

Preliminary FOLLOW-UP REPORT

An Audit of Salt Lake County SOLID WASTE MANAGEMENT PAYROLL

MARCH 2026



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AUDITOR'S LETTER

March 23, 2026

In line with Generally Accepted Government Auditing Standards (GAGAS) and the established policies of the Auditor's Office, as authorized by Utah Code Title 17, Chapter 19a, "County Auditor," Part 2, "Powers and Duties," we maintain our responsibility to monitor and ensure that audit recommendations are addressed by county agencies through appropriate corrective action, which is also instrumental in shaping future audits.

This communication serves as the preliminary follow-up report for An Audit of Salt Lake County Solid Waste Management Payroll, following the original audit report issued in October 2024. The original audit identified eight findings with 15 recommendations. The purpose of this review was to evaluate the progress made in addressing the findings and recommendations aimed at enhancing operational efficiency and compliance.

Solid Waste Management fully implemented 12 of the 15 audit recommendations made in the original report, with one recommendation remaining in progress. Two recommendations were closed due to changes in the County's payroll system which have mitigated the associated risk.

By establishing and documenting procedures for time approval and segregation of duties, implementing reconciliation procedures, strengthening timekeeping authentication methods, retaining required documentation for payroll transactions, and developing a standard operating procedure for on-call employees, management demonstrated a strong commitment to strengthening internal controls and mitigating the risks identified in the initial audit. These corrective actions enhance oversight, accountability, and compliance with County policies governing payroll operations.

One recommendation remains in progress and relates to ensuring that access termination requests are submitted in accordance with County Human Resources policy. Although Solid Waste Management implemented a revised process and coordinated with Information Technology to facilitate timely removal of network access, the process was not consistently followed. Therefore, this recommendation will be retested during the next follow-up audit.

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

The follow-up period for this audit covered April 1, 2025, through October 1, 2025, with timecard approval testing extending through October 31, 2025. Our review focused on verifying the implementation status of recommendations from the October 2024 audit report through document review, analysis, and discussions with Solid Waste Management.

We extend our appreciation to Solid Waste management for their cooperation during this process.

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The enclosed follow-up report summarizes the current status of the recommendations. Should you have any questions or require further discussion, please do not hesitate to contact me at 385-468-7200.

A handwritten signature in black ink, appearing to read "Chris Harding".

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

Action Since Audit Report

An Audit of Salt Lake County Solid Waste Management Payroll

Original Audit: Report Issued October 2024

The original audit identified eight findings with 15 recommendations for improvement.

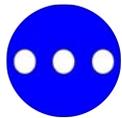
Preliminary Follow-up:

Our preliminary follow-up found that Solid Waste Management fully implemented 12 of the 15 recommendations, closed two recommendations, and has one recommendation in progress.



FULLY
IMPLEMENTED

12



IMPLEMENTATION IN
PROGRESS

1



NOT
IMPLEMENTED

0



CLOSED

2

Scope:

The scope of this follow-up review covered actions taken between April 1, 2025, and October 1, 2025, with timecard approval testing extended through October 31, 2025.

Remaining Risks:

Because one recommendation remains in progress, the Auditor's Office plans to conduct a secondary follow-up audit no sooner than September 2026 to confirm full implementation.

FINDING 1. TIMECARDS NOT APPROVED BY A SUPERVISOR AND LACK OF SEGREGATION OF DUTIES IN APPROVALS

Risk Rating: **Significant Risk Finding**



Recommendation 1.1 - We recommend that Solid Waste Management establish and document procedures regarding the review and approval of employee time, including overtime, by direct supervisors or managers.

Agency Action – Implemented our recommendation.



Recommendation 1.2 - - We recommend that Solid Waste Management establish and document procedures regarding the segregation of duties in time approvals between the two time keeping systems.

Agency Action – Implemented our recommendation.



Recommendation 1.3 - - We recommend that Solid Waste Management establish and document procedures that address situations when the direct supervisor is unavailable to approve time. These procedures should include documentation requirements to ensure proper oversight and accountability.

Agency Action – Implemented our recommendation.

FINDING 2. TERMINATION REQUESTS NOT SUBMITTED OR SUBMITTED AFTER THE EMPLOYEES' LAST WORKING DATE

Risk Rating: **Moderate Risk Finding**



Recommendation 2.1 - We recommend that Solid Waste Management work with Information Technology to ensure the timely removal of employees from network access upon termination of employment.

Agency Action – Implementation in Progress.

Solid Waste Management coordinated with Information Technology to implement procedures for the timely removal of network access. We identified three employees who were terminated during the audit scope period of April 1, 2025, through October 1, 2025. We tested whether an access termination request was submitted no later than the employee's last day of work in accordance with Human Resource Policy 2-400, "New Hire and Separation Requirements."

