

Preliminary FOLLOW-UP REPORT

An Audit of Salt Lake County Proprietary Cards and Amazon Purchases

APRIL 2026



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AUDITOR'S LETTER

April 13, 2026

In accordance with Generally Accepted Government Auditing Standards (GAGAS) and the established policies of the Auditor's Office, as authorized by Utah Code Title 17, Chapter 69, "County Auditor," Part 3, "Powers and Duties," we maintain our responsibility to monitor and ensure that audit recommendations are addressed by county agencies through appropriate corrective action, which is also instrumental in shaping future audits.

This communication serves as the preliminary follow-up report for the Audit of Salt Lake County Proprietary Cards and Amazon Business Account, originally issued in November 2024. The initial audit identified 9 key findings with 29 key recommendations across 20 agencies and departments, resulting in 70 agency and department specific recommendations. The purpose of this review was to assess progress in implementing corrective actions to enhance operational efficiency and strengthen compliance.

Agency management fully implemented 50 out of 70 recommendations made in the original report. Twelve recommendations remain in progress and will be reassessed during the secondary follow-up. Actions taken, such as enhancing documentation requirements for Amazon Business Account activity, expanding and improving access to purchasing training, and strengthening fiscal review and oversight of purchasing processes, demonstrate management's commitment to improving transparency, accountability, and stewardship of public funds.

Additionally, seven recommendations were closed because agency management closed the associated proprietary card accounts, eliminating the need to monitor, secure, and reconcile the proprietary cards and related purchases. An additional recommendation was closed due to a change in County policy assigning responsibility for gift card oversight to the agencies.

Further work is necessary to fully address risks related to gift card reporting and management, consistent monitoring and documentation of Amazon Business Account activity, and timely implementation of policy and training requirements. A secondary follow-up audit will be conducted no sooner than October 2026 to verify compliance in these areas.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions.

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

Should you have any questions or wish to discuss the report further, please do not hesitate to contact me at 385-468-7200.

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

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

Action Since Audit Report

An Audit of Salt Lake County Proprietary Cards and Amazon Purchases

Original Audit: Report Issued November 2024

The audit identified 9 key findings with 29 key recommendations across 20 agencies/ departments within scope, resulting in 70 agency and department specific recommendations reported in November 2024.

Preliminary Follow-up

The agencies/departments have fully implemented 50 out of 70 recommendations, 12 are in progress and eight were closed. The scope for this preliminary follow-up was June 1, 2025 to November 30, 2025.



FULLY
IMPLEMENTED

50



IMPLEMENTATION IN
PROGRESS

12



NOT
IMPLEMENTED

0



CLOSED

8

Remaining Risks

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

FINDING 1. INADEQUATE OVERSIGHT AND POLICY NON-COMPLIANCE IN COUNTY PROPRIETARY CARD USE

Risk Rating: **Significant Risk Finding**

Recommendation 1.1 - We recommend that Contracts and Procurement management re-evaluate Salt Lake County Countywide Policy 7036 and either take steps to dissolve it or implement more oversight and periodic reviews of proprietary card usage countywide.



CONTRACTS AND PROCUREMENT: Agency Action - Implemented our recommendation.

Recommendation 1.2 - We recommend that agency management evaluate the use of County-issued Pcards instead of proprietary cards. Additionally, they should coordinate with the Contracts and Procurement department to explore the possibility of obtaining shared-use Pcards if necessary.



CRIMINAL JUSTICE SERVICES: Agency Action - Implemented our recommendation.



YOUTH SERVICES: Agency Action – Implemented our recommendation.

Recommendation 1.3 - We recommend that Criminal Justice Services management ensure compliance with Salt Lake County Countywide Policy 7036 Charge Cards/ Proprietary, Section 2.2, which states that the “card will be issued in the name of the employee. The cardholder is responsible for the proper usage and safeguarding of the card and is the only authorized user of that card.” The name on the Sam’s Club card must match the end user’s name and be signed by that same authorized user.



CRIMINAL JUSTICE SERVICES: Agency Action - Recommendation closed.

Management has closed the Sam’s Club proprietary card, eliminating the use of the card and the associated risk of noncompliance with Countywide Policy 7036 requirements.

Recommendation 1.4 - We recommend that agency management implement measures to enhance card security. This includes allowing access only to pre-authorized individuals and requiring a check-out log entry to track the card’s location at any given time.



CRIMINAL JUSTICE SERVICES: Agency Action - Recommendation closed.

Management has closed the Sam’s Club proprietary card, eliminating the use of the card and the associated risk of card security.



