

Preliminary FOLLOW-UP REPORT

An Audit of the Salt Lake County Clerk's Office Interlocal Election Agreements

MAY 2026



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AUDITOR'S LETTER

May 21, 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 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 *An Audit of the Salt Lake County Clerk's Office Interlocal Election Agreements*, following the original audit report issued in June 2024. The original audit identified 15 findings with 28 recommendations. The purpose of this review was to evaluate the progress made in addressing the findings and recommendations aimed at enhancing operational effectiveness, documentation, and compliance with County policies and interlocal agreements.

The Clerk's Office fully implemented 24 of the 28 audit recommendations made in the original report. The four remaining recommendations were closed due to operational and legislative changes. Specifically, the expiration of Utah Code § 20A-4-602 ended the pilot authorization for participating municipalities to use ranked-choice voting (RCV), and the Clerk's Office discontinued the use of not-to-exceed (NTE) clauses in interlocal agreements, making those recommendations no longer applicable.

By developing and implementing written procedures for election cost calculations and allocations, improving documentation retention practices, standardizing methodologies, strengthening review processes, and aligning billing practices with County policies, management demonstrated a strong commitment to strengthening internal controls and mitigating the risks identified in the initial audit. These corrective actions enhance transparency, consistency, accountability, and compliance with County policies governing election services and interlocal agreements.

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 audit period was July 1, 2025, through December 31, 2025. Our review focused on verifying the implementation status of recommendations from the June 2024 audit report through document review, analysis, and discussions with Clerk's Office personnel.

We extend our appreciation to the Clerk's Office for their cooperation during this process.

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The enclosed follow-up report summarizes the 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 the Salt Lake County Clerk’s Office Interlocal Election Agreements

Original Audit: Report Issued June 2024

The original audit identified 15 findings with 28 recommendations for improvement.

Preliminary Follow-up:

Our preliminary follow-up found that the Clerk’s Office fully implemented 24 of the 28 recommendations and four recommendations were closed.

	FULLY IMPLEMENTED	24
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	IMPLEMENTATION IN PROGRESS	0
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	NOT IMPLEMENTED	0
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	CLOSED	4
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Scope:

The scope of this follow-up review covered the period from July 1, 2025, through December 31, 2025.

Remaining Risks

Because all applicable recommendations were implemented and the remaining recommendations were closed due to changes in law or operations, no significant residual risk related to the original findings was identified. Accordingly, the Auditor’s Office will not conduct a secondary follow-up audit.

FINDING 1. USE OF NOT-TO-EXCEED CLAUSE RESULTED IN MUNICIPALITIES BEING BILLED FOR LESS THAN THE ACTUAL ELECTION COSTS

Risk Rating: **Critical Risk Finding**



Recommendation 1.1 - We recommend management bill municipalities or special districts based on the calculated actual election cost amounts for each municipality to comply with Countywide Policy 1060 "Financial Goals and Policies."

Agency Action – Implemented our recommendation.



Recommendation 1.2 - We recommend management exclude the not-to-exceed clause for election cost estimate amounts and instead add a clause that actual costs will be billed in the interlocal agreements. If a good faith estimate remains in the interlocal agreements, management should retain documentation supporting the estimate's calculations and included costs.

Agency Action – Implemented our recommendation.

FINDING 2. ABSENCE OF WRITTEN POLICIES AND PROCEDURES FOR ALLOCATING ELECTION COSTS AMONG MUNICIPALITIES

Risk Rating: **Significant Risk Finding**



Recommendation 2.1 - We recommend that management develop written procedures that address the following, but are not limited to:

1. How election costs are calculated for both estimates and actual election costs.
2. How allocations toward each municipality/special district are made.
3. Reference input methods and governing policies.
4. Methodology used to calculate estimated amounts on contracts.
5. Estimating and Allocating RCV-related costs.
6. Address the processes and/or calculations used to determine the formulas and factors used when calculating estimated and actual costs. The use of factors shall be documented with reason or rationale for their usage.

Agency Action – Implemented our recommendation.



