

Preliminary FOLLOW-UP REPORT

An Audit of Salt Lake County LIBRARY SERVICES PAYROLL

MARCH 2026



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AUDITOR'S LETTER

March 17, 2026

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 Library Services Payroll*, following the original audit report issued in March 2024. The original audit identified nine findings with 20 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 Library Services management has fully implemented 16 of the 20 audit recommendations, with the remaining four still in progress. Implementing recommendations to ensure timely background checks and I-9 completion, written timekeeping approval policies, documentation for retro pay calculations, on-call employee policies, documented procedures for obtaining, storing, and accurately entering W-4 forms, unpaid leave overpayment adjustments, and overtime approvals process demonstrates management's commitment to addressing the risks identified in our preliminary audit.

Further work is critical to fully address risks related to editing timecards, timely removal of terminated employees from timekeeping applications, and verify implementation of retention schedules. A secondary follow-up audit will be conducted no sooner than September 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 Library Services' Office 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 Library Services Payroll

Original Audit: Report Issued March 2024

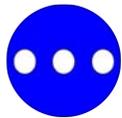
9 findings with 20 recommendations issued.

Preliminary Follow-up: Library Services fully implemented 16 of the 20 recommendations, and 4 are in progress. The scope for this preliminary follow-up was July 1, 2024 to January 23, 2025.



FULLY
IMPLEMENTED

16



IMPLEMENTATION IN
PROGRESS

4



NOT
IMPLEMENTED

0



CLOSED

0

Remaining Risks

A secondary follow-up audit will be conducted by the Auditor's Office no earlier than September 2026.

FINDING 1. FORM I-9 AND BACKGROUND CHECKS NOT CONDUCTED BEFORE THE START OF EMPLOYMENT

Risk Rating: **Significant Risk Finding**



Recommendation 1.1 - We recommend that Library Services Management work with Human Resources to ensure timely completion of Section 1 of Form I-9 before allowing an employee to begin work. This will help ensure compliance with USCIS and mitigate potential risks associated with unauthorized work.

Agency Action – Implemented our recommendation.



Recommendation 1.2 - We recommend that Library Services Management work with Human Resources and the District Attorney's Office to establish and conduct reviews of Library Services positions and the list of positions requiring background checks at periodic intervals, such as annually, to ensure the list remains up to date.

Agency Action – Implemented our recommendation.



Recommendation 1.3 - We recommend that Library Services Management develop written policies and procedures regarding how soon background checks must be obtained.

Agency Action – Implemented our recommendation.

FINDING 2. TIMECARDS NOT APPROVED BY A SUPERVISOR

Risk Rating: **Significant Risk Finding**



Recommendation 2.1 - We recommend that Library Services 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 Library Services Management establish clear procedures that address situations when the direct supervisor is unavailable to approve time. These procedures should include documentation requirements to ensure proper oversight and accountability.

Agency Action – Implemented our recommendation.



Recommendation 2.3 - We recommend that Library Services Management establish and document procedures for supervisors and other staff making time edits, as well as the communication of those time edits to the affected employee. These procedures should

include documentation requirements to ensure proper oversight and accountability.

Agency Action – Implementation in Progress.

During our testing of timecard edits, Library Services Management noted that documentation of communication with employees when edits are made to their timecards is not currently retained as supporting documentation. We randomly sampled 134 timecard edits across 25 employees and found:

- 19 (14%) edits affected hours worked, and documentation of employee notification was not retained (exceptions).
- 115 (86%) edits did not affect the total hours worked by the employee and were not exceptions.

A second follow-up will be performed to determine whether management updated their procedures to require retaining supporting documentation.



Recommendation 2.4 - We recommend that Library Services Management establish and implement a review process for timecard entries not made by the employee. This process should require timecards to undergo review and approval by a higher-level manager or an independent reviewer at a higher organizational level.

Agency Action – Implemented our recommendation.

FINDING 3. AGENCY DID NOT UNDERSTAND RETRO PAY AND FINAL PAYOUT RESPONSIBILITIES

Risk Rating: **Significant Risk Finding**



Recommendation 3.1 - We recommend that Library Services Management establish clear written policies and procedures for calculating and verifying retroactive payments and leave payouts.

Agency Action – Implemented our recommendation.



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

Agency Action – Implemented our recommendation.

