

AUDIT REPORT

A Performance Audit of the Salt Lake County Office of Regional Development

FEBRUARY 2026



Chris Harding, CPA, CFE, CIA
County Auditor

Office of the Auditor
Salt Lake County

Audit Team

Audra Bylund, CIA, Audit Manager
Pete Busche, CIA, Sr. Internal Auditor

Audit Management

Chris Harding, CPA, CFE, CIA, County Auditor
Richard Jaussi, MBA, Chief Deputy Auditor
Roswell Rogers, Senior Advisor
Shawna Ahlborn, Audit Division Director

Audit Committee

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

February 10, 2026

I am pleased to present our performance audit of the Salt Lake County Office of Regional Development (ORD), covering the period from January 1, 2022, to December 31, 2022. The objectives of this audit were to evaluate internal controls for the Emergency Rental Assistance (ERA) program, assess compliance with applicable standards and laws, and provide reasonable assurance that county assets are safeguarded against fraud, waste, or abuse.

Our audit identified opportunities for improvement in the following key areas:

- Emergency Rental Assistance Oversight: ORD was unable to reconcile monthly invoices from the Utah Department of Workforce Services (DWS) to weekly ERA payment records. We also found that documentation from not-for-profit (NFP) partners was often incomplete, lacking the performance metrics and unique identifiers needed to verify that billed services were actually provided to ERA recipients.
- Controlled Asset Management: We identified opportunities to strengthen the safeguarding and tracking of controlled assets. Key issues included nine assets recorded as missing without documented follow-up, as well as incomplete annual certification forms for assigned and spare equipment. Enhancing these processes will support better compliance with County policy and more accurate asset management.

We appreciate the Office of Regional Development's responsiveness and commitment to promptly implementing our recommendations, which are essential to enhancing accountability, improving oversight of program funds and contracted services, and strengthening controls over County assets to support the integrity of both financial and operational processes.

The Office of Regional Development agreed to all 32 recommendations detailed in the attached report and provided implementation timelines for each corrective action. Notably, management proactively began implementing some changes during the audit. In accordance with GAGAS and internal follow-up procedures, our office will conduct a follow-up review no earlier than six months after the issuance of this report to assess the status and effectiveness of correction actions.

This audit was authorized under Utah Code Title 17, Chapter 19a, "County Auditor", Part 2, "Powers and Duties." We conducted this performance 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 our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

We appreciate the cooperation of all involved personnel during this audit. For further details, please

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Phone: (385) 468-7200 www.saltlakecounty.gov/auditor/

refer to the enclosed detailed audit report. Should you require any further information or clarification, 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

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**A Performance Audit
of the Salt Lake County
Office of Regional
Development**

February 2026

Objectives

1. Evaluate internal controls for the rental assistance program via COVID and CARES to ensure that financial transactions are recorded accurately and completely, and free from significant errors.
2. Assess whether financial transactions and business processes comply with applicable standards, ordinances, policies, statutes, and laws.
3. Provide reasonable assurance that county assets are safeguarded against the risk of fraud, waste, or abuse.

Scope period: January 1, 2022 – December 31, 2022

REPORT HIGHLIGHTS

Opportunity to Strengthen Reconciliation of DWS Invoices to ERA Payment Data

The Office of Regional Development (ORD) did not reconcile monthly invoices from the Utah Department of Workforce Services (DWS) to weekly Emergency Rental Assistance (ERA) payment records. Because payment data was combined with other jurisdictions and no reconciliation process was in place, ORD could not confirm that reimbursements were accurate or limited to Salt Lake County residents.

Opportunities to Improve Oversight of Not-For-Profit Contracted Services, Including Recordkeeping and Reconciliation to ERA Recipient Data

ORD did not maintain sufficient documentation to verify that services billed by not-for-profit (NFP) partners under the Emergency Rental Assistance program were actually performed. Most NFP reports lacked supporting evidence and unique identifiers needed to match services to ERA recipients, and required monthly performance metrics were often missing.

Opportunities to Strengthen Controls Over Controlled Asset Management and Accountability

ORD did not have effective controls to safeguard and track its controlled assets. In 2023, Facilities Management mistakenly removed several ORD devices, and ORD management did not formally investigate or document the loss. ORD management did not identify which assets were taken, determine their value, or record required information such as when the loss was discovered or who was notified.

During testing, we found nine missing assets that ORD management had not documented or investigated in accordance with County policy. ORD management also did not complete required annual certification forms for assigned and spare assets, leaving gaps in accountability for equipment.

Additionally, ORD staff used a shared login to update the asset inventory, preventing management from identifying who made changes to asset records. Asset data contained inaccuracies, including unrecorded purchases, undocumented temporary assignments, duplicate tag numbers, and missing cell phone agreements.



Finding Risk Classifications

Classification	Description	Action
High Risk	<p>High Risk Findings indicate significant weaknesses in controls and compliance:</p> <ul style="list-style-type: none">• Essential controls are either missing OR are in place but fail to adequately address critical risks.• Procedures are either not followed consistently OR are completely missing.• Documentation and communication of controls, policies, and procedures are either lacking OR entirely absent.• Controls may not be in operation OR may not have been implemented.• Material non-compliance (or a critical instance of non-compliance) with legislative requirements (both state law and county ordinances), countywide policies, organization policies, and best practices is common, resulting in inadequate risk management.	Urgent Corrective Actions are Necessary
Medium Risk	<p>Medium Risk Findings indicate weaknesses in control design and/or implementation, and occasional non-compliance:</p> <ul style="list-style-type: none">• Controls are partially in place but may not fully address all aspects of key risks.• Documentation and/or communication of controls, policies, and procedures may be incomplete, unclear, inconsistent, or outdated.• Controls might not be operating consistently and/or effectively or may not have been fully implemented.• Occasional non-compliance with legislative requirements (both state law and county ordinances), countywide policies, organization policies, and best practices has occurred.• Risks are not being effectively managed, which could result in failure to meet organization objectives or could lead to a less effective risk management framework.	Promptly Implement Recommendations
Low Risk	<p>Low Risk Findings indicate that controls are generally effective, with minor areas for improvement:</p> <ul style="list-style-type: none">• Controls are effectively addressing key risks but may need minor improvements.• Documentation and/or communication of controls, policies, and procedures are generally adequate but might require minor updates.• Controls are generally operating effectively with minor inconsistencies.• Minor deviations from legislative requirements (both state law and county ordinances), countywide policies, organization policies, and/or best practices may exist.• Risks are generally well-managed, with minimal areas for improvement identified during testing.	Implement Minor Improvements and Proactive Enhancements

BACKGROUND

The Salt Lake County Auditor's Audit Services Division completed a limited-scope performance audit of the Office of Regional Development's (ORD). The audit examined:

- Administration of the Emergency Rental Assistance (ERA) Program during the COVID-19 pandemic
- Management of controlled and capital assets

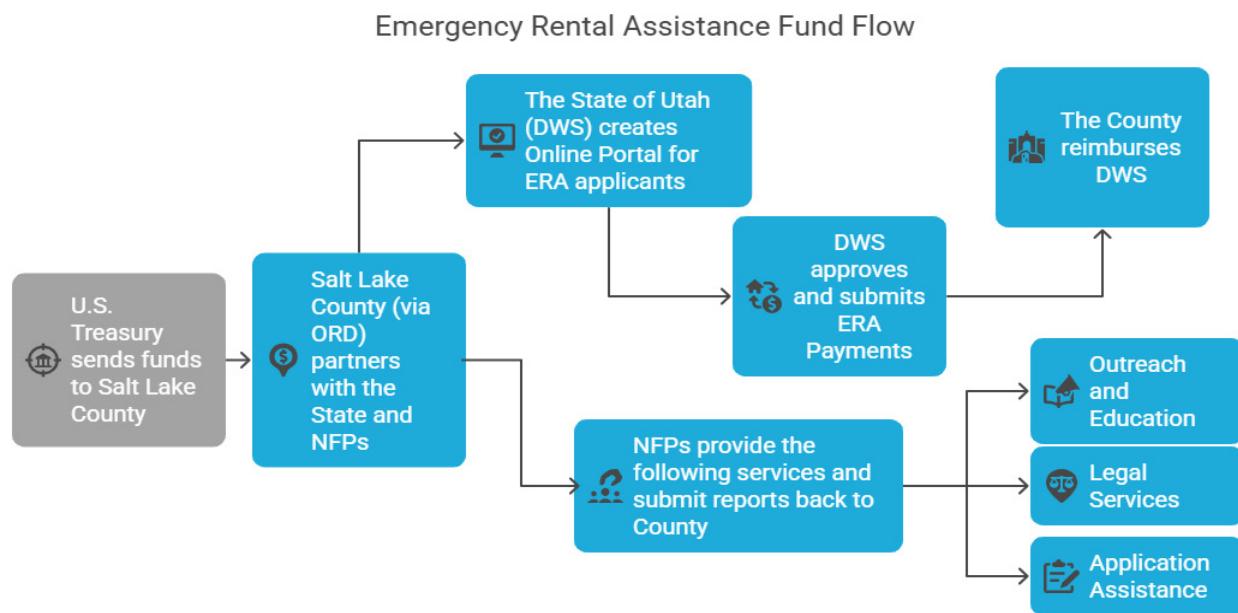
The audit scope was from January 1, 2022, to December 31, 2022.

Emergency Rental Assistance

The United States (U.S.) Treasury began allocating ERA funds to Salt Lake County in 2021. The Office of Regional Development, on behalf of Salt Lake County, entered into a revenue agreement with the Utah Department of Workforce Services (DWS) in 2022. This agreement selected DWS to develop, manage, and oversee the review and approval of ERA applications through an online portal.

Additionally, DWS submitted data of approved ERA payments to cover eligible rent and other related expenses for applicants to ORD. Meanwhile, ORD was responsible for reimbursing DWS for ERA funds spent on behalf of Salt Lake County residents. Furthermore, ORD partnered with ten not-for-profit (NFP) organizations to offer outreach and education, legal services, and application assistance for eligible applicants.

Figure 1: Demonstration of the pathway of Emergency Rental Assistance Funds for the period of 2021-2022.



Made with Napkin

Between 2021 and 2023, ORD received and distributed over \$65 million in federal funds via ERA1 and ERA2 programs to its contracted subrecipients¹. Consequently, ORD was responsible for ensuring compliance with ERA legislation as well as U.S. Treasury guidance.

ORD maintained contractual and regulatory compliance through:

1. Budgeting the amount of reimbursed ERA direct benefit payments and administrative costs.
2. Reviewing invoices from NFPs and DWS.

Additionally, ORD required performance metrics from NFPs and also reviewed available ERA data from DWS. Using the information provided by DWS, along with internal reporting, ORD submitted quarterly and monthly reports to the U.S. Treasury to account for ERA fund activities.

The Office of Regional Development was not responsible for reviewing or approving ERA applications. As such, this audit did not include a review of individual ERA applications. Reviews of ERA applicant data for duplicate payments, eligibility, or fraud were excluded from this audit due to management's² limited role in the ERA payment process. We acknowledge ORD prioritized the rapid distribution of ERA funds due to the urgent conditions of the COVID-19 pandemic.

Capital and Controlled Assets

The Property Managers are responsible for performing an annual inventory of capital and controlled assets. They track controlled assets on a spreadsheet that uses activity logs, version control, and embeds documents. This internal controlled asset inventory spreadsheet also includes information such as the asset's location, make, and model, and the employee or position assigned to it. Property Managers are responsible for ensuring that ORD employees acknowledge and account for their assigned controlled assets annually³. Property Managers rely on a central County database for tracking capital assets and send any capital asset updates with an accompanying asset form to Mayor's Finance Administration.

Management secures spare controlled assets in locked offices and keeps a list of all transferred and disposed surplus assets in their internal controlled asset inventory spreadsheet. At the time of our

¹ ERA1 was established by Section 501(a) of Division N of the Consolidated Appropriations Act, Public Law 116-260. Salt Lake County received 29 million dollars in 2021 from the United States Department of the Treasury as part of ERA1. Then the U.S. Treasury, through the establishment of ERA2 of the American Rescue Plan, allocated additional funds to Salt Lake County in 2021 and 2022. The U.S. Treasury allocated funds based on population sizes within the United States. The different legislative sources are the origin of the differences between ERA1 and ERA2. However, the programs have similar guidelines and eligibility requirements.

² For purposes of this report, "management" refers to Office of Regional Development (ORD) management. References to "ORD" describe the organization, its programs, and operations. Because this audit covers a single agency, the terms "management" and "ORD management" are used interchangeably.

³ Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets Part 2.0 "Procedures – General & Administrative" Section 2.2 Property Manager's Duties Requirement 2.2.13

audit, management was in the process of creating formal, written asset management procedures.

