AUDIT REPORT

NO. 2026-11

A PERFORMANCE AUDIT OF CAPITAL AND CONTROLLED ASSET MANAGEMENT AT THE GOVERNMENT CENTER

November 3, 2026



SALT LAKE COUNTY

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AUDITOR'S LETTER

November 3, 2026

We have completed a limited-scope performance audit of capital and controlled asset management at the Salt Lake County ("the County") Government Center. The audit covered the period from January 1, 2024, through June 30, 2025, and looked at Mayor's Financial Administration (MFA) processes for identifying and reporting capital assets, along with asset management practices at four agencies with assets located at the Government Center: Behavioral Health Services, the Clerk's Office, the Health Department, and Information Technology.

With the County preparing to relocate government operations to a new campus in Midvale, we undertook this audit to help identify common risks and opportunities to strengthen controls before the move. The audit did not include all assets or all agencies, and we encourage agencies to use the observations in this report to assess their own inventories and records.

One thing is clear from this audit. With an open work environment planned for the new campus, County policy makers should look at investing in a Countywide solution for asset management. The results in this report identified weaknesses in asset tracking, inventory accuracy and recordkeeping across the agencies reviewed. The planned open work environment highlights the importance of accurate and consistent tracking and appropriate physical safeguards. A common system could help the County improve the consistency and reliability of its assets.

This report contains five findings and 14 recommendations. Three of the findings are rated high risk under the classification framework used in this report: countywide oversight of asset management, asset inventories and record accuracy, and asset recording and reconciliation. Two findings are rated medium risk: safeguards over assets and asset systems, and documentation and record retention.

We did not identify evidence of fraud. The opportunities for improvement identified in this report include clearer Countywide guidance, additional centralized oversight, and standardization of procedures across agencies. Addressing these areas would help reduce the risk of asset loss, unauthorized activity, and inaccurate records, and would strengthen the County's ability to demonstrate accountability for assets purchased with public funds.

What We Found

Countywide oversight of asset management can be strengthened. MFA serves as the County's centralized oversight and accounting authority for capital assets and has established policies, forms, and guidance to support agencies. The audit identified opportunities to strengthen monitoring, documentation and oversight practices.

MFA did not have a signed 2024 capital asset inventory acknowledgement form on file for any of the four agencies reviewed, although Information Technology retained its own copy. For newly acquired

capital assets MFA management did not track when PM-4s were distributed or whether agencies returned them. As a result, MFA could not demonstrate that capital assets were tagged and recorded in a timely and accurate manner. Without tagging and recording accurate information, assets are at greater risk of loss or theft. Countywide Policies and the MFA Accounting Procedures Manual also contain guidance that agencies may interpret differently, including when the PM-2 disposal form is required and when annual inventories are due.

Asset inventories and records can be made more complete and accurate. Behavioral Health Services, the Clerk's Office, and the Health Department did not complete documented, comprehensive 2024 inventories of capital and controlled assets. After the audit period, in response to MFA's request, these three agencies took action to complete a 2025 capital asset inventory. During onsite verification, the Health Department could not locate 3 of 12 (25%) sampled capital assets and 17 of 22 (77%) sampled controlled assets. The Clerk's Office could not locate 5 of 9 (56%) sampled capital assets, while 10 of 11 (91%) capital assets sampled at Information Technology were found at locations different from those recorded.

Recording purchased assets offers another opportunity for improvement. We selected a sample of expenditure transactions and tested whether the assets were recorded in official asset records. All sampled purchases at Behavioral Health Services and the Clerk's Office were matched to asset records. At the Health Department, 116 of 131 (89%) sampled controlled asset purchases could not be matched to the controlled asset inventory list, and at Information Technology 18 of 39 (46%) could not be matched to the controlled asset inventory list. Separately, the Health Department maintained its own list of 102 iPads, 60 of which (59%) were not recorded in its controlled asset records, and a list of 36 cell phones (assigned to employees who work at the Government Center) that were not included in those records, although County policy classifies cell phones as controlled assets regardless of cost.

Safeguards over assets and asset systems can be strengthened. Across the agencies reviewed, we identified weaknesses involving system access, segregation of asset management responsibilities, and monitoring of changes to asset records. We also noted opportunities to improve physical safeguards over assets at the Health Department and Information Technology.

