

Preliminary FOLLOW-UP REPORT

An Audit of Salt Lake County Contributions

JANUARY 2026



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AUDITOR'S LETTER

January 30, 2026

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 the Audit of Salt Lake County Contributions, originally issued in November 2023. The initial audit identified seven findings with 16 recommendations across nine agencies and departments, resulting in 42 agency and department specific recommendations. The purpose of this review was to assess progress in implementing corrective actions to enhance operational efficiency and strengthen compliance.

Our follow-up work found that agency management fully implemented 15 of the 42 recommendations. Thirteen recommendations remained in progress because less than 12 months passed, at which point a Distribution of Funds report would be required from the contribution recipient, or because the agency did not make a contribution during the follow-up period. These recommendations will be reassessed during the next follow-up review.

Additionally, 14 recommendations were closed. Twelve were closed because Countywide Policy 1200: Contributions no longer required applicants to submit financial statements, or because the agency no longer makes contributions. Two other recommendations were closed—one because it was determined to be not applicable during the follow-up period, and another because it was only partially implemented through a Countywide Policy 1200 update. In that instance, the County Council considered the remaining elements of the recommendation and determined that the policy changes implemented sufficiently address its policy objectives.

Through updates to countywide policy, agency procedures, and documentation retention methods, management has taken steps to strengthen transparency, accountability, and stewardship of public funds. These efforts address several of the risks identified in the original audit.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. 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 the audit objectives. We believe the evidence obtained meets these requirements.

We extend our appreciation to the leaders and staff of the agencies and departments involved for their cooperation. The enclosed report summarizes the status of the recommendations reviewed in this preliminary follow-up.

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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 that reads "Chris Harding".

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

Action Since Audit Report

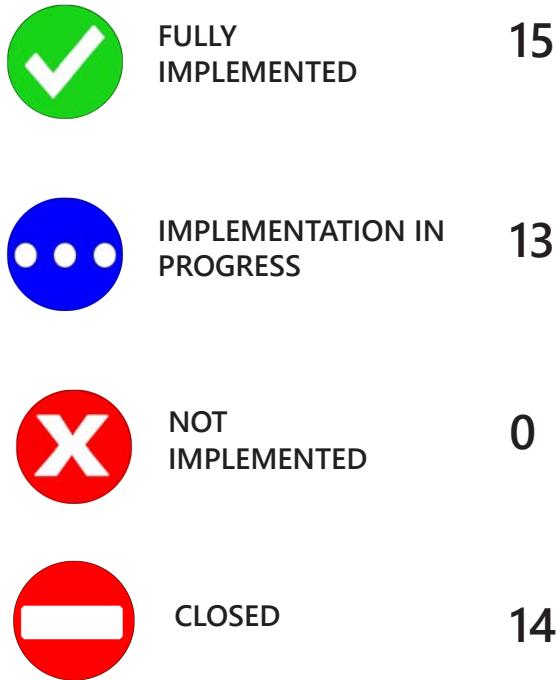
An Audit of Salt Lake County Contributions

Original Audit: Report Issued November 2023

The audit identified 7 findings with 16 recommendations across 9 agencies/departments within scope, resulting in 42 agency and department specific recommendations reported in November 2023.

Preliminary Follow-up

The agencies/departments have fully implemented 15 of the 42 recommendations, 13 are in progress, and 14 were closed.



Remaining Risks

The original audit recommended that management obtain a Disbursement of Funds Report within six months of receipt of contribution funds (Recommendation 4.2). Countywide Policy 1200 requires recipient organizations to submit the report within twelve months. As a result, certain recommendations could not yet be tested during this preliminary follow-up and remain in progress.

Remaining risks primarily relate to recommendations that could not yet be tested due to a lack of contribution activity or timing requirements within Policy 1200. The Auditor's Office will conduct a secondary follow-up audit of any recommendations still in the progress of being implemented, no earlier than June 2026.

FINDING 1. UNCLEAR AND INCONSISTENT POLICIES AND PROCEDURES

Recommendation 1.1 - We recommend that the County Council modify Countywide Policy 1200 to clearly define the elements of what constitutes a Contribution under the policy, as well as any exclusions.



COUNTY COUNCIL: Agency Action – Implemented our recommendation.

Recommendation 1.2 - We recommend that the County Council modify Countywide Policy 1200 to clearly define when Contributions require a contract, as well as any exclusions.



COUNTY COUNCIL: Agency Action – Implemented our recommendation.

Recommendation 1.3 - We recommend that, should there be any question of the language or intent of the modified proposed policy, the Mayor's Office or the Attorney's Office request clarification.



DISTRICT ATTORNEY: Agency Action – Recommendation closed.

Management stated that they did not have any questions about the updated Countywide Policy 1200.