YOUTH SERVICES: Agency Action - Recommendation closed.

Management has closed the Kroger/Smith's proprietary card, eliminating the use of the card and the associated risk of card security.

Recommendation 1.5 - We recommend that Youth Services management explore implementing spending limitations on the Kroger/Smith's card for single transactions or monthly spending.



YOUTH SERVICES: Agency Action - Recommendation closed.

Management has closed the Kroger/Smith's proprietary card, eliminating the use of the card and the associated risk of spending limits.

Recommendation 1.6 - We recommend that agency management conduct annual reviews of card use.



CRIMINAL JUSTICE SERVICES: Agency Action - Recommendation closed.

Management has closed the Sam's Club proprietary card, eliminating the use of the card and the associated risk of misuse.



YOUTH SERVICES: Agency Action - Recommendation closed.

Management has closed the Kroger/Smith's proprietary card, eliminating the use of the card and the associated risk of misuse.

Recommendation 1.7 - We recommend that Criminal Justice Services management require card users to present a tax-exempt notification to the Sam's Club cashier at the time of purchase. Although not required by the vendor, this could mitigate the risk of being charged sales tax.



CRIMINAL JUSTICE SERVICES: Agency Action - Recommendation closed.

Management has closed the Sam's Club proprietary card, eliminating the use of the card and the associated risk sales tax charged.

FINDING 2. IMPROPER GIFT CARD PURCHASES FOR EMPLOYEES AND VOLUNTEERS

Risk Rating: **Significant Risk Finding**

Recommendation 2.1 - We recommend that the Office of Regional Development immediately discontinue the practice of purchasing gift cards for employees or volunteers to have meals at meetings.



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

Recommendation 2.2 - We recommend that the Office of Regional Development work with the Mayor's Administration and Payroll offices to identify any necessary reporting requirements for the gift cards distributed to employees and volunteers.



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

Management initially misunderstood this recommendation, believing it applied only to future gift card distributions rather than the gift cards already identified during the original audit as having been distributed to employees and volunteers. Management is now working on reporting these to County Payroll; therefore, the recommendation remains in progress and will be reassessed during the secondary follow-up audit.

FINDING 3. INADEQUATE GIFT CARD MANAGEMENT, INCLUDING EXCESSIVE INVENTORY AND CONTROL DEFICIENCIES

Risk Rating: **Significant Risk Finding**

Recommendation 3.1 - We recommend that the Health Department management reduce the stock of gift cards to a more reasonable level, such as three months' worth.



HEALTH DEPARTMENT: Agency Action - Implementation in progress.

Management stated that reducing the stock of gift cards is planned but has not been implemented due to staff turnover and competing responsibilities. Accordingly, the recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.

Recommendation 3.2 – We recommend that Health Department management establish and implement a formal gift card management procedure, incorporating the following key elements:

- Implement a standardized tracking system for both gift card purchases and distributions
- Include sufficient identifying information, such as the first few and last four digits of the card number, to uniquely identify each gift card
- Require recipient names to be clearly printed or typed, accompanied by a signature from the recipient Conduct periodic reconciliations of gift cards purchased, distributed and remaining in inventory.

- Ensure reconciliation accuracy through an independent review and approval.
- Establish maximum inventory levels to prevent excessive stockpiling
- Regularly review and adjust inventory levels based on anticipated needs and usage patterns



HEALTH DEPARTMENT: Agency Action - Implementation in progress.

Management stated that changes to internal procedures for gift card purchasing are planned but have not been implemented due to staff turnover and competing responsibilities. Accordingly, the recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.

Recommendation 3.3 - We recommend that Contracts and Procurement management work to establish and implement a Countywide policy that outlines systematic procedures for the purchase, tracking, reconciliation, safeguarding, and timely distribution of gift cards intended for customers or clients.



CONTRACTS AND PROCUREMENT: Agency Action – Implemented our recommendation.

Recommendation 3.4 - We recommend Contract and Procurement implement an oversight and review process for gift cards purchased for clients or customers. The oversight and review process should include the following activities:

- Regularly review and update gift card policies and procedures to ensure alignment with current best practices, evolving business needs, and compliance standards.
- Ensure that gift cards are properly stored, tracked, and accounted for.
- Identify and assess potential risks associated with gift card programs.
- Ensure compliance with policies related to gift card issuance, usage, and reporting.
- Conduct regular audits and reviews to verify adherence to policies and identify areas for improvement or corrective action.
- Require regular reporting on gift card usage and inventory levels
- Ensure transparency and accountability in gift card management.



CONTRACTS AND PROCUREMENT: Agency Action - Recommendation closed.