Definition:

Controlled assets: Personal property items costing \$100 or more but less than the current capital asset threshold, and which are sensitive to conversion to personal use, as defined in Countywide Policy 1125.

Capital assets: County-owned items that meet the capitalization criteria established by the County (i.e., value above the threshold and an expected useful life beyond one year) and are recorded in the County's capital asset inventory.

Spare or unassigned assets: Controlled assets that are not currently assigned to a specific employee and are kept for temporary use, loan, or replacement needs (e.g., a spare laptop issued while another device is being repaired).

OBJECTIVES AND SCOPE

The audit objectives were to provide reasonable assurance that the internal controls in place were adequate and effective and that the Office of Regional Development complies with all applicable fiscal ordinances, policies and procedures. Areas of audit focus included the processes and procedures for the following:



Evaluate internal controls for the rental assistance program via Coronavirus (COVID) and Coronavirus Aid, Relief, and Economic Security Act (CARES) to ensure that financial transactions are recorded accurately and completely, and free from significant errors.



Assess whether financial transactions and business processes comply with applicable standards, ordinances, policies, statutes, and laws.



Provide reasonable assurance that county assets are safeguarded against the risk of fraud, waste, or abuse.

The scope of the audit was from January 1, 2022, to December 31, 2022.

AUDIT CRITERIA

Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets establishes policies and requirements related to capital and controlled assets, including:

- Property Manager's duties
- Maintaining records for the physical location

- Safeguarding physical property
- Acquiring, transferring, and disposing of assets
- Reporting theft to appropriate authorities
- Annually performing physical inventories of capital and controlled assets
- Ensuring employee assignment is documented

Salt Lake County Countywide Policy 1060: Financial Goals and Policies, Section 8 establishes requirements and best practices for:

- Segregation of Duties
- Internal Controls
- Financial Reporting

Salt Lake County Countywide Policy 1400-1: Information Technology Security: Acceptable Use Policy, Section 3.2 "Acceptable User of County Resources and Systems", Requirement 3.2.6 for Accounts and Passwords states that all personnel using County IT resources shall never share passwords or be subject to disciplinary action.

Salt Lake County Countywide Policy 1035, Part 4.0 "Responsibilities of Agencies" Section 4.3: establishes a requirement for agencies to enter into cell phone agreements for County-provided cell phone services and allowances:

- justifying the business need, how the service will be provided and allowance amount.
- containing signatures from the employee, supervisor, and agency head or designee.

Code of Federal Regulations § 200.332 "Requirements for pass-through entities" states that a pass-through entity must:

- Monitor the activities of the subrecipient to ensure compliance with Federal statutes and terms of the subaward.
- Monitor overall performance to ensure the goals of the subaward are achieved.

Grant Agreement Between [Not-For-Profit Organization] and Salt Lake County: Section 3.2 "Grantee Responsibilities" establishes the obligations for the Not-For-Profit organizations, including:

- Reporting requirements, including
 - Detailed records of the use of grant funds
 - Descriptive narrative of education/outreach efforts
 - Number of applicants assisted
 - Itemized expenditures to be reimbursed

Department of Workforce Services Revenue Agreement 21-DWS-R012 contains the following requirements for ERA1 funds:

- Background checks for employees accessing ERA data.
- ERA1 Data not be stored in the cloud.
- The agreed-upon ERA1 benefit and administrative amounts, reimbursed by Salt Lake County to the Department of Workforce Services (DWS).
- Limiting ERA1 funds to non-Salt Lake City residents, until Salt Lake City-sourced ERA1 funds run out.

Department of Workforce Services Revenue Agreement

22-DWS-R016 contains the following requirements for ERA2 funds:

- Maximum allotments for ERA benefit and administrative funds.
- Reporting requirements for DWS.
- The County continue to reimburse DWS for ERA benefit payments provided by DWS for Salt Lake County residents.
- Excludes the data security and background review requirements contained in 21-DWS-R012.

U.S. Treasury Requirements for Quarterly Report Submissions

U.S. Department of the Treasury, *Reporting Guidance Archive for ERA1 and ERA2 Program Reporting Guidance*.

- ERA 1 Guidance: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting-guidance-archive>
- ERA 2 Guidance: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting>
 - o Refer to **Appendix A** for applicable ERA reporting guidelines related to report findings.

METHODOLOGY

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the U.S. Government Accountability Office. Those standards require that we plan and perform our work to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives.

To meet our objectives, we performed work in two primary areas:

1. Emergency Rental Assistance (ERA) program oversight
2. Asset management practices

Emergency Rental Assistance (ERA) Program Procedures

To evaluate ORD's oversight of the ERA program, we:

- Reviewed U.S. Treasury ERA requirements, County policies, and grant agreements.
- Interviewed ORD leadership and staff to understand ERA roles, oversight responsibilities, and monitoring activities.
- Reviewed agreements with contracted service providers responsible for application intake, eligibility review, and payment processing.
- Examined ORD's grant oversight activities, including:
 - o Performance and outcome reporting
 - o Expenditure review and reimbursement processes
 - o Monitoring practices and communications with service providers

- Reviewed budgets, expenditure records, and reimbursement documentation.
- Analyzed reporting and correspondence between ORD and ERA administrators.

ORD did not review or approve ERA applications, verify eligibility, or process ERA payments. Therefore, we did not review individual ERA applicant files or applicant data. Those responsibilities were performed by contracted service providers.

Asset Management Procedures

To evaluate the Office of Regional Development's (ORD) management of controlled and capital assets, we:

- Reviewed Countywide policies governing safeguarding, tracking, custody documentation, annual certifications, inventories, and cell phone agreements.
- Interviewed ORD leadership and Property Managers to understand asset management practices and internal controls.
- Reviewed ORD's controlled-asset inventory spreadsheet and capital asset listing.
- Tested a sample of 64 controlled assets to verify required annual certification forms for employee-assigned and spare assets.
- Conducted on-site inspections of a sample of 79 controlled assets to confirm physical existence, asset tags, serial numbers, and location accuracy.
- Reviewed 10 purchasing card (P-card) transactions from 2023 to determine whether newly purchased controlled assets were accurately and promptly recorded.
- Reviewed ORD's process for assigning and tracking temporary replacement assets.
- Analyzed inventory system access logs to determine whether changes could be attributed to individual users or shared logins.
- Reviewed documentation and communications related to the March 2023 Facilities Management disposal incident involving missing controlled assets.
- Reviewed records related to a full population of 19 County-funded cell phones to determine whether required agreements were maintained.
- Assessed the reliability of inventory records by comparing physical assets to recorded information and evaluating internal control processes.

Based on the procedures performed, we believe the evidence obtained provides a reasonable basis for the findings and conclusions in this report.

CONCLUSIONS

Emergency Rental Assistance:

During the COVID-19 pandemic, the federal government provided

significant and rapid financial assistance to support individuals struggling to pay rent. Management acted as a facilitator and distributor of ERA funds within a limited capacity. However, because organizations distributing federal funds are responsible for monitoring their use, our review identified areas where management could strengthen oversight of ERA funds:

- Compare ERA payment data from DWS to the reimbursement payments sent to DWS.
- Enhance documentation and monitoring procedures for contracted NFPs to show the effectiveness of the ERA-related services they performed.
- Establish written procedures for calculating and entering information for U.S. Treasury reports.

Without written procedures for reporting to the U.S. Treasury, we could not verify the accuracy of financial information reported or confirm that ORD complied with all U.S. Treasury guidelines. Additionally, the absence of clear and consistent tracking of NFPs' performance increases the risk that management did not ensure the effectiveness of contracted services and the proper use of funds. To mitigate these risks, management needs to implement stronger controls, including regular comparisons of reimbursement payments, improved NFP performance tracking, and written procedures for financial reporting.

Assets

Due to the findings identified in our testing, we cannot provide reasonable assurance that the Office of Regional Development (ORD) has adequate measures to safeguard their controlled and capital assets. High and medium risk findings support this conclusion, including:

- Not properly investigating and documenting missing assets.
- Absence of annual employee certifications.
- Gaps in how asset information is tracked.

Additionally, Management did not sign and return the Mayor's Finance Administration's (MFA) 2023 annual capital asset inventory memorandum. By signing this memorandum, management attests that it completed their annual capital asset inventory review and confirms that the list of capital assets is complete and accurate. The absence of this documentation increases the risk of fraud, waste or abuse. To better protect County assets, management must strengthen its risk prevention measures, implement clear procedures, and comply with countywide policies.

FINDING 1 AND RECOMMENDATION

Opportunity to Strengthen Reconciliation of DWS Invoices to ERA Payment Data

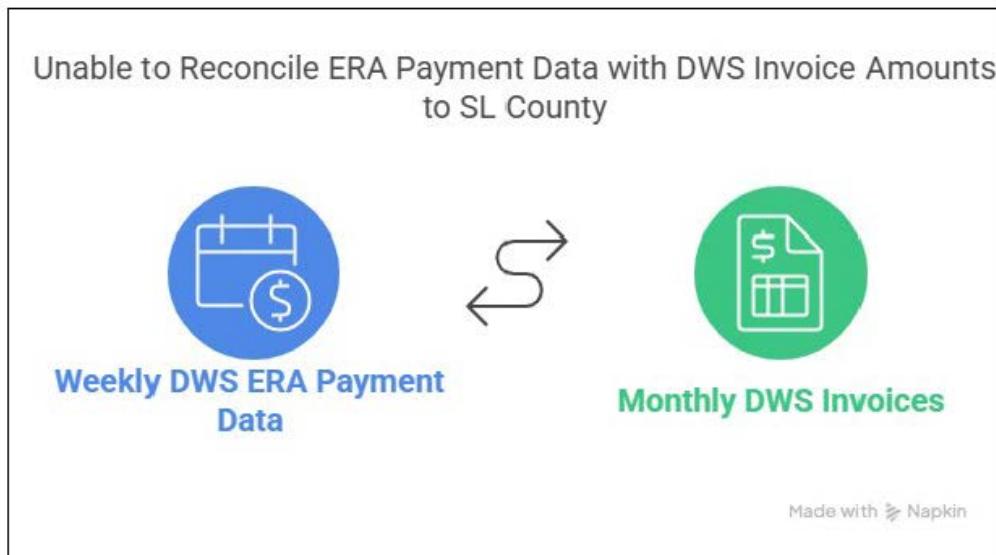
Risk Ranking: **High Risk Finding**

ORD could not reconcile DWS's monthly invoices to the weekly ERA data because DWS combined multiple funding sources into a single report. Without a breakdown for Salt Lake County, the accuracy of reimbursement amounts could not be verified, limiting effective oversight.

In 2022, the Utah Department of Workforce Services (DWS) reviewed and approved applications for the Emergency Rental Assistance (ERA) Program, as agreed upon with Salt Lake County⁴. DWS provided weekly ERA payment data summarizing applications received, denied, and approved, including approved dollar amounts. Each month, DWS invoiced ORD for reimbursement of Salt Lake County's share of ERA payments. Federal regulations require pass-through entities like ORD to monitor the activities of subrecipients of federal funds to ensure the goals of the subaward are achieved⁵.

During testing, we could not reconcile DWS monthly invoices to the weekly ERA payment data. DWS combined payments from multiple sources (the State of Utah, Salt Lake City, and Salt Lake County) into a single report and did not provide a breakdown by funding source. This prevented ORD from confirming which payments the County was reimbursing specifically to Salt Lake County residents.

Figure 2: ERA Payment Data Not Reconciled to DWS Invoices. Without reconciliation, we could not verify whether the amounts invoiced by DWS accurately reflected actual ERA payments.



Source: DWS ERA Invoices and DWS ERA Payment Data, as provided by ORD Management. Image generated from Napkin AI.

⁴ Department of Workforce Services Revenue Agreements 21-DWS-R012 and 22-DWS-R016

⁵ Code of Federal Regulations § 200.332 "Requirements for pass-through entities"

Management explained they did not establish a practice to reconcile DWS monthly invoices to the weekly ERA payment data. DWS's combined reporting without a funding source breakdown made reconciliation impossible.

Additionally, Management added that due to the extenuating circumstances of the COVID-19 pandemic and the emphasis on quickly receiving and distributing ERA funds, ORD did not closely monitor contract requirements and/or put strong controls in place and follow-up on potential noncompliance by DWS.

The misalignment between the weekly ERA application data and the monthly DWS invoices prevents verification that DWS was reimbursed the correct amount of ERA funds. Furthermore, the inability to reconcile monthly ERA invoices to supporting documents increases the risk of fraud, waste, or abuse.