Recommendation 2.2 - We recommend that management develop a plan for knowledge transfer and succession planning to mitigate the impact of staff turnover on election cost calculations. Ensure that key personnel responsible for recording and calculating election costs receive adequate training, and regularly update and maintain documentation of procedures to reflect current practices.

Agency Action – Implemented our recommendation.

FINDING 3. INCONSISTENCIES FOUND BETWEEN THE ESTIMATE AND ACTUAL ELECTION COST FORMULAS FOR MUNICIPALITIES

Risk Rating: **Significant Risk Finding**



Recommendation 3.1 - We recommend that management use one uniform methodology for calculating both estimates and actual allocated costs to municipalities.

Agency Action – Implemented our recommendation



Recommendation 3.2 - We recommend that management include primary election participation as a specific cost driver when estimating municipal traditional election costs.

Agency Action – Implemented our recommendation

FINDING 4. INCONSISTENCIES IN MUNICIPAL ELECTION ACTUAL COST ALLOCATIONS AND CALCULATION INPUT ERRORS

Risk Rating: **Significant Risk Finding**



Recommendation 4.1 - We recommend management match the primary election actual costs allocated to each municipality based on the municipalities' participation in specific primary contests.

Agency Action – Implemented our recommendation.



Recommendation 4.2 - We recommend management match the RCV election costs allocated to each municipality based on the municipalities' participation in specific RCV contests.

Agency Action – Closed.

Utah Code § 20A-4-602, which authorized ranked-choice voting (RCV) for participating municipalities, expired on January 1, 2026. As a result, this recommendation is no longer applicable.



Recommendation 4.3 - We recommend management assign a designee, other than the Fiscal Manager, to review and match all allocation amounts to each municipality's actual election participation.

Agency Action – Implemented our recommendation.



Recommendation 4.4 - We recommend that management develop and implement procedures for allocating election costs to municipalities. These procedures should include guidelines for determining contest factors, registered voter amounts, voting methods, and election types, and ensure alignment with actual election participation.

Agency Action – Implemented our recommendation.

FINDING 5. FACTORS USED FOR CALCULATING SPECIAL DISTRICTS ESTIMATED COSTS DID NOT HAVE SUPPORTING DOCUMENTATION

Risk Rating: **Significant Risk Finding**



Recommendation 5.1 - We recommend that management document the rationale used to determine the formulas and factors used when calculating estimated and actual costs for special districts.

Agency Action – Implemented our recommendation.

FINDING 6. SPECIAL DISTRICTS WERE NOT BILLED ACTUAL COSTS FOR 2021 GENERAL ELECTION

Risk Rating: **Significant Risk Finding**



Recommendation 6.1 - We recommend management use one uniform cost allocation method for calculating estimates and actual allocated costs to special districts.

Agency Action – Implemented our recommendation.



Recommendation 6.2 - We recommend that management develop and implement documented procedures outlining the steps and formulas used to determine NTE amounts and allocate actual costs among participating special districts.

Agency Action – Closed.

The Clerk's Office no longer uses not-to-exceed (NTE) clauses in interlocal agreements. As a result, this recommendation is no longer applicable.

FINDING 7. INSUFFICIENT SOURCE DOCUMENTATION FOR SAMPLED ELECTION COSTS IN 2021 AND 2022

Risk Rating: **Significant Risk Finding**



Recommendation 7.1 - We recommend management develop and implement documented procedures detailing the process for how incurred election cost estimates

and final amounts are calculated.

Agency Action – Implemented our recommendation.



Recommendation 7.2 - We recommend that management develop and implement documented retention procedures and policies for cost calculations and source documentation to ensure business continuity and accounting transparency in their accrued cost amounts.

Agency Action – Implemented our recommendation.

FINDING 8. ABSENCE OF WRITTEN PROCEDURES FOR CALCULATING AND ALLOCATING ACTUAL COSTS BETWEEN PRIMARY AND GENERAL ELECTIONS

Risk Rating: **Significant Risk Finding**



Recommendation 8.1 - We recommend management develop and implement documented procedures detailing the process for how incurred election cost estimates and final amounts are allocated between primary and general elections.

Agency Action – Implemented our recommendation.