Management updated County policy to require individual agencies to establish internal procedures for gift card management, shifting responsibility from Contracts and Procurement to the agencies. As a result, the recommendation for centralized oversight by Contracts and Procurement is no longer applicable to this agency, and this recommendation is considered closed. Risks related to gift card oversight remain at the agency level.

FINDING 4. INADEQUATE TRAINING AND OVERSIGHT CONTRIBUTES TO MISUSE OF AMAZON BUSINESS ACCOUNT

Risk Rating: **Significant Risk Finding**

Recommendation 4.1 - We recommend Contracts and Procurement deliver a comprehensive annual training on the Amazon Business Account program, specifically addressing the following:

- **Authorized Users:** Clearly outline the authorized uses of the Amazon Business Account, emphasizing that purchases must be made using County-issued purchasing cards and for County business purposes only.
- **Customizable Reports:** Demonstrate the use of customizable reports to monitor non-county payment methods, account user email addresses, and transaction activity.
- **Transaction Monitoring:** Provide guidance on best practices for transaction monitoring, including identifying and addressing any suspicious or unauthorized activity.

Track attendance and ensure all relevant agency administrators and Pcard users participate in the training. Maintain updated training materials and make them readily accessible to agency staff.



CONTRACTS AND PROCUREMENT: Agency Action – Implemented our recommendation.

Recommendation 4.2 - We recommend that agency management perform periodic, documented monitoring of Amazon Business Account Purchases to ensure that only appropriate purchasing methods and user accounts are in use.



AGING AND ADULT SERVICES: Agency Action - Implementation in progress.

Management implemented quarterly reviews of Amazon Business account purchases and delegated responsibility for identifying shipments to non-county facilities to section managers. During the audit period, section managers did not identify any purchases shipped to non-county locations; therefore, the operating effectiveness of this control could not be assessed. Accordingly, the recommendation remains in progress and will be reassessed during the secondary follow-up audit.



PUBLIC WORKS OPERATIONS: Agency Action – Implementation in progress.

Management stated that the department has implemented new control processes, including primary and secondary approvals; however, these controls were not in place during the follow-up audit scope period (June 1, 2025 to November 30, 2025). Accordingly, the recommendation remains in progress and will be reassessed during the secondary follow-up audit.



YOUTH SERVICES Agency Action – Implemented our recommendation.

Recommendation 4.3 - We recommend that agency management discontinue the use of non-county payment cards and take the necessary measures to remove any associated non-county issued payment methods from their Amazon Business Accounts.



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



PUBLIC WORKS OPERATIONS: Agency Action - Implemented our recommendation.



YOUTH SERVICES: Agency Action - Implemented our recommendation.

FINDING 5. PURCHASES SHIPPED TO NON-COUNTY FACILITIES

Risk Rating: **Significant Risk Finding**

Recommendation 5.1 - We recommend that Contracts and Procurement management develop and conduct periodic training for agencies specifically regarding customizable reports, including shipments to noncounty locations, and transaction monitoring.

- Track attendance and ensure all relevant agency administrators and Pcard users participate in the training.
- Maintain updated training materials and make them readily accessible to agency staff.



CONTRACTS AND PROCUREMENT: Agency Action – Implemented our recommendation.

Recommendation 5.2 - We recommend that agency management train employees on the policy requirements. Agency management should specifically train employees to obtain written authorization from the division director, elected official, or designee whenever purchases are shipped to a non-county facility.



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












ANIMAL SERVICES: Agency Action - Implemented our recommendation.






CONTRACTS AND PROCUREMENT: Agency Action - Implemented our recommendation.



COUNCIL: Agency Action - Implemented our recommendation.

-  CRIMINAL JUSTICE SERVICES: Agency Action - Implemented our recommendation.
-  FACILITIES MANAGEMENT: Agency Action - Implemented our recommendation.
-  HEALTH DEPARTMENT: Agency Action - Implemented our recommendation.
-  LIBRARY SERVICES: Agency Action - Implemented our recommendation.
-  MAYOR'S FINANCE: Agency Action - Implemented our recommendation.
-  PARKS AND RECREATION: Agency Action - Implementation in progress.
Management stated that agreement forms documenting employee acknowledgement of policy requirements were on file in prior years. However, due to turnover on the fiscal team, agreement forms were not collected in 2025. As a result, training and acknowledgment of policy requirements, including obtaining written authorization for shipments to non-county facilities, could not be verified. The recommendation remains in progress and will be reassessed during the secondary follow-up audit.
-  PUBLIC WORKS ADMINISTRATION: Agency Action - Implemented our recommendation.
-  PUBLIC WORKS OPERATIONS: Agency Action - Implemented our recommendation.
-  YOUTH SERVICES: Agency Action - Implemented our recommendation.