1.1

RECOMMENDATION

Strengthen Controls for Emergency Assistance Programs

We recommend that management establish internal control procedures for emergency assistance programs that include:

- Timely invoice validation to ensure payment amounts match the invoiced services and data provided.
- Clear documentation requirements, such as:
 - Identifying subrecipient expenditures by funding source, if applicable.
 - Detailed listing of approved applicants and amounts paid, if applicable.
- Routine monitoring of subrecipient compliance, even during urgent or high-volume periods.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: ALREADY IMPLEMENTED

SEE PAGE 52 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 2 AND RECOMMENDATIONS

Opportunities to Improve Oversight of Not-For-Profit Contracted Services, Including Recordkeeping and Reconciliation to ERA Recipient Data

Risk Ranking: High Risk Finding

ORD did not retain sufficient documentation to verify that NFPs performed the ERA services they reported, and performance data could not be reconciled to ERA recipient information. Without verifiable, recipient-linked records, the effectiveness of NFP services and the accuracy of reimbursements cannot be confirmed.

In 2022, to expand access to Emergency Rental Assistance (ERA) funds for as many eligible Salt Lake County residents as possible, ORD partnered with 10 not-for-profit (NFP) organizations. ORD funded these partnerships using the administrative portion of ERA1 and ERA2 funds. To formalize the partnerships, Management created Request for Applications (RFAs) and entered into contracts or agreements with the providers. Through this program, Management received data on four types of ERA assistance:

- Outreach & Education
- Eviction Diversion/Housing Stability
- Application Assistance
- Mediation

The contracts required NFPs to submit regular reports on metrics⁶. The metrics included categories such as:

- Number of applicants assisted
- Number of social media posts
- Number of outreach events

Under the agreements, ORD provided initial funding to the NFPs for the ERA assistance. The NFPs then submitted invoices with supporting documentation to ORD for reimbursement. While the supporting documentation included NFP employee salaries and other expenses, it lacked direct evidence that ERA services were actually provided.

Lack of Supporting Documentation for Services Performed

For three of the four NFP categories (Outreach and Education, Mediation, and Eviction Diversion/Housing Stability), ORD management did not retain documentation to support NFP reported performance metrics. Aside from a spreadsheet with amounts and brief explanations, ORD kept no records of social media posts, legal services, or outreach event details.

As a result, we could not verify whether the NFPs performed the services they reported in the spreadsheet or billed on their invoices.

Management stated they relied on the NFPs metrics reported in spreadsheets and the invoice supporting documents to check if the

⁶ Grant Agreement Between [Not-For-Profit Organization] and Salt Lake County: Section 3.2 "Grantee Responsibilities"

NFPs performed their contracted services. Secondly, Management said they also occasionally performed spot checks of NFP performance but did not collect or save documentation of NFP services. They also did not match the reported NFP metrics with the ERA data received from DWS.

Difficulty Reconciling NFP Data to ERA Data

Performance metrics and supporting invoice documents for the three categories did not include unique identifiers, such as application numbers and/or applicant names, which are necessary to link NFP services to ERA recipients in the DWS data.

As a result, we could not provide reasonable assurance on how effective the NFP services were for potential ERA recipients related to these categories.

Table 1: NFPs with Missing Monthly Metrics⁷

Provided by ORD Management				
NFP Title	Category	Contract #	Contract Period	Missing Month(s) Identified During Audit
Alliance Community Services	Outreach & Education	ERA2001	3/31/22 - 12/31/22	June through December
Pik2ar	Outreach & Education	ERA2003	3/17/22 - 12/31/22	December
UTAP	Outreach & Education	ERA2005	3/29/22 - 12/31/22	No Missing Months
Utah Legal Services	Eviction Prevention	3137	8/16/22 - 7/31/23	September, November, December
Peoples Legal Aid	Eviction Prevention	3138	8/29/22 - 7/31/23	October, November, December
Centro De La Familia	Application Assistance	ERA-2-000002987	2/1/22 - 12/31/22	May, October, November, December
Utah Community Action	Mediation	2853	9/7/21 - 9/7/22	January, April

Regarding NFPs not consistently submitting metrics, Management acknowledged that the NFPs metrics reporting was not consistent and the months of metric data we identified were missing during the contractual periods. For the outreach NFP organization that only submitted 6 weeks of performance metrics, management provided extra data for July and August and showed that a portion of the metrics was included in monthly invoices.

As mentioned earlier, because of the extreme circumstances of the COVID-19 pandemic and the emphasis on quickly receiving and distributing ERA funds, management did not closely monitor contract requirements and/or put strong controls in place and follow-up on potential noncompliance by the NFPs.

⁷ Source: NFP Metric spreadsheets provided by ORD Management.

Without supporting documentation directly connected to ERA recipients and/or payment information, we are unable to determine how effective the NFP contracted services were. There is also a greater risk of fraud, waste, or abuse due to the lack of traceable data related to the NFP contracts.

2.1	RECOMMENDATION	Establish Procedures to Reconcile and Retain NFP Data
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We recommend that management develop and implement written internal procedures for future emergency or rapid response funding programs that require NFPs to:

- Submit detailed and verifiable performance data tied to individual recipients (e.g., application IDs, applicant names or other unique identifiers).
- Maintain adequate documentation that clearly supports services rendered.
- Ensure that ORD staff retain this data for compliance, monitoring, and audit purposes.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 53 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

2.2	RECOMMENDATION	Enforce Timely and Complete Submission of Performance Metrics
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We recommend that Management enforce contract terms requiring NFPs to submit performance metrics on a consistent, timely basis for the entire contract period by establishing a process to:

- Track and monitor metric submissions monthly.
- Follow up promptly on late or incomplete reports.
- Document all oversight activities, including spot checks and any corrective actions taken.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 53 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 3 AND RECOMMENDATIONS

Opportunities to Strengthen Controls Over Controlled Asset Management and Accountability

Risk Ranking: High Risk Finding

ORD did not have sufficient controls to accurately track and document controlled assets, resulting in missing items, incomplete certifications, shared system access, and inconsistencies in inventory records. These gaps limited accountability and reduced assurance that County assets were properly safeguarded.

We identified systemic weaknesses in the Office of Regional Development's (ORD) management of controlled assets. ORD did not have sufficient internal controls to ensure accurate recordkeeping, accountability, and oversight of County-owned equipment. As a result, ORD could not consistently demonstrate the location, assignment, and responsible custodian for certain assets. These gaps reduce assurance that controlled assets are properly safeguarded and increase the risk that County property could be lost, misused, or removed without timely detection.

Missing Assets Were Not Properly Investigated or Documented

In March 2023, ORD identified that a box containing electronics and other controlled assets was missing. ORD believes the items may have been accidentally removed during Facilities Management's disposal of old furniture. Although the Property Manager notified the staff of the situation, ORD did not determine which specific assets were missing or estimate their value.

Instead of beginning a documented investigation at that time, management changed the font style for suspected items on the internal controlled asset inventory spreadsheet and planned to review the items during the next annual inventory cycle. This approach did not meet Salt Lake Countywide Policy 1125: Safeguarding Property/Assets requirements for documenting missing assets⁸, including:

- Identifying who discovered the issue
- Date the issue was reported
- Steps taken to locate the assets
- Notification to management, including the Division Director

We reviewed all 12 assets labeled as "Missing or Inventory Issues" and did not find records of when the losses were reported, what steps were taken to locate the assets, or whether management was notified in accordance with Salt Lake Countywide Policy 1034: Discovery and Reporting of Wrongdoing or Criminal Activity.⁹

Through our testing, we determined the status of the 12 assets identified in **Table 2** below:

⁸ Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, 2.0 Procedures – General & Administrative, Requirement 2.3.5. ⁹ Salt Lake County Countywide Policy 1304: Discovery and Reporting of Wrongdoing or Criminal Activity, 2.0 County Management Responsibility for Reporting Wrongdoing, 2.1.

Table 2: Assets Listed as "Missing or Inventory Issues

Status	Count	Description
Confirmed missing	4	Desktop computer (purchased 2017), tablet (purchased 2018), docking station (purchased 2021), recorder set (year unknown)
Not missing	8	5 assets had been correctly transferred to Facilities Management; 3 assets were located during on-site testing

In addition, during our on-site inspection of 79 controlled assets (representing approximately 12% of the 683 recorded assets), we identified five additional assets that were missing due to the same incident but were not reflected as missing in ORD's inventory records.

In total, nine controlled assets were missing, and ORD did not have records required by County policy to show when the losses were reported, how they were investigated, or whether management was notified.

Because required steps were not followed or documented, ORD could not demonstrate how losses were addressed, whether assets were recovered or confirmed disposed of, or what corrective actions were taken. Without timely and documented follow-up, management cannot determine whether losses resulted from error, improper disposal, or potential misuse.

Annual Certification Forms Were Not Completed

Salt Lake Countywide Policy 1125: Safeguarding Property/Assets requires annual certification verifying the location and custody of all controlled assets.⁹ For assets assigned to employees, staff must sign a "Controlled Assets Inventory Form-Employee" form. For spare or unassigned assets, the Property Manager must complete and sign a "Controlled Assets Inventory Form - Organization" form.

We reviewed a sample of 64 controlled assets to determine whether required certification forms were completed for the 2023 inventory cycle. We found that ORD did not obtain all required signatures or maintain all required documentation as identified in **Table 3** below:

⁹ Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 4.3, Sections 4.3.1 - 4.3.2.

Table 3: Controlled Assets Tested for Annual Certification Forms

Certification Status	Count	Percentage	Description
Missing employee forms	9	14%	Employees had physical custody of County equipment, but ORD did not have signed acknowledgment of accountability.
Missing organization forms (unassigned or spare assets)	21	33%	Unassigned or spare assets did not have required Property Manager certification documenting custody and responsibility.
Forms completed	34	53%	Certification forms were properly completed and retained.

Management explained that some forms were not electronically signed during 2023 and stated that Property Managers have been working to obtain signatures during 2024. Management also stated that employee forms were not completed for unassigned or spare assets because no single employee had custody of them. Instead, the department relied on its internal controlled asset inventory spreadsheet to track spare items.

Relying solely on the spreadsheet does not meet County policy requirements. Without complete certification forms, ORD lacked documentation demonstrating who was responsible for safeguarding controlled assets or verifying their status during the 2023 inventory cycle.

Shared Administrative Account Reduced Individual Accountability

Countywide Policy 1400-1: Information Technology Security requires County personnel to use unique login credentials and prohibits sharing passwords.¹⁰ Individual user accounts support accountability by identifying who performs system actions and changes to official records.

Per Countywide Policy 1125: Safeguarding Property/Assets, ORD Property Managers are responsible for maintaining the department's internal controlled asset inventory spreadsheet.¹¹ Although each Property Manager had an individual login, staff frequently used a shared administrative account ("ORD Fiscal Admin") to make updates to the spreadsheet. This practice prevented ORD from identifying which employee made specific inventory changes.

We reviewed system activity logs and found:

¹⁰ Salt Lake County Countywide Policy 1400-1: Information Technology Security: Acceptable Use Policy Section Part 3.0 Policy Statement 3.2 "Acceptable User of County Resources and Systems" Requirement 3.2.6.

¹¹ Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, 2.0 Procedures – General & Administrative, Requirement 2.2.3.

- 5,100 of 8,141 updates (63%) in 2023 were entered using the shared account.
- The remaining 3,041 updates (37%) were attributed to individual users.

As a result, ORD could not identify who added, modified, or removed asset information for a majority of transactions.

Management acknowledged the use of the shared account for updating asset records. Management stated they intend to discontinue use of the shared login and work with Information Technology to remove the account.

County access control requirements are designed to ensure actions are auditable and employees are accountable for system changes. Because ORD used a shared administrative account to update inventory records, management could not demonstrate who made specific edits to the controlled asset records or verify that all changes were appropriate and authorized.

Asset Records Were Not Complete or Accurate

ORD did not consistently record newly purchased assets or track temporarily assigned equipment. During our review of purchasing card activity, we identified three of ten (30%) newly purchased controlled assets in 2023 that were not entered onto the internal controlled asset inventory spreadsheet.

A laptop listed in inventory could not be located during onsite testing and was later found being used temporarily while an employee's primary laptop was under repair. The inventory had not been updated to reflect the temporary assignment.

We also reviewed all 683 inventory records and found:

- Duplicate serial numbers or asset tag numbers for 21 (3%).
- 13 of 20 (65%) spare assets reviewed from the Internal Controlled Asset Inventory Spreadsheet were still listed as located at ORD or at home after they had been transferred to surplus.
- Two of 20 (10%) of spare assets reviewed from the Internal Controlled Asset Inventory Spreadsheet were cell phones that were unable to be verified during testing.