MAYOR'S OFFICE ADMINISTRATION: Agency Action – Recommendation closed.

Management stated that Mayor's Office Administration will no longer make contributions. Therefore, they did not require clarification regarding the updated policy.

Recommendation 1.4 - We recommend Mayor's Financial Administration provide direction regarding accounting for Contributions in the Accounting Manual and clarify the definition of Contributions on the Expenditure Account Listing.



MAYOR'S FINANCIAL ADMINISTRATION: Agency Action – Implementation in progress. Management stated that additional guidance is planned, but has not been implemented due to competing responsibilities.

Recommendation 1.5 - We recommend that both agency management and Mayor's Financial Administration ensure payments are coded appropriately and consistently.



MAYOR'S FINANCIAL ADMINISTRATION: Agency Action – Implemented our recommendation.



OFFICE OF REGIONAL DEVELOPMENT: Agency Action – Implemented our recommendation.



EMERGENCY MANAGEMENT: Agency Action – Implemented our recommendation.

FINDING 2. NO FORMAL PROCEDURES FOR GATHERING, EVALUATING, AND RANKING REQUESTS FOR CONTRIBUTIONS

Recommendation 2.1 - We recommend that the County Council amend Countywide Policy 1200 to include procedures for:

1. Generating nonprofit awareness of potential contributions on an equitable basis.
2. Gathering, evaluating, and ranking requests for contributions, including clear guidelines and criteria for accepting requests, conducting evaluations, and establishing a transparent ranking system.
3. Roles and responsibilities of individuals involved in the process.



COUNTY COUNCIL: Agency Action – Recommendation closed.

The County Council implemented several elements of Recommendation 2.1 through updates to Countywide Policy 1200, including procedures related to nonprofit awareness and defined roles and responsibilities. The policy update did not incorporate procedures for ranking requests or establishing a transparent ranking system. The County Council considered the remaining elements of the recommendation and determined that the policy changes implemented sufficiently address its policy objectives. As no additional policy updates are planned, the recommendation was closed following partial implementation.

FINDING 3. APPLICATIONS WERE NOT ON FILE, THOSE ON FILE WERE NOT IN A CENTRAL LOCATION

Recommendation 3.1 - We recommend that the County Council modify Countywide Policy 1200 to clearly define whether and when an Application for Contribution is required and any retention requirements.



COUNTY COUNCIL: Agency Action – Implemented our recommendation

Recommendation 3.2 - Pending Policy 1200 update, we recommend management require that completed applications be submitted with payment requests for all payments that are coded as contributions.



DISTRICT ATTORNEY: Agency Action – Implementation in progress.

No contributions were identified for the District Attorney's Office during the follow-up audit period; therefore, we were unable to perform testing to verify implementation of this recommendation. Accordingly, this recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.



MAYOR'S FINANCIAL ADMINISTRATION: Agency Action – Implemented our recommendation.



OFFICE OF REGIONAL DEVELOPMENT: Agency Action – Implementation in progress.

No contributions were identified for the Office of Regional Development during

the follow-up audit period; therefore, we were unable to perform testing to verify implementation of this recommendation. Accordingly, this recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.



EMERGENCY MANAGEMENT: Agency Action – Implemented our recommendation.



DEPARTMENT OF HUMAN SERVICES: Agency Action – Implemented our recommendation.



DEPARTMENT OF COMMUNITY SERVICES: Agency Action – Implementation in progress. No contributions were identified for the Department of Community Services during the follow-up audit period; therefore, we were unable to perform testing to verify implementation of this recommendation. Accordingly, this recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.



PUBLIC WORKS: Agency Action – Implemented our recommendation.

FINDING 4. DISBURSEMENT OF FUNDS REPORT NOT ON FILE OR NOT FILED TIMELY

Recommendation 4.1 - We recommend that Policy 1200 be updated to include clear procedures and roles and responsibilities for tracking, receiving, reviewing, and following up on Disbursement of Funds Report Forms from recipient organizations.



COUNTY COUNCIL: Agency Action – Implemented our recommendation.

Recommendation 4.2 - We recommend that management ensure that a Disbursement of Funds Report is obtained from recipient organizations within 6 months of receipt of funds.



DISTRICT ATTORNEY: Agency Action – Implementation in progress. No contributions were identified for the District Attorney's Office during the follow-up audit period; therefore, we were unable to perform testing to verify implementation of this recommendation. Accordingly, this recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.



MAYOR'S OFFICE ADMINISTRATION: Agency Action – Recommendation closed. Management that Mayor's Office Administration will no longer be making contributions. Additionally, the budget line for contributions was eliminated.



MAYOR'S FINANCIAL ADMINISTRATION: Agency Action – Implementation in progress. No contributions for Mayor's Financial Administration were made more than twelve months before the testing period; therefore, a Disbursement of Funds Report was not required. Accordingly, the recommendation remains in progress

and will be reassessed during the subsequent secondary follow-up audit.