Recommendation 5.3 - We recommend that agency management monitor purchasing and ensure that documentation and approvals are on file for all purchases shipped to non-County facilities.


-  AGING AND ADULT SERVICES: Agency Action - Implementation in progress.
During the audit period, no purchases shipped to non-county locations were identified. Therefore, the operating effectiveness of the control could not be assessed. Accordingly, the recommendation remains in progress and will be reassessed during the secondary follow-up audit.
-  ANIMAL SERVICES: Agency Action - Implemented our recommendation.
-  CONTRACTS AND PROCUREMENT: Agency Action - Implemented our recommendation.


-  COUNCIL: Agency Action - Implemented our recommendation.
-  CRIMINAL JUSTICE SERVICES: Agency Action - Implemented our recommendation.
-  FACILITIES MANAGEMENT: Agency Action - Implemented our recommendation.
-  HEALTH DEPARTMENT: Agency Action - Implemented our recommendation.
-  LIBRARY SERVICES: Agency Action - Implemented our recommendation.
-  MAYOR'S FINANCE: Agency Action - Implemented our recommendation.
-  PARKS AND RECREATION: Agency Action - Implemented our recommendation.
-  PUBLIC WORKS ADMINISTRATION: Agency Action - Implemented our recommendation.
-  PUBLIC WORKS OPERATIONS: Agency Action - Implemented our recommendation.
-  YOUTH SERVICES: Agency Action - Implemented our recommendation.

FINDING 6. CONTROLLED ASSET PURCHASES NOT TRACKED

Risk Rating: **Moderate Risk Finding**

Recommendation 6.1 - We recommend that agency management regularly review their Amazon purchases for controlled asset purchases and regularly update their controlled asset records.

 ARCHIVES: Agency Action – Implemented our recommendation.

 ARTS AND CULTURE: Agency Action - Implementation in progress.

We reviewed controlled asset inventory records to determine whether a judgmental sample of eight assets purchased during the follow-up audit period, as well as one controlled asset identified during the original audit, had been added to the inventory.

We found that management had not added the asset identified in the original audit to the controlled asset report. Additionally, of the eight assets purchased during the follow-up period:

- Four out of eight (50%) were not included in the agency's-controlled asset inventory.
- Three out of eight (38%) were properly recorded.
- One out of eight (12%) was not applicable, as the asset had been returned.

Because management did not add an asset identified in the preliminary audit and did not consistently add purchased assets to the controlled asset inventory, the recommendation remains in progress and will be reassessed during the secondary follow-up audit.



RECORDER: Agency Action - Implemented our recommendation.



SHERIFF'S OFFICE: Agency Action - Implemented our recommendation.

Recommendation 6.2 – We recommend that Sheriff's Office management reconsider tracking computer monitors as controlled assets separate from the computers they accompany.



SHERIFF'S OFFICE: Agency Action - Implemented our recommendation.

FINDING 7. TERMINATED EMPLOYEES RETAINED ON AMAZON BUSINESS ACCOUNT GROUP LISTINGS

Risk Rating: **Moderate Risk Finding**

Recommendation 7.1 - We recommend Contracts and Procurement deliver a comprehensive annual training on the Amazon Business Account program, specifically regarding Group Administrators' responsibility to remove inactive employees from their groups.

- Track attendance and ensure all relevant agency administrators and Pcard users participate in the training.
- Maintain updated training materials and make them readily accessible to agency staff.



CONTRACTS AND PROCUREMENT: Agency Action – Implemented our recommendation.

Recommendation 7.2 - We recommend that Contracts and Procurement take the necessary steps to review and update the county's Amazon Business account group lists. This will ensure access is limited to authorized purchasers and that the list remains current.

- Establish a system for conducting periodic reviews of the Amazon Business account group list to promptly identify and remove employees who have been terminated or transferred but may still have access.
- Provide training to agency fiscal managers and supervisors on the importance of promptly informing Contracts and Procurement of employee changes to maintain accurate and up-to-date group lists.



CONTRACTS AND PROCUREMENT: Agency Action – Implemented our recommendation.

FINDING 8. OUTDATED RETENTION SCHEDULE AND RISK ASSOCIATED WITH TRANSFERRED EMPLOYEES ACCESS

Risk Rating: **Low Risk Finding**

Recommendation 8.1 - We recommend that Youth Services management complete and implement a new retention policy that aligns with current practices and Federal requirements.