ORD did not have written procedures requiring immediate addition of new controlled assets, documentation of temporary assignments, or periodic review of asset identifiers and location accuracy. As a result, asset records contained inaccuracies, making it difficult to determine asset status and responsibility at a given time.

Because new and temporarily reassigned controlled assets were not

consistently recorded in the inventory system, ORD could not verify the location or current custodian of certain assets. Inaccurate or incomplete records increase the risk that County property may be lost, misplaced, or used without authorization, and reduce management's ability to monitor asset availability and support operational needs.

Missing Cell Phone Agreements Reduced Employee Accountability

Salt Lake Countywide Policy 1035: Employee Use of Cell Phones requires signed cell phone agreements for all County-funded devices.¹² These agreements document the business purpose for the device, outline usage expectations, and confirm employee and management acknowledgement. Agreements must be signed by the employee, the supervisor, and the agency head or designee.¹³

During our review of ORD's inventory records, we identified 19 active County-funded cell phones found no signed agreements on file for any of the devices.

Management explained they rely on supervisor approval through the purchase request process rather than executing formal cell phone agreements as required by policy.

Without signed cell phone agreements, ORD did not have documented acknowledgement from employees regarding their responsibilities for safeguarding and appropriate use of County-funded devices. The absence of these agreements also limited the department's ability to verify that cell phone assignments remained justified and aligned with business needs.

These issues collectively show that ORD did not have sufficient internal controls to ensure accurate tracking, documentation, and accountability for controlled assets. Without timely investigation of missing assets, complete annual certifications, accurate record updates, unique system access, and signed cell phone agreements, management cannot confirm the location, status, or responsible custodian for all assets. Strengthening procedures and enforcing accountability measures will help ensure County assets are properly safeguarded, used for authorized business purposes, and accurately reflected in inventory records.

To strengthen accountability and ensure accurate tracking of controlled assets, we recommend that Management implement the following controls and procedures:

¹² Salt Lake County Countywide Policy 1035: Employee Use of Cell Phones, Section 4.0 Responsibilities of Agencies, 4.3.

¹³ Salt Lake County Countywide Policy 1035-A: County Provided Cell Phone Agreement.

3.1

RECOMMENDATION

Document Missing Assets

We recommend that Management promptly document all missing (lost or stolen) controlled assets, including:

1. Last known location,
2. Person who reported the asset missing
3. Date reported missing
4. Suspected cause
5. Previously responsible employee
6. Steps taken to investigate and results
7. Documentation of notification to Management, including the Division Director.

If necessary, Management should consider restitution from the last employee the asset was assigned to, including recovery of the asset's estimated market value.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 54 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.2

RECOMMENDATION

Verify All Assets Affected by the 2023 Removal Incident

We recommend that Management complete and document a full inventory review related to the 2023 asset removal incident to confirm all affected controlled assets have been identified, accounted for, or properly classified.

This review should:

- Verify all missing assets have been documented,
- Update inventory records accordingly, and
- Ensure any recovered assets have accurate location and custodian information.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 54 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.3

RECOMMENDATION

Establish Written Procedures for Investigating Missing Assets

We recommend that Management incorporate clear, documented steps for investigating and resolving missing controlled assets into written asset management procedures. Procedures should include:

- Required timelines for investigation
- Documentation standards
- Escalation and notification requirements
- Retention of investigation records

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 55 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.4

RECOMMENDATION

Require Property Manager Sign-Off Before Storage Clean-Outs and Disposals

We recommend that Management establish a documented clearance and sign-off process with Facilities Management before any disposal or clean-out of departmental storage areas.

The process should require a Property Manager (or designee) to:

- Physically review items before removal,
- Confirm asset tags or serial numbers, and
- Approve all items prior to disposal or relocation.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 55 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.5

RECOMMENDATION

Certify Assigned Assets Annually

We recommend that Management ensure employees complete and sign a "Controlled Asset Inventory – Employee" form (or equivalent) annually for each controlled asset assigned to them. This should be enforced by:

- Establishing an annual certification deadline
- Sending reminders to employees and supervisors
- Using a tracking log to identify and follow up on missing forms

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 56 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Management require that all spare or unassigned controlled assets be documented annually using the "Controlled Asset Inventory – Organization" form (or equivalent), signed by the Property Manager or designee.

To ensure accountability:

- Maintain detailed records including asset location, condition, and custody chain
- A review process should be established to verify the accuracy of the documentation

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 56 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Management develop and implement written internal policies and procedures for controlled assets, including but not limited to:

- Completing and maintaining employee and organization inventory forms annually reviewing and certifying asset records, including spare assets
- Escalating and resolving non-compliance or missing documentation

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 57 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Management discontinue the use of shared accounts and require staff to use individual login credentials when updating controlled asset inventory spreadsheet.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: ALREADY IMPLEMENTED

SEE PAGE 58 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.9

RECOMMENDATION

Record Newly Purchased Assets

We recommend that Management direct the Property Manager to review controlled asset purchases and promptly record all newly acquired assets in the internal controlled asset inventory spreadsheet.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 58 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.10

RECOMMENDATION

Establish Procedures for Adding New Assets

We recommend that Management develop and implement written procedures that require timely entry, review, and verification of new controlled assets in the inventory system.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 58 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.11

RECOMMENDATION

Dual Review of Asset Changes

We recommend that Management implement a dual review process requiring at least two designated personnel to review and approve changes to controlled asset records, including new entries, transfers, and surplus classifications. This independent review step will help ensure accuracy, strengthen accountability, and reduce the risk of errors or asset misappropriation.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 59 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.12

RECOMMENDATION

Track Temporary Asset Assignments

We recommend that Management develop and implement a tracking system, such as a checkout log or similar method to track temporary controlled asset assignments, including the employee, issue date, and return date.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 59 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.13

RECOMMENDATION

Establish Procedures for Temporary Assets

We recommend that Management develop and implement written procedures that require documenting and periodically verifying temporary controlled asset assignments.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 59 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.14

RECOMMENDATION

Correct Duplicate Asset Records

We recommend that Management correct all duplicate asset tag and serial number entries in the controlled asset inventory system.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 60 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.15

RECOMMENDATION

Strengthen Controls to Prevent Duplicates

We recommend that Management implement controls, such as validation checks or review steps, to prevent duplicate entries and include duplicate checks in the annual inventory process.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 60 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.16

RECOMMENDATION

Update Asset Locations

We recommend that Management update the location information for all surplus and spare controlled assets in a timely manner, including when the assets have been transferred or moved to surplus.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 61 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

3.17

RECOMMENDATION

Cell Phone Agreements

We recommend that Management have the Property Managers or alternative designees prepare, obtain and retain signed cell phone agreements for all County-funded cell phone service plans, in accordance with County policy. Each agreement shall be signed and dated by the assigned employee, supervisor, and agency head or designee, and maintained in management's records.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 61 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 4 AND RECOMMENDATIONS

Opportunities to Strengthen Controls Over Capital Asset Management and Purchase Approvals

Risk Ranking: Medium Risk Finding

ORD did not maintain accurate capital asset records, could not demonstrate completion of the required annual inventory, and did not maintain adequate segregation of duties for a capital asset purchase. These gaps reduced accountability and increased the risk of errors or unauthorized transactions.

We identified weaknesses in the Office of Regional Development's (ORD) controls over capital assets. ORD did not maintain an accurate capital asset list, could not demonstrate that it completed the required annual inventory, and did not maintain segregation of duties when approving a capital asset purchase. These gaps reduced accountability, limited transparency, and increased the risk of errors or unauthorized transactions.

Capital Asset Records Were Not Accurate or Updated Timely

Salt Lake Countywide Policy 1125: Safeguarding Property requires agencies to maintain accurate capital asset records, submit timely disposal or transfer forms, and complete an annual capital asset inventory.¹⁴

ORD's capital asset list included 11 capital assets at the start of the audit period. We found that six of the 11 assets (55%) were no longer ORD's responsibility but remained on the list as identified in Table 4 below:

Table 4: Assets That Remained on ORD's List but Were No Longer Their Responsibility

Issue	Count	Details
Disposed assets not removed timely	2 (33%)	Assets disposed in 2022 and June 2023; PM-2 forms were not submitted to Mayor's Finance Administration (MFA) until February 2024.
Assets not owned by ORD	4 (66%)	Ozone sensors funded by Salt Lake County but owned and operated by the University of Utah on UTA buses; no PM-2 or similar documentation confirming transfer or custody

The remaining five assets (45%) were valid:

- Four (36%) were present on-site.
- One (9%) was software, which cannot be physically inspected.

¹⁴ Salt Lake County Countywide Policy 1125: Safeguarding Property, Part 2.0 Procedures – General & Administrative, Section 2.2 "Property Manager's Duties" Requirement 2.2.1, 2.2.5-2.2.7, 2.2.11..

Because ORD did not update asset records promptly or maintain disposal documentation, the capital asset list contained outdated and inaccurate information for more than a year.

Annual Capital Asset Inventory Was Not Documented

Salt Lake Countywide Policy 1125: Safeguarding Property requires agencies to review capital assets annually, confirm the results with the MFA, and retain the acknowledgment memo.¹⁵

ORD could not provide documentation showing it completed the required 2023 annual capital asset inventory or notified MFA.

Management stated that they wanted to wait for further instructions from the Auditor's Office before making changes to their capital asset list. Management also acknowledged the absence of an internal policy requiring an annual review of capital assets to ensure assets are listed correctly and removed from the MFA list when they are transferred or disposed of. Furthermore, Management confirmed that they did not retain records of an internal capital asset inventory review, citing the loss of archived emails and the lack of documented procedures to ensure the review was completed and recorded.

Without documentation, the County cannot verify whether capital assets were reviewed or accurately reported.

Segregation of Duties Not Maintained for Capital Asset Purchase

Segregation of duties helps ensure proper oversight and reduces the risk of unauthorized or improper spending. Salt Lake Countywide Policy 1060: Financial Goals and Policies requires appropriate separation between employees who authorize transactions and those who approve spending for assets.¹⁶

During the audit period, ORD purchased one capital asset, a \$7,677 printer. We reviewed the purchase request and approval process and found that the Regional Development Director approved both the budget adjustment and the purchase request form. ORD's procedures allow the Director's signature to serve as both the supervisor and division director approval on purchase requests.

In practice, this meant that no second approval signature was obtained for the printer purchase, even though the transaction required review from multiple levels under County procedures. While the purchase was properly documented and supported,

¹⁵ Salt Lake County Countywide Policy 1125: Safeguarding Property, Part 2.0 Procedures – General & Administrative, Section 2.2 "Property Manager's Duties" Requirement 2.2.11.

¹⁶ Salt Lake County Countywide Policy 1060: Financial Goals and Policies, Section 8, 8.2.1 -8.2.2.3.

the same individual approved all key steps.

ORD management stated this practice is allowable under their internal approval approach; however, it does not meet expectations for adequate segregation of duties. When one person is permitted to authorize both the funding and the expenditure, there is a higher risk of undetected errors, unauthorized purchases, or misuse of funds.

Strengthening approval requirements will help ensure that future capital purchases undergo proper review and oversight.

4.1

RECOMMENDATION

Update Capital Asset List

We recommend that Management work with Mayor's Finance Administration to remove capital assets that are no longer ORD's responsibility or have been disposed of and ensure PM-2 (or equivalent) forms are completed and retained for all disposals and transfers.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 61 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

4.2

RECOMMENDATION

Establish Written Capital Asset Procedures

We recommend that Management develop and implement written procedures for acquiring, transferring, disposing of, and annually reviewing capital assets, including completing and retaining required documentation and approvals.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 62 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

4.3

RECOMMENDATION

Document Annual Capital Asset Inventory

We recommend that Management perform and document an annual capital asset inventory and retain Mayor's Finance Administration confirmation emails and signed acknowledgment memos in accordance with Countywide policy.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 62 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Management ensure capital asset purchases include a second approval signature from an individual who does not approve related budget adjustments, to maintain proper segregation of duties.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 63 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 5 AND RECOMMENDATIONS

Opportunities to Improve Quarterly Treasury Reported Data

Risk Ranking: Medium Risk Finding

ORD's quarterly ERA reports did not include certain administrative costs, housing stability expenditures, or some subrecipients, and procedures to reconcile reported amounts were not fully documented, limiting assurance of complete and accurate reporting.

Because Salt Lake County received ERA funds through the United States (U.S.) Treasury, ORD was required to submit quarterly reports to the U.S. Treasury detailing how ERA services were provided and how funds were spent. The U.S. Treasury issued guidance to ERA fund recipients, requiring the reporting of administrative expenses, housing stability assistance amounts, and other relevant financial information. Refer to **Appendix A** for applicable requirements and guidelines related to the findings in this section.