FINDING 9. MUNICIPALITIES WERE BILLED NTE AMOUNTS THAT DID NOT AGREE TO THE CONTRACT'S ELECTION VOTING TYPE NTE AMOUNT

Risk Rating: **Significant Risk Finding**



Recommendation 9.1 - We recommend management develop written procedures on the process of determining estimated and actual election costs, and billing.

Agency Action – Implemented our recommendation.



Recommendation 9.2 -We recommend management implement a review process to verify that the amount billed to municipalities agrees to the voting method and election type.

Agency Action – Implemented our recommendation.

FINDING 10. INSUFFICIENT SOURCE DOCUMENTATION OF RANK CHOICE VOTING COSTS

Risk Rating: **Moderate Risk Finding**



Recommendation 10.1 - We recommend that management use the same methodology to calculate estimated and actual Rank Choice Voting costs.

Agency Action – Closed.

Utah Code § 20A-4-602, which authorized ranked-choice voting (RCV) for participating municipalities, expired on January 1, 2026. As a result, this recommendation is no longer applicable.



Recommendation 10.2 - We recommend that management retain source documentation, including procedures for calculation methodology.

Agency Action – Closed.

Utah Code § 20A-4-602, which authorized ranked-choice voting (RCV) for participating municipalities, expired on January 1, 2026. As a result, this recommendation is no longer applicable.

FINDING 11. ELECTION COST SUMMARY NOT INCLUDED ON INVOICES AND ONE IRREGULAR INVOICE FORMAT

Risk Rating: **Moderate Risk Finding**



Recommendation 11.1 - We recommend that management consult with legal counsel to update the contracts to either:

1. Include the cost break down required by their interlocal election contracts, or
2. Update the wording in the contract to reflect the current invoicing practices of the County Clerk's Office.

Agency Action – Implemented our recommendation.



Recommendation 11.2 - We recommend that management establish and implement documented procedures for the review and approval process for all election invoices to be performed by an individual not responsible for preparing and processing the invoices. The invoice formats and remittance information should also be reviewed for uniformity.

Agency Action – Implemented our recommendation.



Recommendation 11.3 -We recommend that management implement a policy mandating the use of the County's financial system for invoice creation to ensure uniformity and compliance with established procedures.

Agency Action – Implemented our recommendation.

FINDING 12. LACK OF CHECK LOG DOCUMENTATION FOR MUNICIPAL ELECTION PAYMENTS

Risk Rating: **Moderate Risk Finding**



Recommendation 12.1 - - We recommend that the Clerk's Office implements a standardized process for maintaining a check log for all municipal election's payments received through their agency. The check log should include but is not limited to:

- Date Received and Transferred
- Identify who received and transferred the check
- Payee Name
- Check Amount
- Check Number

Agency Action – Implemented our recommendation.

FINDING 13. INADEQUATE DOCUMENTATION OF COLLECTION EFFORTS FOR DELINQUENT ELECTION PAYMENTS

Risk Rating: **Moderate Risk Finding**



Recommendation 13.1 - We recommend that management establish a formal process to document all collection efforts (correspondence, phone calls, emails, and personal contacts) for delinquent election payments as required by Countywide Policy 1220.

Agency Action – Implemented our recommendation.

FINDING 14. REVIEW OF ELECTION COST CALCULATIONS BY ELECTIONS DIRECTOR OR ALTERNATIVE DESIGNEE NOT DOCUMENTED

Risk Rating: **Low Risk Finding**



Recommendation 14.1 - We recommend that management establish and implement a formal process for documenting management review of municipal election cost amounts, accrued amounts, as well the municipal amounts billed on invoices.

Agency Action – Implemented our recommendation.

FINDING 15. ELECTION COST CALCULATION SPREADSHEET NOT PROTECTED AND CHANGES MADE ARE NOT TRACKED

Risk Rating: **Low Risk Finding**



Recommendation 15.1 - We recommend that management implement an audit log or log of changes made to the election cost calculations spreadsheet.





Agency Action – Implemented our recommendation.



Recommendation 15.2 - We recommend that management implement password protect measures over the election costs spreadsheet.

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 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>