FINDING 4. DOCUMENTATION OF BONUS AWARDS NOT RETAINED

Risk Rating: **Significant Risk Finding**



Recommendation 4.1 - We recommend that Library Services Management follow their agency's retention schedule, maintaining miscellaneous payroll reports, including documentation for employee performance and award authorization, for a period of three years.

Agency Action – Implementation in progress.

Library Services Management has updated its employee awards procedures to align with Salt Lake County Human Resources Policy 4-800: Service Awards, which was revised in February 2025. However, not enough time had elapsed from the time the procedure had been approved to verify implementation. Implementation will be tested during the next follow-up audit.

FINDING 5. NO INTERNAL POLICY FOR ON-CALL REQUIREMENTS

Risk Rating: **Moderate Risk Finding**



Recommendation 5.1 - We recommend that Library Services Management develop and document an internal standard operating procedure for on-call employees, ensuring compliance with Salt Lake County Human Resources Policy 5-300.

Agency Action – Implemented our recommendation.

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

Risk Rating: **Moderate Risk Finding**



Recommendation 6.1 - We recommend that Library Services Management establish and document procedures for obtaining, storing, and accurately entering W-4 forms.

Agency Action – Implemented our recommendation.

FINDING 7. EMPLOYEE RECEIVED COMPENSATION WHILE ON UNPAID LEAVE

Risk Rating: **Moderate Risk Finding**



Recommendation 7.1 - We recommend that Library Services Management establish and implement procedures that include removing additional pay for employees that are on unpaid leave.

Agency Action – Implemented our recommendation.



Recommendation 7.2 - We recommend that Library Services Management establish and implement procedures that include verifying any overpayments are adjusted before a final termination payout is completed.

Agency Action – Implemented our recommendation.

FINDING 8. TERMINATION REQUESTS AND FINAL PAYCHECKS NOT TIMELY

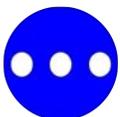
Risk Rating: **Moderate Risk Finding**



Recommendation 8.1 - We recommend that Library Services Management work with Human Resources to ensure the timely removal of employees from timekeeping applications upon termination of employment.

Agency Action – Implementation in progress.

Salt Lake County Human Resources (HR) Policy 2-400: *New Hire and Separation Requirements* was updated to require that agencies submit an ePAR no later than the last day worked, this policy was updated in May 2025 after the scope this follow-up audit.¹ A second follow up will be performed to evaluate improvements in the timeliness of access termination work orders in alignment with the updated Salt Lake County HR Policy 2-400.



Recommendation 8.2 - We recommend that Library Services 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 verified whether County network access had been terminated by the next report date provided by IT. Two employee accounts (9%) were still active on the

¹ Salt Lake County Human Resources Policy 2-400: New Hire and Separation Requirements, Part III: Separation Requirements, Section A.

subsequent report date. IT removed or disabled these two accounts by the next reporting cycle. The remaining 19 accounts (91%) had already been removed or deactivated as of the subsequent report date. Library Services Management noted that its internal policy for the timing of work order submissions was established before Salt Lake County Human Resources Policy 2-400: *New Hire Requirements* was updated in May 2025 to require network access termination work orders no later than the employee's last day worked. Library Services Management stated they have updated their internal policy to align with the new countywide requirement. A second follow-up will be performed to evaluate improvements in the timeliness of access termination work orders in alignment with the new Salt Lake County HR Policy 2-400.



Recommendation 8.3 - We recommend that Library Services Management establish and implement procedures for documenting which employees are present at group meetings and trainings, and that this documentation be reconciled to hours entered into timekeeping applications to ensure that employee time is entered within the pay period it is earned.

Agency Action – Implemented our recommendation.

FINDING 9. OVERTIME COMPENSATION AGREEMENT FORM NOT CONGRUENT WITH TIME EARNED AND NO INTERNAL POLICY FOR EXEMPT EMPLOYEES' COMPENSATORY TIME

Risk Rating: **Moderate Risk Finding**



Recommendation 9.1 - We recommend that Library Services Management establish and implement controls to ensure consistency in overtime and compensatory time earned during each pay period based on each employee's election.

Agency Action – Implemented our recommendation.



Recommendation 9.2 - We recommend that Library Services Management establish and implement procedures that involve supervisors and the payroll coordinator in reviewing time for unexpected changes in time reporting.

Agency Action – Implemented our recommendation.



Recommendation 9.3 - We recommend that Library Services Management establish written internal policies and procedures that address compensatory time for FLSA exempt employees.

Agency Action – Implemented our recommendation.

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>