County Administrative Expenses Not Reported

One of the required metrics to report was total administrative expenses during the quarter. Management excluded the County's administrative expenses from all four ERA quarterly reports tested. **Table 2** provides a breakdown of the administrative amounts reported by ORD.

Management acknowledged they did not include the County's administrative costs in the quarterly reports referred to in **Table 2**. However, they confirmed these costs were reported to the U.S. Treasury in the final report for the first round of funding (ERA1) and will be included in the final report for the second round (ERA2).



Housing Stability Services Not Included

Management did not report the number of households receiving housing stability services in the U.S. Treasury reports for the three applicable sampled quarters. In addition, the amount of money spent by the NFPs for housing stability services was missing from these reports.

Management acknowledged they should have included the NFP housing stability amounts in their Treasury reports.



Reported Obligations and Expenditures Could Not Be Recalculated

U.S. Treasury reporting requirements included both current and total obligations and expenditures. We could not recalculate the reported amounts using internal reported data or the DWS quarterly expenditures. Additionally, for the four ERA quarterly reports we sampled, we could not recalculate the administrative amounts that were reported.

Table 5 below shows that neither the audit team nor Management were able to recalculate the ERA administrative amounts reported to the U.S. Treasury for each of the four quarters tested.

Table 5: Recalculations of Quarterly Administrative Amounts. This table documents the attempts by both the audit team and ORD Management to recalculate the administrative amounts reported to U.S. Treasury¹⁷.

ERA1 Q2	Auditor Recalculation	ORD Recalculation
NFP Expenditures	\$ 99,870.59	
DWS Amount	\$ 284,684.73	
Total	\$ 384,555.32	\$ 299,831.92
US Treasury Report	\$ 289,847.00	\$ 289,847.00
Variance	\$ (94,708.32)	\$ (9,984.92)

Q2 ERA2	Auditor Recalculation	ORD Recalculation
NFP Expenditures	\$ 152,640.01	\$ 152,640.01
DWS amount	\$ 210,357.52	\$ 210,357.52
Total	\$ 362,997.53	\$ 362,997.53
US Treasury Report	\$ 379,508.00	\$ 379,508.00
Variance	\$ 16,510.47	\$ 16,510.47

ERA1 Q3	Auditor Recalculation	ORD Recalculation
NFP Expenditures	\$ 55,592.77	\$ 55,592.77
DWS Amount	\$ 73,401.78	\$ 73,401.78
Total	\$ 128,994.55	\$ 128,994.55
US Treasury Report	\$ 197,881.00	\$ 197,881.00
Variance	\$ 68,886.45	\$ 68,886.45

ERA2 Q3	Auditor Recalculation	ORD Recalculation
NFP Expenditures	\$ 234,427.36	\$ 234,427.36
DWS Amount	\$ -	\$ 45,741.83
Total	\$ 234,427.36	\$ 280,169.19
US Treasury Report	\$ 277,667.00	\$ 277,667.00
Variance	\$ 43,239.64	\$ 2,502.19

Source: NFP Expenditures obtained from County financial system. DWS quarterly ERA reports and US Treasury Reports provided by ORD.

Management explained that in 2022, the ERA program manager and ORD fiscal coordinator could not access the County financial system. As a result, they relied on internal tracking of NFP expenses and reports from DWS.

Additionally, Management could not replicate the administrative amounts or financial reporting amounts and did not establish procedures for how they were calculated. They stated that the information was accurate and complete at the time of submission, based on a review of personnel systems and other available data. Management believes the variances between their recalculated amounts and the reported amounts may be due to timing issues between invoicing, entering, clearing, and reporting.

ORD Did Not Fully Report All Entities Receiving ERA Funds



U.S. Treasury guidance requires ERA recipients to report all organizations and individuals that receive ERA funds.

This reporting ensures transparency and accountability for federal spending. During our review, we found that ORD did not report all entities that received ERA funds.

¹⁷ Note: The County internal administrative costs were excluded.

ORD reported its not-for-profit partners; however, it did not include the Utah Department of Workforce Services (DWS) in the quarterly reports we reviewed, even though DWS received ERA funds from ORD as reimbursement for services provided on behalf of Salt Lake County residents. Instead of reporting DWS as an entity that received ERA funds, ORD listed DWS only as a subrecipient.

By not reporting all entities receiving ERA funds and not including certain expenditure amounts, ORD submitted incomplete and inaccurate quarterly reports to the U.S. Treasury. These reporting gaps reduce transparency and limit assurance that quarterly ERA reporting was complete and consistent with federal requirements.

5.1

RECOMMENDATION

Ensure Federal Reporting Compliance

We recommend that management follow federal funds guidance and include all applicable administrative expenditures.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 63 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

5.2

RECOMMENDATION

Establish Federal Reporting Procedures

We recommend that management develop and document standardized procedures for federal reporting. These procedures should:

- Provide clear guidance on data sources.
- Define calculation methods to be used in reporting.
- Assign and document staff responsibilities.
- Maintain documentation that allows internal or external parties to replicate reported amounts.
- Establish processes to ensure business continuity if key personnel are unavailable.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 64 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 6 AND RECOMMENDATION

Opportunity to Ensure ERA Funds Support Eligible Salt Lake County Residents

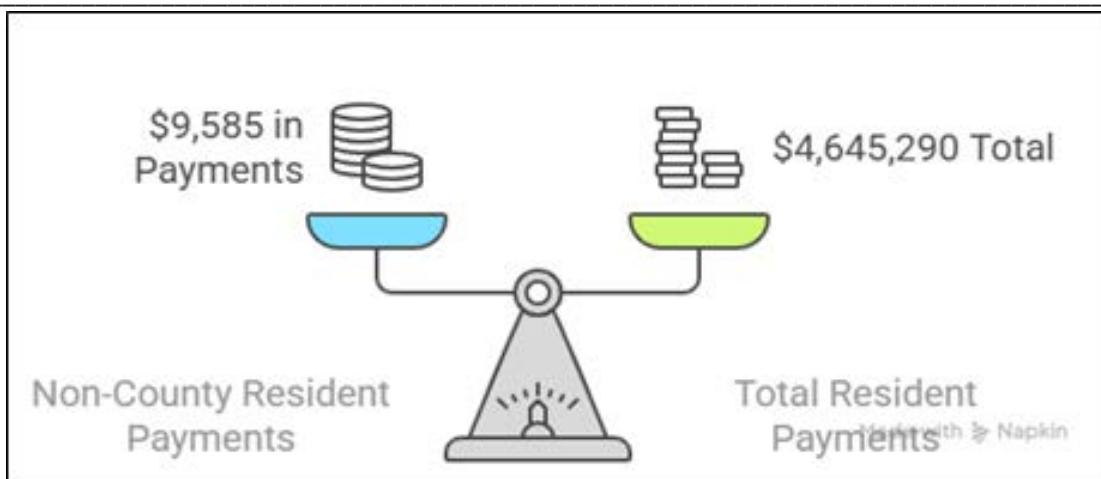
Risk Ranking: Medium Risk Finding

During testing, two ERA payments totaling \$9,585 were made to a non-Salt Lake County address, representing 0.2% of the quarterly total. This occurrence indicates an opportunity to enhance monitoring controls to ensure payments are made to eligible County residents.

In 2022, Utah's DWS reviewed and approved Emergency Rental Assistance (ERA) applications and distributed ERA payments statewide. As outlined in the interlocal agreement between DWS and Salt Lake County, the County reimbursed DWS using U.S. Treasury funds for the ERA payments made on the behalf of exclusively Salt Lake County residents¹⁸. DWS provided quarterly reports to Salt Lake County, detailing payment amounts and recipient addresses where the ERA funds covered applicants' rent and other housing related obligations.

During testing of the second and fourth quarters of the ERA1 and ERA2 programs in 2022, we identified that the fourth quarter included payments to a Provo address, which is not within Salt Lake County. DWS issued two payments totaling \$9,585 to a non-Salt Lake County resident, representing 0.2% of the \$4,645,290 quarterly ERA2 total. The remaining \$4,635,704 (99.8%) of the funds were provided for Salt Lake County addresses.

Figure 3: ERA Payments to Non-County Residents. In the 4th quarter of 2022, \$9,585 of \$4,645,290 (0.2%) in ERA2 funds were paid to cover rent for non-Salt Lake County residents.



Source: NFP Expenditures obtained from County financial system. DWS quarterly ERA reports and USSource: DWS quarterly ERA2 payment data via ParticipantHouseholdPaymentData REV 3.31.2022_SL COUNTY ERA2 CY22 Q4.xlsx spreadsheet. Image generated from Napkin.AI.Treasury Reports provided by ORD.

¹⁸ DWS Contract (21-DWS-R021) and DWS Contract (22-DWSR016), Section 1: "General Purpose of Agreement,"

Management stated the inclusion of the non-Salt Lake County payments was an error by DWS. Insufficient monitoring controls allowed U.S. Treasury funds intended for Salt Lake County residents to be mistakenly paid to non-residents, increasing the risk of fraud, waste, or abuse.

6.1	RECOMMENDATION	Fund Limitation Compliance
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We recommend that management establish internal control procedures for emergency assistance programs to:

- Ensure payments are only provided to eligible Salt Lake County residents, when applicable.
- Review subrecipient reports for accuracy before reimbursement.
- Maintain documentation of monitoring activities to demonstrate compliance with County and federal requirements.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 64 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 7 AND RECOMMENDATION

Opportunity to Enhance Accuracy of ERA1 Fund Classification in the County Financial System

Risk Ranking: Low Risk Finding

A \$326,374 variance between contracted administrative and rental assistance amounts and the County's financial system was identified due to misclassified transactions. While total payments to DWS were correct, the discrepancy highlights weaknesses in financial reporting and reconciliation.

Salt Lake County and DWS entered into a revenue agreement to manage ERA Program funds from 2021 through 2022. The revenue agreement was amended three times to extend dates and/or increase the amounts of administrative and direct rental assistance benefits made from the County to DWS¹⁹.

In recalculating the amounts of ERA1 funds spent on rental assistance and administrative amounts, we identified a variance of \$326,374 between the contracted amounts and the County's financial system. Management identified the source of the variance as four expenditure transactions that were misclassified or not properly separated between administrative and rental assistance accounts. This resulted in a \$326,374 difference between the reported administrative and direct rental assistance account amounts. However, the total amount of ERA payments made from the County to DWS, \$42,859,635, was the same in both the revenue agreement and the County's financial reporting. Refer to **Table 6** for the comparison in administrative and direct rental assistance fund spending.

Table 6: Total ERA1 Reimbursements from ORD to DWS. The County's financial system's total reported administrative and rental assistance amounts that differed from the contracted amounts reimbursed to DWS during the entire contracted period of 2021-2022.²⁰

Fund Classification	21-DWS-R012 Contract	Expenditures in County's Financial System	Differences
Administrative	\$ 1,636,208.45	\$ 1,309,834.25	\$ 326,374.20
Rental Assistance	\$ 41,223,426.76	\$ 41,549,800.96	\$ (326,374.20)
Total	\$ 42,859,635.21	\$ 42,859,635.21	\$ -

Source: Revenue Agreement 21-DWS-R012 between Salt Lake County and DWS, and MyFin County expenditures of ERA1 funds between 2021 and 2023.

Management confirmed that the administrative amounts were not

¹⁹ Amendment #3 to Revenue Agreement #21-DWS-R012 Section 2 "Other Changes

²⁰ Sources: 21-DWS-R012 Contract obtained from County Contracts Sharepoint Repository. Expenditure data obtained from County financial system.

broken out correctly in the County's financial system. However, they stated that the amounts were submitted the U.S. Treasury Reporting in the correct amounts.

Although this error did not affect the total funds paid to DWS, it highlights weaknesses in the County's financial reporting and record-keeping with the County's financial system. Management reported the correct amounts to the U.S Treasury; however, inconsistencies in the County's financial system reduces transparency and creates reconciliation challenges.

7.1	RECOMMENDATION	Financial Transaction Corrections
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We recommend that management correct the four misclassified financial expenditures in the County's financial system to ensure that administrative and rental assistance amounts are accurately recorded.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 65 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 8 AND RECOMMENDATIONS

Opportunities to Improve Revenue Agreement Compliance

Risk Ranking: **Low Risk Finding**

ORD did not complete background checks for employees with access to ERA applicant data and stored the data in a cloud-based system rather than the secure location required by the agreement, increasing potential security risks.

Salt Lake County had two revenue agreements with DWS during the audit period, covering ERA1 and ERA 2 funds. After the U.S. Treasury began sending ERA funds to the County in January 2021, DWS and the County executed the initial ERA 1 agreement on April 19, 2021. Three contract amendments extended the ERA 1 agreement to May 31, 2023, due to additional funding. ERA 2 funds were administered under a separate agreement that commenced January 1, 2022, through May 31, 2023.

