 Public Works Operations management for their cooperation during this process. The enclosed follow-up 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 Public Works Operations

Original Audit: Report Issued August 2024

6 findings with 14 recommendations issued.

Preliminary Follow-up: Public Works Operations fully implemented eight of the 14 recommendations, three are in progress, two were not implemented, and one was closed.

	FULLY IMPLEMENTED	8
	IMPLEMENTATION IN PROGRESS	3
	NOT IMPLEMENTED	2
	CLOSED	1

Remaining Risks

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

FINDING 1. USE OF FORMER EMPLOYEE'S LOGIN CREDENTIALS

Risk Rating: **Critical Risk Finding**



Recommendation 1.1 -To strengthen password security and prevent similar incidents in the future, we recommend that Public Works Operations Management reinforce the existing policy that prohibits users from sharing passwords with anyone. While employees receive mandatory IT security awareness training on an annual basis, we recommend that management consider supplementing it with targeted training focused specifically on the risks and consequences of password sharing.

Agency Action – Recommendation not implemented. Public Works Operations Management confirmed that supplemental password security training for staff was not implemented, as they will rely on existing County security training. Instead, the division worked with Information Technology to establish alternative procedures. A dedicated shared network folder is utilized for uploading daily reports, mitigating the risk of employees using another individual's login and password to access the required reports identified in the original audit. However, because additional security training was not implemented, there is a remaining risk that employees do not comprehend the danger of sharing password information.



Recommendation 1.2 - To improve efficiency during employee transitions, we recommend that Public Works Operations Management explore alternative solutions to address the need for continued report generation during employee transitions. This could include granting temporary access to specific resources in limited situations with proper justification and oversight. This process should be documented and communicated to managers..

Agency Action – Implemented our recommendation.

FINDING 2. BACKGROUND CHECKS AND DRUG TESTS NOT CONDUCTED OR NOT CONDUCTED BEFORE THE START OF EMPLOYMENT

Risk Rating: **Significant Risk Finding**



Recommendation 2.1 - We recommend that Public Works Operations Management work with Human Resources and the District Attorney's Office to review, validate, and update the list of positions requiring a BCI background check.

Agency Action – Implemented our recommendation.



Recommendation 2.2 - We recommend that Public Works Operations Management work with Human Resources and the District Attorney's Office to establish and conduct reviews of Public Works Operation positions and the list of positions requiring a

background check at periodic intervals, such as annually, to ensure the list remains up to date.

Agency Action – Implemented our recommendation.



Recommendation 2.3 - We recommend that Public Works Operations Management review existing employee records and obtain BCI background checks for any employees who do not have one on file.

Agency Action

Agency Action – Implemented our recommendation.



Recommendation 2.4 - We recommend that Public Works Operations Management ensure that employee drug test results are received prior to employees starting work and especially before operating heavy equipment and vehicles.

Agency Action – Implemented our recommendation.

FINDING 3. ACCESS TERMINATION REQUESTS NOT SUBMITTED TIMELY

Risk Rating: **Significant Risk Finding**



Recommendation 3.1 - We recommend that Public Works Operations Management establish and implement written internal policies and procedures for employee offboarding including the timing of access termination to sensitive data and systems, including timekeeping and network access.

Agency Action – Implemented our recommendation.

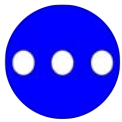


Recommendation 3.2 - We recommend that Public Works Operations Management work with Information Technology to ensure the timely removal of employees from network access upon termination of employment and that network accounts and passwords not be shared among staff.

Agency Action – Implementation in progress. Salt Lake County Human Resources (HR) Policy 2-400 requires agencies to request termination of county access no later than the employee's last day worked. However, Public Works Operations Management continued to submit access removal requests after the last day worked, including after the updated Salt Lake County HR 2-400 policy took effect on May 13, 2025, which requires same-day access removal for terminated employees. This recommendation will remain open and tested during a secondary follow-up audit, pending an anticipated update to the termination policy from Human Resources.

FINDING 4. AGENCY DID NOT UNDERSTAND RETRO PAY RESPONSIBILITIES

Risk Rating: **Moderate Risk Finding**



Recommendation 4.1 - We recommend that Public Works Operations Management establish and implement clear written policies and procedures for calculating and verifying retroactive payments.

Agency Action – Implementation in progress. Public Works Operations successfully implemented Mayor's Financial Administration's (MFA) submission process for retroactive payments resulting from employee position or compensation changes. However, calculation errors were identified in six of eight (75%) retroactive payments reviewed. Management provided documentation showing that the affected payments were recalculated and corrected.

Because calculation errors continue to occur, secondary follow-up testing will be performed to ensure accuracy.



Recommendation 4.2 - We recommend that Public Works Operations Management work with Payroll Administration to establish a documentation retention system to ensure that documentation supporting retro payments is maintained on file.

Agency Action – Implemented our recommendation.

FINDING 5. NO DOCUMENTATION OF RECONCILIATION PROCEDURES

Risk Rating: **Moderate Risk Finding**



Recommendation 5.1 - Recommendation 5.1 – We recommend that Public Works Operations Management establish and implement a documented reconciliation procedure to verify the accuracy of data transferred from the TimeClock Plus (TCP) timekeeping system to the PeopleSoft payroll system. These procedures should include:

- Matching individual employee hours transferred from TCP to PeopleSoft.
- Matching total hours transferred from TCP to PeopleSoft.
- An independent review and approval of the completed reconciliation.
- Retention of reconciliation reports

Agency Action – Implementation in progress. Public Works Operations Management developed a written TCP procedure that includes requirements for reconciling individual and total TCP hours to PeopleSoft hours, and designating a secondary reviewer. However, management has not yet put into regular practice or supported with documentation the TCP reconciliation process or the secondary

management review. Implementation of these procedures will be revisited during the secondary follow-up testing.

FINDING 6. BADGES USED TO CLOCK IN AND OUT NOT SECURED

Risk Rating: **Moderate Risk Finding**



Recommendation 6.1 - We recommend that Public Works Operations Management consider phasing out the use of employee swipe badges for timekeeping. This reduces reliance on physical tokens prone to loss, theft, or misuse.

Agency Action – Implemented our recommendation.



Recommendation 6.2 - To mitigate risks associated with continued badge use, we recommend that Public Works Operations Management implement and establish clear guidelines requiring employees to keep their badge secure, so that employees do not have access to another employee's badge.





Agency Action – Recommendation closed. Public Works Operations Management eliminated swipe cards as a method for clocking in and out of the TimeClock Plus (TCP) system. To mitigate the risk of employees using another individual's badge, the division implemented updated TCP functionality that requires employees to enter their Employee Identification Number (EIN) codes when clocking in and out. These changes address the underlying risk identified in the original audit.



Recommendation 6.3 - We recommend that Public Works Operations Management explore and consider implementing a two-factor authentication system, regardless of the chosen timekeeping method (swipe badge or EIN). This system could combine a badge swipe or EIN entry with a biometric scan (fingerprint or facial recognition) for enhanced security.

Agency Action – Recommendation not implemented. Public Work Operations Management explained that they consulted with Information Technology regarding biometric timekeeping options but chose not to implement biometric scanning. Due to the nature of field crew work, fingerprint scanning was determined to be unreliable and impractical for consistent use.

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.