Documentation supporting asset transactions can be more consistently created and retained. At all four agencies reviewed, we identified instances in which documentation supporting asset acquisition, assignment, transfer, or disposal was not created, was incomplete, or was not retained. We also identified gaps in documentation supporting asset accountability at employee termination. At Behavioral Health Services, documentation demonstrating that assigned assets had been returned was unavailable for one of three (33%) terminations tested. Similarly, at the Clerk's Office, documentation was unavailable for one of two (50%) terminations tested. At the Health Department, required signed asset inventory forms were not provided for any of the 21 sampled terminated employees who had assigned assets. At Information Technology, management did not provide documentation supporting asset accountability for three of four (75%) applicable terminations tested.

Strengthening inventory completeness, record accuracy, safeguards, and documentation practices before, during, and after the relocation will help ensure that County assets can be located and accounted for and will support an efficient post-move reconciliation.

We appreciate the constructive and open responses we received. MFA, Behavioral Health Services, the Clerk's Office, Health Department and Information Technology agreed with all of the recommendations directed to them and outlined corrective actions.

In their responses, agencies described corrective actions that were planned, underway, or reported as implemented. MFA plans to update standardized procedures and documentation requirements for new capital assets and establish centralized submission, tracking, and storage of capital asset forms. Additionally, MFA plans to coordinate with Contracts and Procurement to clarify Countywide asset management and disposal requirements, which will be communicated at the 2026 Mayor's Administration and Finance Year-End Training.

The Health Department is upgrading its inventory management software and plans to issue updated procedures covering inventories, record accuracy, segregation of duties, monitoring, physical safeguards, and documentation by December 30, 2026. The Clerk's Office reported that several recommendations are already implemented and expects full implementation by December 31, 2026. Behavioral Health Services reported that independent annual inventories and monitoring are in place and outlined planned updates to its inventory policy and staff training. Information Technology reported that additional controls were already in place to mitigate two of the identified risks and that further improvements were planned for the remaining four recommendations.

The Auditor's Office will conduct a follow-up review no earlier than six months after issuance of this report to assess the status and effectiveness of corrective actions.

This audit was authorized under Utah Code Title 17, Chapter 69, "County Auditor", Part 3, "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.

Thank you to Behavioral Health Services, the Clerk's Office, the Health Department, Information Technology, and MFA management and staff for their cooperation, openness, and assistance with this audit. Should you have any questions, please contact me at (385) 468-7200.



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

Contents

RISK CLASSIFICATIONS 2

BACKGROUND 3

OBJECTIVES AND SCOPE 6

AUDIT CRITERIA 7

METHODOLOGY 8

CONCLUSIONS 9

FINDING 1: OPPORTUNITIES TO STRENGTHEN COUNTYWIDE OVERSIGHT OF ASSET MANAGEMENT 11

FINDING 2: OPPORTUNITIES TO IMPROVE ASSET INVENTORIES AND ASSET RECORD ACCURACY 18

FINDING 3: OPPORTUNITIES TO IMPROVE ASSET RECORDING AND RECONCILIATION 23

FINDING 4: OPPORTUNITIES TO STRENGTHEN SAFEGUARDS OVER ASSETS AND ASSET SYSTEMS 28

FINDING 5: OPPORTUNITIES TO IMPROVE DOCUMENTATION AND RECORD RETENTION 36

COMPLETE LIST OF AUDIT RECOMMENDATIONS 42

APPENDIX A: SUMMARY OF CAPITAL ASSET *LIST TO FLOOR* TRACEABILITY TESTING RESULTS BY AGENCY 45

APPENDIX B: SUMMARY OF CAPITAL ASSET *FLOOR TO LIST* TRACEABILITY TESTING RESULTS BY AGENCY 47

APPENDIX C: SUMMARY OF CONTROLLED ASSET *LIST TO FLOOR* TRACEABILITY TESTING RESULTS BY AGENCY 49

APPENDIX D: SUMMARY OF CONTROLLED ASSET *FLOOR TO LIST* TRACEABILITY TESTING RESULTS BY AGENCY 51

AGENCY RESPONSE - MAYOR'S FINANCIAL ADMINISTRATION 54

AGENCY RESPONSE - BEHAVIORAL HEALTH SERVICES 58

AGENCY RESPONSE - CLERK'S OFFICE 62

AGENCY RESPONSE - HEALTH DEPARTMENT 67

AGENCY RESPONSE - INFORMATION TECHNOLOGY 72

REPORT HIGHLIGHTS

A PERFORMANCE AUDIT OF CAPITAL AND CONTROLLED ASSET MANAGEMENT AT THE GOVERNMENT CENTER

NOVEMBER 2026

Objectives

This audit evaluated MFA processes for identifying and reporting capital assets. It also evaluated asset management practices at selected agencies for capital and controlled assets located at the Government Center.