We reviewed both agreements and assessed compliance with key requirements, including background checks and data security for ERA applicant information.

We identified in the initial ERA1 Revenue Agreement an attachment related to Data Transmission. This attachment addressed the Data Security requirements with the County to manage access to the statewide platform used by applicants applying for rental and utility payment assistance. We reviewed the County's procedures to ensure that the County complied with certain Data Transmission requirements, like limiting access to authorized personnel, storing DWS data on an on-site server and not the cloud, and a thorough background review of employees given access to data²¹. We found the following:

Background Check Compliance

Three County employees in ORD had access to ERA applicant data, such as names, addresses, and income amounts, during our review period. We asked management whether Human Resources had performed initial background checks on the employees upon hiring, which could satisfy the DWS requirement for a thorough investigation.

Management confirmed that these employees did not have background checks completed at the time of their hiring. We confirmed that as of March 2023, the ORD positions involved with ERA were not listed among Salt Lake County Human Resources positions requiring a background check.

²¹ DWS Contract (21-DWS-R012) Attachment B Data Transmission, Section VI. "Background Review," and Section V. "Data Security,"

Data Storage Compliance

During the revenue agreement period, April 19, 2021 through May 31, 2023, management received ERA data from DWS via email and stored it in a cloud-based system. We contacted Information Technology (IT), who confirmed that the reports were stored in a government cloud-based service requiring multifactor authentication, the recommended method for storing sensitive data.

Regarding data storage, Management stated that DWS sent the data via email rather than using the Secure File Transfer Protocol required by the revenue agreement. ORD then saved the data to the County's cloud-based storage. ORD confirmed that they did not experience any data security breaches during this period that could have compromised the information.

The County did not follow the background check and data storage requirements in the agreement, increasing the risk of unauthorized access or misuse of personal identifying information during the contract period. Without completing background checks, we could not provide reasonable assurance that the employees handling sensitive data met security standards. Additionally, storing DWS ERA data in a cloud-based system instead of an on-site location, as required in the contract, created an issue of contract non-compliance which could have increased the risk of damages in the event of a security breach. Although no breaches occurred, these deficiencies weaken data protection and increase the likelihood of future compliance and security risks.

8.1	RECOMMENDATION	Background Check Compliance
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We recommend that management follow all background check requirements listed in contracts and revenue agreements or formally amend the contractual language as applicable.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 65 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that management review contracts for IT security standards and follow the contractual terms or ensure contract language is updated to adhere to County IT Standards.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 66 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that management develop procedures to assign an individual (or individuals) responsible for reviewing emergency response contracts and establishing a checklist to ensure compliance, including:

- Verifying key contract requirements, such as secure data transmission, storage requirements and background checks.
- Confirming that employees assigned emergency access to sensitive data have completed HR background checks. If the agency is short-staffed and others need temporary access, have alternative procedures in place to document that there was sufficient communication and acknowledgement by the employee to understand how to properly secure sensitive data. Request a written acknowledgment from the employee confirming their understanding of applicable County policies related to the contract and proper data security.
- Conduct a post-emergency compliance review to identify possible compliance gaps or deviations from the contract that can be documented.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 66 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 9 AND RECOMMENDATION

Opportunity to Strengthen Verification of Quarterly ERA Reporting Data

Risk Ranking: **Low Risk Finding**

ORD was unable to provide verification that the required Participant Household Payment Data Files were included in quarterly ERA reports due to system limitations, reducing assurance that federal reporting was complete and accurate.

The Office of Regional Development (ORD) received ERA funding from the U.S. Treasury and was required to submit quarterly reports accounting for the use of these funds. Each report had to include a *Participant Household Payment Data File* identifying individual households that received ERA funds.

We sampled the second and third quarter reports for both ERA1 and ERA2 Treasury reports submitted by ORD in 2022. For the four reports sampled, we could not verify whether the required file was included due to system limitations.

Refer to **Appendix A, A9-A10** for U.S. Treasury Emergency Rental Assistance Program Reporting Guidance, which required the inclusion of a "Participant Household Payment Data File."

Management stated the U.S. Treasury system would not allow them to submit a report until all required information was filled out and included. Additionally, Management also stated they could not later access the system to provide documentation showing that the *Participant Household Payment Data* files were submitted with each quarterly U.S. Treasury reports.

Management's lack of access to submission records prevents verification that *Participant Household Payment Data Files* were included in quarterly reports. This limitation hinders compliance monitoring and reduces our ability to provide reasonable assurance that the reported ERA distributions were accurate and complete.

9.1	RECOMMENDATION	Federal Reporting Retention
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We recommend that management develop emergency response procedures requiring an internal tracking system to retain submission confirmations, file details, and key reporting information. This documentation would create an independent verification source of required files in federal reports, where possible.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 90 DAYS

SEE PAGE 67 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

COMPLETE LIST OF AUDIT RECOMMENDATIONS

This report made the following 32 recommendations.

RECOMMENDATION 1.1

We recommend that management establish internal control procedures for emergency assistance programs that include:

- Timely invoice validation to ensure payment amounts match the invoiced services and data provided.
- Clear documentation requirements, such as:
 - Identifying subrecipient expenditures by funding source, if applicable.
 - Detailed listing of approved applicants and amounts paid, if applicable.
- Routine monitoring of subrecipient compliance, even during urgent or high-volume periods.

RECOMMENDATION 2.1

We recommend that management develop and implement written internal procedures for future emergency or rapid response funding programs that require NFPs to:

- Submit detailed and verifiable performance data tied to individual recipients (e.g., application IDs, applicant names or other unique identifiers).
- Maintain adequate documentation that clearly supports services rendered.
- Ensure that ORD staff retain this data for compliance, monitoring, and audit purposes.

RECOMMENDATION 2.2

We recommend that Management enforce contract terms requiring NFPs to submit performance metrics on a consistent, timely basis for the entire contract period by establishing a process to:

- Track and monitor metric submissions monthly.
- Follow up promptly on late or incomplete reports.
- Document all oversight activities, including spot checks and any corrective actions taken.

RECOMMENDATION 3.1

We recommend that Management promptly document all missing (lost or stolen) controlled assets, including:

1. Last known location,
2. Person who reported the asset missing
3. Date reported missing

4. Suspected cause
5. Previously responsible employee
6. Steps taken to investigate and results
7. Documentation of notification to Management, including the Division Director.

If necessary, Management should consider restitution from the last employee the asset was assigned to, including recovery of the asset's estimated market value.

RECOMMENDATION 3.2

We recommend that Management complete and document a full inventory review related to the 2023 asset removal incident to confirm all affected controlled assets have been identified, accounted for, or properly classified.

This review should:

- Verify all missing assets have been documented,
- Update inventory records accordingly, and
- Ensure any recovered assets have accurate location and custodian information.

RECOMMENDATION 3.3

We recommend that Management incorporate clear, documented steps for investigating and resolving missing controlled assets into written asset management procedures.

Procedures should include:

- Required timelines for investigation
- Documentation standards
- Escalation and notification requirements
- Retention of investigation records

RECOMMENDATION 3.4

We recommend that Management establish a documented clearance and sign-off process with Facilities Management before any disposal or clean-out of departmental storage areas.

The process should require a Property Manager (or designee) to:

- Physically review items before removal,
- Confirm asset tags or serial numbers, and
- Approve all items prior to disposal or relocation.

RECOMMENDATION 3.5

We recommend that Management ensure employees complete and sign a "Controlled Asset Inventory – Employee" form (or equivalent) annually for each controlled asset assigned to them. This should be enforced by:

- Establishing an annual certification deadline
- Sending reminders to employees and supervisors
- Using a tracking log to identify and follow up on missing forms

RECOMMENDATION 3.6

We recommend that Management require that all spare or unassigned controlled assets be documented annually using the "Controlled Asset Inventory – Organization" form (or equivalent), signed by the Property Manager or designee.

To ensure accountability:

- Maintain detailed records including asset location, condition, and custody chain
- A review process should be established to verify the accuracy of the documentation

RECOMMENDATION 3.7

We recommend that Management develop and implement written internal policies and procedures for controlled assets, including but not limited to:

- Completing and maintaining employee and organization inventory forms annually reviewing and certifying asset records, including spare assets
- Escalating and resolving non-compliance or missing documentation

RECOMMENDATION 3.8

We recommend that Management discontinue the use of shared accounts and require staff to use individual login credentials when updating controlled asset inventory spreadsheet.

RECOMMENDATION 3.9

We recommend that Management direct the Property Manager to review controlled asset purchases and promptly record all newly acquired assets in the internal controlled asset inventory spreadsheet.

RECOMMENDATION 3.10

We recommend that Management develop and implement written procedures that require timely entry, review, and verification of new controlled assets in the inventory system.

RECOMMENDATION 3.11

We recommend that Management implement a dual review process requiring at least two designated personnel to review and approve changes to controlled asset records, including new entries, transfers, and surplus classifications. This independent review step will help ensure accuracy, strengthen accountability, and reduce the risk of

errors or asset misappropriation.

RECOMMENDATION 3.12

We recommend that Management develop and implement a tracking system, such as a checkout log or similar method to track temporary controlled asset assignments, including the employee, issue date, and return date.

RECOMMENDATION 3.13

We recommend that Management develop and implement written procedures that require documenting and periodically verifying temporary controlled asset assignments.

RECOMMENDATION 3.14

We recommend that Management correct all duplicate asset tag and serial number entries in the controlled asset inventory system.

RECOMMENDATION 3.15

We recommend that Management implement controls, such as validation checks or review steps, to prevent duplicate entries and include duplicate checks in the annual inventory process.

RECOMMENDATION 3.16

We recommend that Management update the location information for all surplus and spare controlled assets in a timely manner, including when the assets have been transferred or moved to surplus.

RECOMMENDATION 3.17

We recommend that Management have the Property Managers or alternative designees prepare, obtain and retain signed cell phone agreements for all County-funded cell phone service plans, in accordance with County policy. Each agreement shall be signed and dated by the assigned employee, supervisor, and agency head or designee, and maintained in management's records.

Recommendation 4.1

We recommend that Management work with Mayor's Finance Administration to remove capital assets that are no longer ORD's responsibility or have been disposed of and ensure PM-2 (or equivalent) forms are completed and retained for all disposals and transfers.

Recommendation 4.2

We recommend that Management develop and implement written procedures for acquiring, transferring, disposing of, and annually reviewing capital assets, including completing and retaining required documentation and approvals.

Recommendation 4.3

We recommend that Management perform and document an annual capital asset inventory and retain Mayor's Finance Administration confirmation emails and signed acknowledgment memos in accordance with Countywide policy.

Recommendation 4.4

We recommend that Management ensure capital asset purchases include a second approval signature from an individual who does not approve related budget adjustments, to maintain proper segregation of duties.

RECOMMENDATION 5.1

We recommend that management follow federal funds guidance and include all applicable administrative expenditures.

RECOMMENDATION 5.2

We recommend that management develop and document standardized procedures for federal reporting. These procedures should:

- Provide clear guidance on data sources.
- Define calculation methods to be used in reporting.
- Assign and document staff responsibilities.
- Maintain documentation that allows internal or external parties to replicate reported amounts.
- Establish processes to ensure business continuity if key personnel are unavailable.

RECOMMENDATION 6.1

We recommend that management establish internal control procedures for emergency assistance programs to:

- Ensure payments are only provided to eligible Salt Lake County residents, when applicable.
- Review subrecipient reports for accuracy before reimbursement.
- Maintain documentation of monitoring activities to demonstrate compliance with County and federal requirements.

RECOMMENDATION 7.1

We recommend that management correct the four misclassified financial expenditures in the County's financial system to ensure that administrative and rental assistance amounts are accurately recorded.

RECOMMENDATION 8.1

We recommend that management follow all background check requirements listed in contracts and revenue agreements or formally amend the contractual language as applicable.

RECOMMENDATION 8.2

We recommend that management review contracts for IT security standards and follow the contractual terms or ensure contract language is updated to adhere to County IT Standards.

RECOMMENDATION 8.3

We recommend that management develop procedures to assign an individual (or individuals) responsible for reviewing emergency response contracts and establishing a checklist to ensure compliance, including:

- Verifying key contract requirements, such as secure data transmission, storage requirements and background checks.
- Confirming that employees assigned emergency access to sensitive data have completed HR background checks. If the agency is short-staffed and others need temporary access, have alternative procedures in place to document that there was sufficient communication and acknowledgement by the employee to understand how to properly secure sensitive data. Request a written acknowledgment from the employee confirming their understanding of applicable County policies related to the contract and proper data security.
- Conduct a post-emergency compliance review to identify possible compliance gaps or deviations from the contract that can be documented.