YOUTH SERVICES: Agency Action - Implementation in progress.

Management stated that implementation of this recommendation is in process; however, the retention policy has not yet been finalized or implemented due to staffing constraints. Accordingly, the recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.

Recommendation 8.2 - We recommend that Youth Services perform periodic reviews of retention schedules to ensure they remain up to date.



YOUTH SERVICES: Agency Action - Implementation in progress.

Management stated that implementation of this recommendation is in process; however, periodic reviews of retention schedules have not yet been established or performed due to staffing constraints. Accordingly, the recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.

Recommendation 8.3 - We recommend that Youth Services management establish and implement procedures to ensure timely communication of employee transfers or terminations to both Human Resources and Information Technology. This will help ensure that network access is promptly revoked for any unauthorized individuals.



YOUTH SERVICES: Agency Action - Implementation in progress.

Salt Lake County Human Resources (HR) Policy 2-400: New Hire and Separation

Requirements was updated to require agencies to submit an Electronic Personnel Action Request (ePAR) no later than the last day worked. This policy was updated in May 2025, before the scope of this follow-up audit.

Youth Services continued to submit access removal requests after the employee's last day worked, including after the updated policy took effect. As a result, procedures to ensure timely communication of employee terminations to Human Resources and Information Technology have not been fully implemented. The recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.

Recommendation 8.4 - We recommend that Youth Services management conduct regular reviews of user access privileges to identify and revoke access for terminated or transferred employees.



YOUTH SERVICES: Agency Action - Implemented our recommendation.

FINDING 9. SALE TAX PAID ON AMAZON BUSINESS ACCOUNT

Risk Rating: **Low Risk Finding**

Recommendation 9.1 - We recommend Contracts and Procurement deliver comprehensive annual training on the Amazon Business Account program, specifically regarding built-in tax exemption features and the limited circumstances where tax might still be charged.

- Track attendance and ensure all relevant agency administrators and Pcard users participate in the training.
- Maintain updated training materials and make them readily accessible to agency staff.



CONTRACTS AND PROCUREMENT: Agency Action - Implemented our recommendation.

Recommendation 9.2 - We recommend that agency management seek reimbursement of sales tax paid on Amazon Business account purchases.



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



ANIMAL SERVICES: Agency Action - Implemented our recommendation.



ARTS AND CULTURE: Agency Action - Implementation in progress.

We tested the population of 552 Amazon Business transactions within the follow-up audit scope period, as well as two transactions identified during the original audit, to ensure that sales tax was not paid or was paid and then refunded.

For the two transactions identified during the original audit, sales tax was charged and has not been refunded. Of the 552 transactions reviewed during the follow-up audit:

- 547 of 552 (99%) had no sales tax paid.
- Four of 552 (1%) had sales tax paid and appropriately refunded.
- One of 552 (less than 1%) included sales tax that was not refunded.

Management indicated that Arts and Culture Pcard users are instructed to use the "expected credits" feature in the County's purchasing card system, Pcard Place, to dispute sales tax charges. However, this process was not consistently followed. The Accountant used this feature for two of the five affected transactions in which sales tax was initially charged but did not use it for the remaining three.

Because sales tax paid was not consistently reimbursed or tracked to resolution the recommendation remains in progress and will be reassessed during the subsequent secondary follow-up audit.



BEHAVIORAL HEALTH SERVICES: Agency Action - Implemented our recommendation.



CRIMINAL JUSTICE SERVICES: Agency Action - Implemented our recommendation.



MAYOR'S ADMINISTRATION: Agency Action - Implemented our recommendation.







PARKS AND RECREATION: Agency Action - Implemented our recommendation.



YOUTH SERVICES: Agency Action - Implemented our recommendation.

APPENDIX A: AUDIT RECOMMENDATION IMPLEMENTATION STATUS

Audit Recommendation Implementation Status			
 <p>Fully Implemented</p>	 <p>Implementation In Progress</p>	 <p>Not Implemented</p>	 <p>Closed</p>
<p>The audit recommendation has been implemented, and the corrective actions effectively address the original issue or finding, as verified by the follow-up audit. No further action is required currently.</p>	<p>The agency has begun taking corrective actions to address the audit recommendation. However, full implementation has not yet been achieved.</p>	<p>The agency has not taken corrective action to address the audit recommendation.</p>	<p>Circumstances have changed since the original finding or recommendation, such as the discontinuation of processes or a shift in responsibility, processes, or organizational structure, rendering the recommendation no longer applicable to the audited entity. No further follow-up is required.</p>