Our audit objectives were to provide reasonable assurance that internal controls in place were adequate and effective, and that agencies complied with all applicable fiscal ordinances, policies, and procedures. Our areas of focus included:

- Determining whether assets were accurately recorded and that asset records remained up to date.
- Assessing compliance with Countywide Policy 1125, "Safeguarding Property/Assets."
- Reviewing whether internal controls were in place to protect assets against the risk of fraud, waste, or abuse.

The scope of the audit covered the period from January 1, 2024, to June 30, 2025.

Opportunities to Strengthen Countywide Oversight of Asset Management

Mayor's Financial Administration (MFA) did not consistently monitor annual inventories, track asset tagging activities, or maintain standardized procedures for key asset management processes. In addition, Countywide policies and guidance did not consistently define asset management requirements, resulting in differing interpretations and practices among agencies. Strengthening oversight and clarifying expectations would help improve consistency, accountability, and compliance across County agencies.

Opportunities to Improve Asset Inventories and Asset Record Accuracy

Agencies did not consistently perform comprehensive inventories or maintain accurate asset records. Assets could not always be located, recorded locations were not always accurate, and key identifying information such as serial numbers, make, and model information was often incomplete. Improving inventory practices and record accuracy would strengthen accountability and help ensure assets can be identified and located when needed.

Opportunities to Improve Asset Recording and Reconciliation

Purchased assets were not always recorded in official asset records, and some agency asset records contained omissions or inconsistencies. As a result, management could not always demonstrate that all qualifying assets were subject to inventory and accountability controls. Strengthening recording and reconciliation procedures would improve the completeness and reliability of asset records.

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

Finding Risk Classifications

Classification	Description	Action
High Risk	**High Risk Findings indicate significant weaknesses in controls and compliance:** • 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, departmental policies, and best practices is common, resulting in inadequate risk management.	Urgent Corrective Actions are Necessary
Medium Risk	**Medium Risk Findings indicate weaknesses in control design and/or implementation, and occasional non-compliance:** • 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, departmental policies, and best practices has occurred. • Risks are not being effectively managed, which could result in failure to meet departmental objectives or could lead to a less effective risk management framework.	Promptly Implement Recommendations
Low Risk	**Low Risk Findings indicate that controls are generally effective, with minor areas for improvement:** • 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, departmental 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

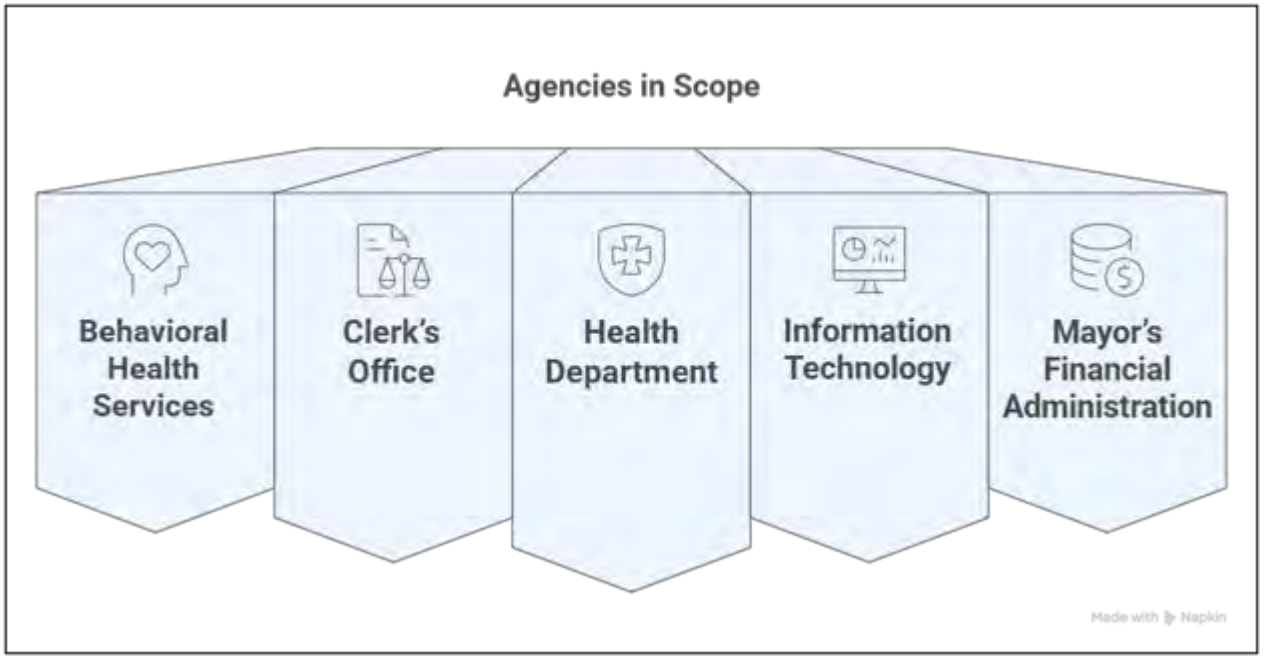
The Salt Lake County Auditor's Office Audit Services Division completed a limited-scope performance audit of capital and controlled assets at the Salt Lake County Government Center for the period January 1, 2024, through June 30, 2025.