- One of three (33%) employees had an access termination request submitted three days after the effective termination date. The delay occurred because the responsible employee was out of the office and no backup had been assigned to submit the request.
- One of three (33%) employees worked one day, resigned the following day, and an access termination request was submitted the day after the

- resignation.
- One of three (33%) employees had an access termination request submitted timely, on the employee's effective termination date.

Although management indicated this was an isolated occurrence, the lack of a designated backup resulted in noncompliance with policy. Therefore, this recommendation will be retested during the next follow-up audit.

FINDING 3. MISSING AND INADEQUATE DOCUMENTATION SUPPORTING EMPLOYEE CELL PHONE ALLOWANCES

Risk Rating: **Moderate Risk Finding**



Recommendation 3.1 - We recommend that Solid Waste Management obtain and keep on file current 1035-A forms and current billing statements for all employees who are receiving a cell phone allowance.

Agency Action – Implemented our recommendation.



Recommendation 3.2 - We recommend that Solid Waste Management establish and implement a policy and procedure for regular reviews of cell phone agreement forms and cell phone charges incurred to ensure alignment with any changes in employee cell phone services.

Agency Action – Implemented our recommendation.



Recommendation 3.3 - We recommend that Solid Waste Management require employees to provide cell phone billing statements as well as evidence that the cell phone number used for County business purposes matches the bill provided.

Agency Action – Implemented our recommendation.

FINDING 4. AGENCY DID NOT UNDERSTAND FINAL PAYOUT RESPONSIBILITIES

Risk Rating: **Moderate Risk Finding**



Recommendation 4.1 - We recommend that Solid Waste Management establish and implement clear written policies and procedures for calculating and verifying leave payouts.

Agency Action – Implemented our recommendation.



Recommendation 4.2 - We recommend that Solid Waste Management work with Payroll Administration to establish a documentation retention system to ensure that documentation supporting payroll payments is maintained on file.

Agency Action – Implemented our recommendation.

FINDING 5. NO DOCUMENTATION OF RECONCILIATION PROCEDURES PERFORMED

Risk Rating: **Moderate Risk Finding**



Recommendation 5.1 - We recommend that Solid Waste Management implement a documented reconciliation procedure for time entries transferred from external timekeeping applications to PeopleSoft to ensure accuracy and completeness. Procedures should include an independent review and approval of the reconciliation performed.

Agency Action – Implemented our recommendation.

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

Risk Rating: **Moderate Risk Finding**



Recommendation 6.1 - We recommend that Solid Waste Management ensure that employee badges are secured so that employees do not have access to another employee's badge.

Agency Action – Implemented our recommendation.



Recommendation 6.2 -We recommend that Solid Waste Management consider implementing additional authentication measures, such as use of passcodes or employee fingerprints.

Agency Action – Implemented our recommendation.

FINDING 7. FORM W-4S NOT ON FILE

Risk Rating: **Moderate Risk Finding**



Recommendation 7.1 -We recommend that Solid Waste Management obtain W-4 forms for the employees who did not have one on file and update their withholding information in PeopleSoft if their W-4 form elections differ from the default of single, no extra jobs, no dependents, no extra withholding.

Agency Action – Closed.

In 2023, the County implemented a PeopleSoft Employee Self Service process allowing employees to submit Form W-4 information directly within the payroll system. This change addresses the process weaknesses identified in the original finding and mitigates the associated risk. Accordingly, this recommendation is considered Closed, and no further follow-up is required.



Recommendation 7.2 - We recommend that Solid Waste Management establish and document procedures for obtaining, storing, and accurately entering W-4 forms. These procedures should outline the steps, individuals responsible, and timelines for collecting, storing, and updating W-4 forms.

Agency Action – Closed.

In 2023, the County implemented a PeopleSoft Employee Self Service process allowing employees to submit Form W-4 information directly within the payroll system. This change addresses the process weaknesses identified in the original finding and mitigates the associated risk. Accordingly, this recommendation is considered Closed, and no further follow-up is required.

FINDING 8. NO INTERNAL STANDARD OPERATING PROCEDURE (SOP) FOR ON-CALL EMPLOYEES

Risk Rating: **Moderate Risk Finding**



Recommendation 8.1 - We recommend that Solid Waste Management develop and document an internal standard operating procedure for on-call employees, in compliance with HR Policy 5-300.

Agency Action – Implemented our recommendation.

APPENDIX A: AUDIT RECOMMENDATION IMPLEMENTATION STATUS

Audit Recommendation Implementation Status			
 Fully Implemented	 Implementation In Progress	 Not Implemented	 Closed
<p>The audit recommendation has been implemented, and the corrective actions effectively address the original issue or finding, as verified by the follow-up audit. No further action is required at this time.</p>	<p>The agency has begun taking corrective actions to address the audit recommendation. However, full implementation has not yet been achieved.</p>	<p>The agency has not taken corrective action to address the audit recommendation.</p>	<p>Circumstances have changed surrounding the original finding or recommendation that make it no longer applicable, or the agency will only implement a portion of the recommendation as verified by the follow-up audit. No further follow-up is required.</p>