RECOMMENDATION 9.1

We recommend that management develop emergency response procedures requiring an internal tracking system to retain submission confirmations, file details, and key reporting information. This documentation would create an independent verification source of required files in federal reports, where possible.

Appendix A

United States Treasury Reporting Requirements for ERA1 and ERA2²²

A1: ERA1 Administrative Expenses:

k. Total Amount of ERA Award Funds Paid (Expended) for Administrative Expenses in the Reporting Period

Definition: The total dollar amount of the ERA award the ERA Recipient (and its subrecipients and contractors, as applicable) expended for administrative expenses in the reporting period. This does not include amounts expended (paid) for housing stability services.

Note: For costs to have been incurred as defined, performance of the service or delivery of the good(s) must have occurred.

A2: ERA2 Administrative Expenses:

h. Cumulative Amount of ERA Award Funds Paid (Expended) for Administrative Expenses as of the end of the Reporting Period

Definition: The cumulative amount of the ERA2 award the ERA2 Recipient (and its subrecipients and contractors, as applicable) expended for administrative expenses between the date of receipt of the ERA2 award and the end of the current reporting period. This does not include amounts expended (paid) for housing stability services.

Note: For costs to have been incurred as defined, performance of the service or delivery of the good(s) must have occurred.

²² U.S. Department of the Treasury Reporting Guidance Archive for ERA1 and ERA2 Program Reporting Guidance. Retrieved from <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting> and <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting-guidance-archive>

A3: ERA1 Housing Stability

m. Total Dollar Amount of the ERA Award Funds Paid (Expended) for Housing Stability Services in the Reporting Period

Definition: Total amount of the ERA award the ERA Recipient (and its subrecipients and contractors, as applicable) paid (expended) for housing stability services (including eviction prevention/diversion) in the reporting period.

Note: For costs to have been incurred as defined, performance of the service or delivery of the good(s) must have occurred.

Portal Tab	Data Element	Requirements for Tribe, TDHE, and the DHHL Recipients
	Number of unique households that received ERA assistance by type – utilities/home energy arrears	Required (Total figure only, without reporting by race, ethnicity or gender of the primary applicant.)
	Number of unique households that received ERA assistance by type – other expenses related to housing	Required (Total figure only, without reporting by race, ethnicity or gender of the primary applicant)
	Number of unique households that received ERA assistance by type – housing stability services	Required (Total figure only, without reporting by race, ethnicity or gender of the primary applicant.)

A4: ERA2 Housing Stability

j. Cumulative Amount of the ERA2 Award Funds Paid (Expended) for Housing Stability Services

Definition: Cumulative amount of the ERA2 award the ERA2 Recipient (and its subrecipients and contractors, as applicable) paid (expended) for housing stability services (including eviction prevention/diversion) between the date of receipt of the ERA2 award and the end of the current reporting period.

Note: For costs to have been incurred as defined, performance of the service or delivery of the good(s) must have occurred.

Guidance Section / Portal Tab	Reporting Item	Requirements all ERA2 Recipients
	Number of unique households that received ERA assistance by type – other expenses related to housing	Required, including demographic data breakdown
	Number of unique households that received ERA assistance by type – housing stability services	Required, do not provide demographic data breakdown

A5: ERA1 Financial Reporting Tab

Financial Reporting

This component of the ERA Quarterly Report has been updated effective with the Quarter 1, 2022 report, to require Recipients to provide financial data directly into Treasury's portal, rather than by uploading SF-425 forms as was required previously.

Data points as required on the SF-425 as follows:

- Total award amount (pre-populated)
- Cumulative amount of Award Obligated as of the end of the Reporting Period
- Cumulative amount of Award Obligated but not Expended as of the end of the Reporting Period
- Cumulative amount of Award Expended as of the end of the Reporting Period
- Amount of Award Unobligated as of the end of the Reporting Period

A6: ERA2 Financial Reporting Tab

Financial Reporting

Each ERA2 Recipient must provide the following financial data.

- Current Award Amount (pre-populated with the total ERA award amount)
- Total Payment Amount (pre-populated with the total ERA2 award funds received to date)

The following standard Feral Financial Report (SF-425) items

- Cash Receipts: SF-425 Item 10(a)
- Cash Disbursements: SF-425 Item 10(b)
- Cash on Hand: SF-425 Item 10(c)
- Total Federal funds authorized: SF-425 Item 10(d)
- Federal share of expenditures: SF-425 Item 10(e)
- Federal share of unliquidated obligations: SF-425 Item 10(f)
- Total Federal Share: SF-425 Item 10(g)
- Unliquidated balance of Federal funds: SF-425 Item 10(h)

Current Quarter Financial Data

- Current quarter obligations (amount obligated in the quarter)
- Current quarter expenditures (amount expended in the quarter)

A7: ERA1 Subrecipient Reporting

REPORTING REQUIREMENT

The ERA Recipient must create a Subrecipient record and a Subaward record in Treasury's portal when it obligates \$30,000 or more of ERA funds via a subaward, contract, or direct payment. It must record this information in the quarter when it obligated the ERA funds.

A8: ERA2 Subrecipient Reporting

REPORTING REQUIREMENT

The ERA2 Recipient must create a Subrecipient record and a Subaward record in Treasury's portal when it obligates \$30,000 or more of ERA2 funds via a subaward, contract, or direct payment. It must record this information in the quarter when it obligated the ERA2 funds.

A9 ERA1 Inclusion of Participant Household Payment Data File

Participant Household Payment Data File (PHPDF)

Each State, Local, and Territorial ERA Recipient must submit a data file containing household-level information described below for each ERA Financial Assistance payment made to or on behalf of each participant household during the reporting period.

A10 ERA2 Inclusion of Participant Household Payment Data File

ERA2 Emergency Rental Assistance Project Participant Household Payment Data File (PHPDF)

All grantees must submit a Participant Household Payment Data File (PHPDF) with every ERA2 Compliance report. The PHPDF is a single file using Template 7 that contains information on each payment to or for participant households from the date of program inception through the end of the current reporting period. The PHPDF submitted with each compliance report replaces all previously submitted PHPDF files. This approach enables Recipients to submit current period data and revisions to prior period data on the PHPDF submitted for a reporting period.

AGENCY RESPONSE



Jennifer Wilson
Salt Lake County Mayor

Catherine Kanter
Deputy Mayor
Regional Operations

Office of Regional Development

Beth Colosimo
Director

Divisions

Economic Development
Environmental Sustainability
Housing & Community Development
Regional Planning & Transportation
Canyons Management

February 4, 2026

Auditor Chris Harding, CPA
Office of the Auditor
Salt Lake County
2001 S State Street
Salt Lake City, UT 84190

Auditor Harding,

Thank you for the recent audit of the Emergency Rental Assistance Program and of the Office of Regional Development's Controlled Assets. WE appreciate all the time and effort your team dedicated to this review to help us improve on our processes and programs. Your audit team was wonderful to work with. They were always willing to clarify questions and provide additional detail.

Please see the responses below to the findings related to the ORD audit stated above. We appreciate the auditor's office's willingness to work with ORD through the process and provide constructive feedback for improvements. During the process of this audit, and in the wake of the pandemic and the deployment of all our emergency funds, we began to make changes to internal procedures for tracking subgrantees, payments and contracts more efficiently and effectively to avoid opportunities for waste or fraud.

Please find our response below to each of the recommendations made in your report.

Sincerely,

Lauren Littlefield
Director of Special Projects/Sr Policy Advisor

Salt Lake County Regional Transportation, Housing & Economic Development
2001 South State Street, Suite N3-500 | P.O. Box 144575 | Salt Lake City, UT 84114-4575
TTY 7-1-1 | www.slco.org/Regional-Development

AUDIT FINDING 1: Opportunity to Strengthen Reconciliation of DWS Invoices to ERA Payment Data

RECOMMENDATION 1.1: We recommend that ORD establish internal control procedures for emergency assistance programs that include:

- Timely invoice validation to ensure payment amounts match the invoiced services and data provided.
- Clear documentation requirements, such as:
 - Identifying subrecipient expenditures by funding source, if applicable.
 - Detailed listing of approved applicants and amounts paid, if applicable.
- Routine monitoring of subrecipient compliance, even during urgent or high-volume periods

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	Complete. During the audit process, as these opportunities were presented, we began making changes in the procedures for validating and monitoring grantees.	Lauren Littlefield, Sr. Policy Advisor/Director of Special Projects

Narrative for Recommendation 1.1 including action plan.

We agree with this recommendation, and it has been implemented. Now once an invoice is received, it is checked and validated against the contracted eligible expenses as well as scope of work, and as part of that process each invoice must include the required back up documentation to support the invoice amount. ORD will draft a written policy within 90 days.

AUDIT FINDING 2: Opportunities to Improve Oversight of Not-For-Profit Contracted Services, Including Recordkeeping and Reconciliation to ERA Recipient Data

RECOMMENDATION 2.1: We recommend that management develop and implement written internal procedures for future emergency or rapid response funding programs that require NFPs to:

- Submit detailed and verifiable performance data tied to individual recipients (e.g., application IDs, applicant names or other unique identifiers).

- Maintain adequate documentation that clearly supports services rendered.
- Ensure that ORD staff retain this data for compliance, monitoring, and audit purposes.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Lauren Littlefield, Sr. Policy Advisor/Director of Special Projects

Narrative for Recommendation 2.1 including action plan.

We agree with this recommendation. For future emergency programs or rapid response funds, when ORD contracts with an NFP, ORD will ensure reporting requirements are met by the subrecipient. Reporting requirements will be clearly stated in the contract. Reports will be required on a monthly or quarterly basis. Reports will include individual level information for services rendered and comply with the Government Data Privacy Act and will be retained based on the funding sources retention schedule.

RECOMMENDATION 2.2: We recommend that Management enforce contract terms requiring NFPs to submit performance metrics on a consistent, timely basis for the entire contract period by establishing a process to:

- Track and monitor metric submissions monthly.
- Follow up promptly on late or incomplete reports.
- Document all oversight activities, including spot checks and any corrective actions taken.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Lauren Littlefield, Sr. Policy Advisor/Director of Special Projects

Narrative for Recommendation 2.2 including action plan.

We agree with this recommendation. Management will craft a procedure for tracking grants to NFPs to ensure reports are monitored monthly. If reports are found to be incomplete, the procedure will outline the steps to take to remedy the report.

AUDIT FINDING 3: Opportunities to Strengthen Controls Over Controlled Asset Management and Accountability

RECOMMENDATION 3.1: We recommend that Management promptly document all missing (lost or stolen) controlled assets, including:

1. Last known location,
2. Person who reported the asset missing
3. Date reported missing
4. Suspected cause
5. Previously responsible employee
6. Steps taken to investigate and results
7. Documentation of notification to Management, including the Division Director.

If necessary, Management should consider restitution from the last employee the asset was assigned to, including recovery of the asset's estimated market value.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin and Fiscal Mgr II

Management concurs with this recommendation. Within 60 days, The Office of Regional Development will develop an internal procedure detailing the documentation requirements for any lost or stolen controlled assets, incorporating all elements identified in the recommendation including last known location, reporting party, date reported, suspected cause, responsible employee, investigation steps and results, and management notification. This procedure will establish clear expectations for timely reporting and documentation, ensuring consistent tracking and appropriate escalation to the Department Director.

RECOMMENDATION 3.2: We recommend that Management complete and document a full inventory review related to the 2023 asset removal incident to confirm all affected controlled assets have been identified, accounted for, or properly classified.

This review should:

- Verify all missing assets have been documented,
- Update inventory records accordingly, and
- Ensure any recovered assets have accurate location and custodian information.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin and Fiscal Mgr II

Management concurs with this recommendation. Following the 2023 asset removal incident, management initiated a comprehensive overhaul of controlled asset tracking, transitioning to a new system called Asset Tiger in 2025. As part of this effort, the full inventory review referenced in this recommendation is currently underway and expected to be reconciled within 90 days, including verification of all missing assets, updates to inventory records, and confirmation of accurate location and custodian information for any recovered items.

RECOMMENDATION 3.3: We recommend that Management incorporate clear, documented steps for investigating and resolving missing controlled assets into written asset management procedures.		
Procedures should include:	<ul style="list-style-type: none"> Required timelines for investigation Documentation standards Escalation and notification requirements Retention of investigation records 	
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. The internal procedure referenced in Recommendation 3.1 will incorporate clear steps for investigating and resolving missing controlled assets, including required timelines, documentation standards, escalation and notification requirements, and retention of investigation records.