Salt Lake County is in the process of relocating government operations from a 40-year-old building in Salt Lake City to a new campus in Midvale. To help prepare for this transition, we conducted this limited-scope audit to identify common risks and control gaps related to asset management.

This audit did not include all assets or all agencies. Agencies should use the findings and observations in this report to assess their asset inventories, verify records, confirm custodial responsibility, and identify high-value or sensitive items that may require additional safeguards during the move.

Applying these lessons learned will help agencies strengthen controls during the transfer process and support effective post-move reconciliation to confirm that assets are properly accounted for at the new location.

Figure 1: County Agencies Included in the Audit Scope. *We selected five agencies based on their presence in the Government Center, the volume and type of assets maintained, and their involvement in key asset management processes, including inventory, tracking, and oversight.*



Source: Image created by Audit Staff using Napkin AI

County policy defines two main categories of assets, capital and controlled. Details about each category are included below.

Capital Assets

Capital assets are defined as real and personal property with an estimated useful life of more than one year and a cost equal to or greater than the County's capitalization threshold of $5,000[1].

Mayor's Financial Administration (MFA) reported 1,400 capital assets costing over $28 million as being located at the Government Center. Examples of capital assets in scope include freezers, generators, servers, copiers, and other equipment.

Controlled Assets

Controlled assets are defined as personal property items with a cost of $100 or greater but less than the capitalization threshold that are sensitive to conversion to personal use and therefore require special safeguarding. Certain items, including cell phones and other portable communication devices, are designated as controlled assets regardless of cost due to the increased risk of being lost or stolen.[2] Examples of controlled assets in scope included laptops, iPads, cameras, monitors, and other equipment.

Controlled asset records are maintained at the agency level, therefore the total number of controlled assets countywide and at the Government Center is unknown.

Because capital and controlled assets are subject to different policy requirements and were tested separately, this audit reports results by asset type for each agency. A finding for one asset type at an agency does not extend to the other.

Roles and Responsibilities

County policy defines roles and responsibilities for MFA, agency management, property managers and employees.

- **MFA** serves as the County's centralized oversight and accounting authority for capital assets and asset policy administration. Responsibilities include establishing policies and procedures, maintaining the County's capital asset system, assigning capital asset identification tags, processing additions, transfers, and disposals as well as supporting agencies with inventories and asset

[1] *Salt Lake County Mayor's Financial Administration Accounting Procedures Manual, Chapter 4 Policies & Procedures Relating to Capital Assets, Section 4.1.2 Definitions*
[2] *Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 1.0 Definitions, Section 1.2*

management.[3]