OFFICE OF REGIONAL DEVELOPMENT: Agency Action – Implementation in progress. No contributions were identified for the Office of Regional Development during the follow-up audit period; therefore, we were unable to perform testing to verify implementation of this recommendation. Accordingly, this recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.



EMERGENCY MANAGEMENT: Agency Action – Recommendation closed. Emergency Management no longer coded expenditures that did not meet the definition of a contribution as contributions.



DEPARTMENT OF HUMAN SERVICES: Agency Action – Implementation in progress. No contributions were identified for the Department of Human Services during the follow-up audit period; therefore, we were unable to perform testing to verify implementation of this recommendation. Accordingly, this recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.



DEPARTMENT OF COMMUNITY SERVICES: Agency Action – Implementation in progress. No contributions were identified for the Department of Community Services during the follow-up audit period; therefore, we were unable to perform testing to verify implementation of this recommendation. Accordingly, this recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.



PUBLIC WORKS: Agency Action – Implementation in progress. No contributions for Public Works were made more than twelve months before the testing period; therefore, a Disbursement of Funds Report was not yet required. Accordingly, this recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.

FINDING 5. LACK OF APPROVALS OR INADEQUATE SEPARATION OF DUTIES

Recommendation 5.1 - We recommend payments be made directly to the recipient entities, rather than allowing for payments to be held for delivery or that a funds transfer log be completed and signed to document the amount, date, transferring and receiving individuals.



COUNTY COUNCIL: Agency Action – Implemented our recommendation.

Recommendation 5.2 - We recommend having two different users create and approve vouchers in PeopleSoft. We recommend the initiating agency approve vouchers.



MAYOR'S FINANCIAL ADMINISTRATION: Agency Action – Implemented our recommendation.



OFFICE OF REGIONAL DEVELOPMENT: Agency Action – Implementation in progress. No contributions were identified for the Office of Regional Development during the follow-up audit period; therefore, we were unable to perform testing to verify implementation of this recommendation. Accordingly, this recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.



PUBLIC WORKS: Agency Action – Implemented our recommendation.

FINDING 6. PROOF OF NON-PROFIT STATUS NOT ON FILE

Recommendation 6.1 - We recommend that the County Council modify Countywide Policy 1200 to clearly state requirements for Contribution recipients to provide proof of nonprofit status, while also outlining any specific documentation retention requirements.



COUNTY COUNCIL: Agency Action – Implemented our recommendation.

Recommendation 6.2 - Pending Policy 1200 update, we recommend that Agency management require that proof of nonprofit status be submitted with payment requests for all payments that are coded as Contributions.



MAYOR'S OFFICE ADMINISTRATION: Agency Action – Recommendation closed. Management indicated that Mayor's Office Administration will no longer be making contributions. Additionally, the budget line for contributions was eliminated.



MAYOR'S FINANCIAL ADMINISTRATION: Agency Action – Implementation in progress. One of the two contribution expenditures (50%) reviewed for Mayor's Financial Administration did not have nonprofit status documentation retained in the centralized repository, as required. Management provided the missing documentation upon request and stated they will update their processes to help prevent similar issues in the future.



OFFICE OF REGIONAL DEVELOPMENT: Agency Action – Implementation in progress. No contributions were identified for the Office of Regional Development during the follow-up audit period; therefore, we were unable to perform testing to verify implementation of this recommendation. Accordingly, this recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.

FINDING 7. FINANCIAL STATEMENTS NOT ON FILE

Recommendation 7.1 - We recommend the Council revise Policy 1200 to establish clear guidance that outlines the requirements for nonprofit entities to provide financial statements for contribution funding, including what financial statements or documents are acceptable.



COUNTY COUNCIL: Agency Action – Recommendation closed. Countywide Policy 1200 no longer requires applicants to submit financial statements when requesting contribution funding. Therefore, the recommendation was closed.

Recommendation 7.2 - Pending Policy 1200 update, we recommend requiring financial statements to be submitted with payment requests for all payments that are coded as contributions.



COUNTY COUNCIL, DISTRICT ATTORNEY, MAYOR'S FINANCIAL ADMINISTRATION, MAYOR'S OFFICE ADMINISTRATION, OFFICE OF REGIONAL DEVELOPMENT, DEPARTMENT OF HUMAN SERVICES, PUBLIC WORKS: Agency Action- Recommendation closed. The updated Policy 1200 no longer required applicants to submit financial statements when requesting contributions.

APPENDIX A: AUDIT RECOMMENDATION IMPLEMENTATION STATUS

Audit Recommendation Implementation Status			
 Fully Implemented	 Implementation In Progress	 Not Implemented	 Closed
<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>