RECOMMENDATION 3.4: We recommend that Management establish a documented clearance and sign-off process with Facilities Management before any disposal or clean-out of departmental storage areas.		
The process should require a Property Manager (or designee) to:	<ul style="list-style-type: none"> Physically review items before removal, 	

<ul style="list-style-type: none"> • Confirm asset tags or serial numbers, and • Approve all items prior to disposal or relocation. 		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Following the 2023 incident, management immediately implemented a requirement that no controlled assets may leave the area without a member of Fiscal present. This control will be formalized as part of the internal procedure referenced in Recommendation 3.1, which will establish a documented clearance and sign-off process requiring Property Manager review and approval prior to any disposal or clean-out of departmental storage areas, including physical verification of asset tags or serial numbers before removal or relocation.

RECOMMENDATION 3.5: We recommend that Management ensure employees complete and sign a “Controlled Asset Inventory – Employee” form (or equivalent) annually for each controlled asset assigned to them. This should be enforced by: <ul style="list-style-type: none"> • Establishing an annual certification deadline • Sending reminders to employees and supervisors • Using a tracking log to identify and follow up on missing forms 		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. As part of the transition to Asset Tiger, management has collected updated Controlled Asset Inventory forms and photographs for all assigned assets to ensure complete and accurate records. Moving forward, management will establish an annual certification deadline, implement a reminder process for employees and supervisors, and utilize Asset Tiger's tracking capabilities to identify and follow up on outstanding forms.

RECOMMENDATION 3.6: We recommend that Management require that all spare or unassigned controlled assets be documented annually using the “Controlled Asset

Inventory – Organization” form (or equivalent), signed by the Property Manager or designee.

To ensure accountability:

- Maintain detailed records including asset location, condition, and custody chain
- A review process should be established to verify the accuracy of the documentation

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Spare and unassigned controlled assets are currently being documented and updated as part of the Asset Tiger system overhaul, including detailed records of asset location, condition, and custody chain. Management will establish an annual review process to verify the accuracy of this documentation, signed by the Property Manager or designee.

RECOMMENDATION 3.7: We recommend that Management develop and implement written internal policies and procedures for controlled assets, including but not limited to:

- Completing and maintaining employee and organization inventory forms, annually reviewing and certifying asset records, including spare assets
- Escalating and resolving non-compliance or missing documentation

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. The internal procedure referenced in Recommendation 3.1 will include comprehensive policies for controlled asset management, incorporating requirements for annual completion of employee and organization inventory forms, certification of asset records including spare assets, and escalation procedures for non-compliance or missing documentation.

RECOMMENDATION 3.8: We recommend that Management discontinue the use of shared accounts and require staff to use individual login credentials when updating controlled asset inventory spreadsheet.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	Completed	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. This practice was discontinued in 2024 upon identification during the audit. The transition to Asset Tiger has eliminated shared account access entirely, with all users now required to utilize individual secured login credentials for asset management functions.

RECOMMENDATION 3.9: We recommend that Management direct the Property Manager to review controlled asset purchases and promptly record all newly acquired assets in the internal controlled asset inventory spreadsheet.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. The Property Manager will review controlled asset purchases and ensure timely recording of all newly acquired assets in Asset Tiger.

RECOMMENDATION 3.10: We recommend that Management develop and implement written procedures that require timely entry, review, and verification of new controlled assets in the inventory system.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Requirements for timely entry, review, and verification of new controlled assets will be incorporated into the internal procedure referenced in Recommendation 3.1, targeted for completion within 60 days. Full system integration into Asset Tiger will follow within 30 days.

RECOMMENDATION 3.11: We recommend that Management implement a dual review process requiring at least two designated personnel to review and approve changes to controlled asset records, including new entries, transfers, and surplus classifications. This independent review step will help ensure accuracy, strengthen accountability, and reduce the risk of errors or asset misappropriation.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. The internal procedure referenced in Recommendation 3.1 will formalize the dual review process, requiring both employee and supervisory approval for all changes to controlled asset records, including new entries, transfers, and surplus classifications.

RECOMMENDATION 3.12: We recommend that Management develop and implement a tracking system, such as a checkout log or similar method to track temporary controlled asset assignments, including the employee, issue date, and return date.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Management will ensure the checkout log we use for this process will be formalized and documented in the internal procedure referenced in Recommendation 3.1 and integrated into Asset Tiger for improved tracking and reporting capabilities.

RECOMMENDATION 3.13: We recommend that Management develop and implement written procedures that require documenting and periodically verifying temporary controlled asset assignments.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Requirements for documenting and periodically verifying temporary controlled asset assignments will be incorporated into the internal procedure referenced in Recommendation 3.1.

RECOMMENDATION 3.14: We recommend that Management correct all duplicate asset tag and serial number entries in the controlled asset inventory system.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Duplicate asset tag and serial number entries are being identified and corrected as part of the current Asset Tiger system overhaul, expected to be completed within 90 days.

RECOMMENDATION 3.15: We recommend that Management implement controls, such as validation checks or review steps, to prevent duplicate entries and include duplicate checks in the annual inventory process.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Asset Tiger includes validation controls to prevent duplicate entries. Additionally, duplicate checks will be incorporated into the annual inventory review process as part of the internal procedure referenced in Recommendation 3.1.

RECOMMENDATION 3.16: We recommend that Management update the location information for all surplus and spare controlled assets in a timely manner, including when the assets have been transferred or moved to surplus.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Location information for surplus and spare controlled assets is being updated as part of the Asset Tiger system overhaul, with ongoing requirements for timely updates to be incorporated into the internal procedure referenced in Recommendation 3.1.

RECOMMENDATION 3.17: We recommend that Management have the Property Managers or alternative designees prepare, obtain and retain signed cell phone agreements for all County-funded cell phone service plans, in accordance with County policy. Each agreement shall be signed and dated by the assigned employee, supervisor, and agency head or designee, and maintained in management's records.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Upon identification during the audit in 2024, management immediately implemented this requirement and obtained signed cell phone agreements from all employees with County-funded cell phone service plans. All records will be incorporated into Asset Tiger as part of the system overhaul within 90 days.

AUDIT FINDING 4: Opportunities to Strengthen Controls Over Capital Asset Management and Purchase Approvals

RECOMMENDATION 4.1: We recommend that Management work with Mayor's Finance Administration to remove capital assets that are no longer ORD's responsibility or have been disposed of and ensure PM-2 (or equivalent) forms are completed and retained for all disposals and transfers.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Management will coordinate with Mayor's Finance Administration to remove capital assets that are no longer ORD's responsibility, including pass-through grant items that were incorrectly recorded. The internal procedure referenced in Recommendation 3.1 will include detailed guidance for special case scenarios, such as pass-through grants, to ensure proper classification and documentation moving forward. PM-2 forms will be completed and retained for all disposals and transfers.

RECOMMENDATION 4.2: We recommend that Management develop and implement written procedures for acquiring, transferring, disposing of, and annually reviewing capital assets, including completing and retaining required documentation and approvals.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Requirements for acquiring, transferring, disposing of, and annually reviewing capital assets will be incorporated into the internal procedure referenced in Recommendation 3.1, including documentation and approval requirements.

RECOMMENDATION 4.3: We recommend that Management perform and document an annual capital asset inventory and retain Mayor's Finance Administration confirmation emails and signed acknowledgment memos in accordance with Countywide policy.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation

Agree	90	Roxie McSwain Admin & Fiscal Mgr II
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Management concurs with this recommendation. Management will perform and document an annual capital asset inventory and retain all Mayor's Finance Administration confirmation emails and signed acknowledgment memos in accordance with Countywide policy.

RECOMMENDATION 4.4: We recommend that Management ensure capital asset purchases include a second approval signature from an individual who does not approve related budget adjustments, to maintain proper segregation of duties.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Roxie McSwain Admin & Fiscal Mgr II

Management concurs with this recommendation. Management will implement a dual approval process for capital asset purchases, ensuring the second approval signature is obtained from an individual who does not approve related budget adjustments to maintain proper segregation of duties.

AUDIT FINDING 5: Opportunities to Improve Quarterly Treasury Reported Data

RECOMMENDATION 5.1: We recommend that management follow federal funds guidance and include all applicable administrative expenditures.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Lauren Littlefield, Sr. Policy Advisor/Director of Special Projects

Narrative for Recommendation 5.1 including action plan.

We agree with this recommendation and will implement additional procedures to ensure accuracy of federal reporting requirements. The above-mentioned situation was a staff error on the first Treasury Report due during the program, and the team will ensure the mistake is corrected in the program closeout.

RECOMMENDATION 5.2: We recommend that management develop and document standardized procedures for federal reporting. These procedures should:		
<ul style="list-style-type: none">• Provide clear guidance on data sources.• Define calculation methods to be used in reporting.• Assign and document staff responsibilities.• Maintain documentation that allows internal or external parties to replicate reported amounts.• Establish processes to ensure business continuity if key personnel are unavailable.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Lauren Littlefield, Sr. Policy Advisor/Director of Special Projects

Narrative for Recommendation 5.2 including action plan.

We agree with this recommendation. ORD will ensure staff administering federal funds are adequately trained utilizing available resources from federal funders. Additionally, ORD staff will establish procedures for retention, which will include assignment of staff responsibilities, retention schedules, and continuity of operations.

AUDIT FINDING 6: Opportunities to Improve Quarterly Treasury Reported Data

RECOMMENDATION 6.1: We recommend that management establish internal control procedures for emergency assistance programs to:
• Ensure payments are only provided to eligible Salt Lake County residents, when applicable.
• Review subrecipient reports for accuracy before reimbursement.
• Maintain documentation of monitoring activities to demonstrate compliance with County and federal requirements.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Lauren Littlefield, Sr. Policy Advisor/Director of Special Projects

Narrative for Recommendation 6.1 including action plan.

We agree with this recommendation. Procedures to address this finding are and will be included in updated procedures mentioned above for validating payments to all subgrantees.

AUDIT FINDING 7: Opportunity to Enhance Accuracy of ERA1 Fund Classification in the County Financial System

RECOMMENDATION 7.1: We recommend that management correct the four misclassified financial expenditures in the County's financial system to ensure that administrative and rental assistance amounts are accurately recorded.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Jennifer Jimenez, HCD Operations Manager

Narrative for Recommendation 7.1 including action plan.

We agree with this recommendation and will correct the abovementioned expenditures.

AUDIT FINDING 8: Opportunities to Improve Revenue Agreement Compliance

RECOMMENDATION 8.1: We recommend that management follow all background check requirements listed in contracts and revenue agreements or formally amend the contractual language as applicable.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation

Agree	90	Lauren Littlefield, Sr. Policy Advisor/Director of Special Projects
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Narrative for Recommendation 8.1 including action plan.

We Agree with this recommendation. Action plan for this will be included in abovementioned procedures for contract compliance.

RECOMMENDATION 8.2: We recommend that management review contracts for IT security standards and follow the contractual terms or ensure contract language is updated to adhere to County IT Standards.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Lauren Littlefield, Sr. Policy Advisor/Director of Special Projects

Narrative for Recommendation 8.2 including action plan.

We agree with this recommendation. Action plan for this will be included in abovementioned actions for contract compliance.

RECOMMENDATION 8.3: We recommend that management develop procedures to assign an individual (or individuals) responsible for reviewing emergency response contracts and establishing a checklist to ensure compliance, including:
<ul style="list-style-type: none"> • Verifying key contract requirements, such as secure data transmission, storage requirements and background checks. • Confirming that employees assigned emergency access to sensitive data have completed HR background checks. If the agency is short-staffed and others need temporary access, have alternative procedures in place to document that there was sufficient communication and acknowledgement by the employee to understand how to properly secure sensitive data. Request a written acknowledgment from the employee confirming their understanding of applicable County policies related to the contract and proper data security. • Conduct a post-emergency compliance review to identify possible compliance gaps or deviations from the contract that can be documented.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Lauren Littlefield, Sr. Policy Advisor/Director of Special Projects

Narrative for Recommendation 8.3 including action plan.

We agree with this recommendation, and much has already been implemented. Beginning in 2025, all ORD employees that manage a budget are required to have a background check, which encompasses 99% of ORD positions. Additionally, much of this action plan will be included in abovementioned contract compliance procedures.

AUDIT FINDING 9: Opportunity to Strengthen Verification of Quarterly ERA Reporting Data

RECOMMENDATION 9.1: We recommend that management develop emergency response procedures requiring an internal tracking system to retain submission confirmations, file details, and key reporting information. This documentation would create an independent verification source of required files in federal reports, where possible.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	90	Lauren Littlefield, Sr. Policy Advisor/Director of Special Projects

Narrative for Recommendation 9.1 including action plan.

We agree with this recommendation. ORD will include internal measures to retain reporting submissions, and other key reporting information to keep with program records.