- **Agency management** including Division Directors, Department Directors, and Elected Officials retain overall accountability and responsibility for safeguarding capital and controlled assets. Agency management designates property managers within their organizations.[4]
- **Property Manager** responsibilities include maintaining capital and controlled asset inventories and location records, coordinating tagging, transfers, and disposals, supporting annual inventories, retaining documentation, and implementing safeguards. While tasks may be delegated, Property Managers and Division Directors, or their equivalents, retain overall accountability.[5]
- **Employees** are responsible for notifying the Property Manager of changes in asset status, such as transfers, sales, loans, or disposals, coordinating with the Property Manager when initiating purchases to ensure assets are properly assigned and accounted for, and for reviewing assigned asset lists upon termination, transfer, or at least annually. Employees are required to verify accuracy and completeness of asset records by signature and are also responsible for reporting misuse or theft of County property.[6]

MFA uses two standard forms to document key asset transactions throughout the asset lifecycle: the PM-4 (New Capital Asset Form), used to confirm that a newly acquired asset has been tagged and accurately recorded, and the PM-2 (Personal Property Transfer, Disposition, and Sale Form), used to document asset transfers, disposals, and surplus sales.

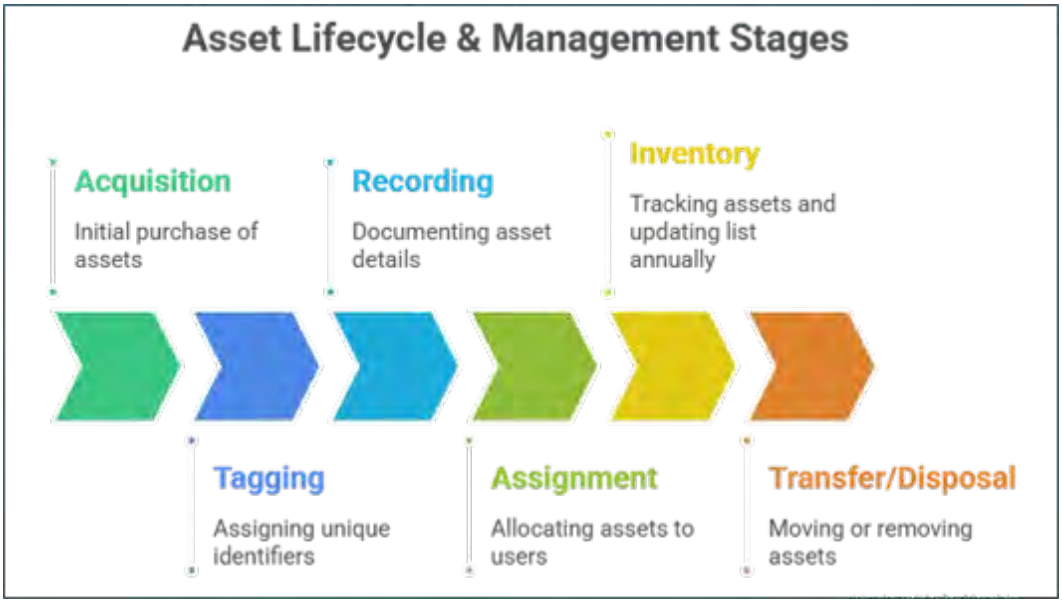
[3] Salt Lake County Mayor's Financial Administration Accounting Procedures Manual, Chapter 4 Policies & Procedures Relating to Capital Assets. Note: For most of the audit period, Countywide Policy 1125 assigned responsibility for fixed (capital) asset oversight, including the receipt of PM-2 forms and annual capital asset inventory certifications, to the Auditor's Office rather than MFA. In practice, however, MFA performed these functions, as reflected in the Accounting Procedures Manual. Policy 1125 was revised effective February 25, 2025, to formally reassign this responsibility to MFA. Testing evaluated the control as it actually operated.

[4] Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.1 Administrator's Duties

[5] Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.2 Property Manager's Duties

[6] Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.3 Employee's Duties

Figure 2: Asset Lifecycle & Management Stages. *This figure illustrates the key stages in an asset's lifecycle, from acquisition through disposal, and the associated asset management activities.*



Source: Figure created by Audit Staff using Napkin AI

The upcoming relocation increases the risk of asset loss, misplacement, and record inaccuracies. Given the control gaps identified in this audit, agencies may not be able to fully account for assets during and after the move without taking additional steps to verify inventory records and strengthen tracking controls.

Because these assets are acquired and maintained with public funds, improving these controls is critical to maintaining accountability.

OBJECTIVES AND SCOPE

This audit evaluated MFA processes for identifying and reporting capital assets. It also evaluated asset management practices at selected agencies for capital and controlled assets located at the Government Center.

Our audit objectives were to provide reasonable assurance that internal controls in place were adequate and effective, and that agencies complied with all applicable fiscal ordinances, policies, and procedures. Our areas of focus included:

- Determining whether assets were accurately recorded and that asset records remained up to date.
- Assessing compliance with Countywide Policy 1125, "Safeguarding Property/Assets."

- Reviewing whether internal controls were in place to protect assets against the risk of fraud, waste, or abuse.

The scope of the audit covered the period from January 1, 2024, to June 30, 2025.

AUDIT CRITERIA

Salt Lake County Countywide Policy 1060: Financial Goals and Policies, dated January 25, 2022, establishes the County's commitment to sound financial management, compliance with applicable laws and ordinances, and the maintenance of effective internal controls. The policy includes requirements related to segregation of duties and creation of adequate documentation and records.

Salt Lake County Countywide Policy 1100: Surplus Personal Property Disposition/Transfer/Internal Sale, dated September 17, 2019, establishes requirements for the transfer, disposition, and sale of County-owned surplus personal property. The policy provides guidance on:

- Roles and responsibilities for Contracts & Procurement and County agencies
- Documentation requirements for surplus property transactions, including use of the PM-2 form
- Procedures for property transfers, surplus sales, internal sales, and disposal of surplus personal property

Salt Lake County Countywide Policy 1125: Safeguarding Property/ Assets, dated February 25, 2025, establishes requirements for accountability, safeguarding, inventory, and disposition of County capital and controlled assets. The policy provides guidance on:

- Roles and responsibilities for MFA[7] and County organizations
- Types of assets subject to control requirements
- Procedures for asset tracking, transfers, surplus, and annual inventories

Salt Lake County Countywide Policy 1304: Discovery and Reporting of Wrongdoing or Criminal Activity, dated December 15, 2009, provides directions to employees regarding required actions when they have reasonable suspicion of theft, wrongful loss, or misuse of County property.

[7] For most of the audit period, Countywide Policy 1125 assigned responsibility for fixed (capital) asset oversight, including the receipt of PM-2 forms and annual capital asset inventory certifications, to the Auditor's Office rather than MFA. In practice, however, MFA performed these functions, as reflected in the Accounting Procedures Manual. Policy 1125 was revised effective February 25, 2025, to formally reassign this responsibility to MFA. Testing evaluated the control as it actually operated.

Salt Lake County Countywide Policy 1400-1: Information Technology Security: Acceptable Use Policy, dated March 7, 2023, establishes agency management's responsibility for granting users' access to County Information Technology resources and systems, limited to that which is required to do their work.

Salt Lake County Mayor's Financial Administration Accounting Procedures Manual, Chapter 4 Policies & Procedures Relating to Capital Assets (2023) establishes requirements for capital asset accounting, including capitalization thresholds, asset classification, depreciation, and reporting. The chapter provides guidance to ensure consistent accounting treatment and compliance with applicable accounting standards, including the following:

- Proper identification, recording, and classification of capital assets
- Depreciation, transfer, disposal, and reporting requirements for capital assets
- Documentation requirements to support capital asset existence, location, and status
- Reconciliation and review of capital asset records to ensure accuracy and completeness

Salt Lake County Health Department (SLCoHD) Operating Standard & Procedure 1900-FS: Asset Management Procedures (undated) establishes the internal asset management policies and procedures for the Health Department.

Government Accountability Office (GAO) Standards for Internal Control in the Federal Government (Green Book), 2014 revision, provides criteria for designing and operating an effective internal control system, organized by components and principles essential to accountability and performance.

METHODOLOGY

We used a variety of methods to gather and analyze information related to our audit objectives. These methods included but were not limited to:



We met with agency personnel to understand capital and controlled asset management processes, including controls over asset identification, tracking, and documentation. We documented observed processes and confirmed our understanding with agency personnel.

We tested records and assets using statistical or judgmental sampling, as appropriate. Full-population testing was performed when reasonable. Statistical sampling was used when populations were clearly defined and supported by sufficient documentation. Judgmental sampling was applied when populations could not be clearly defined, or to focus on higher-risk areas. Because judgmental sampling is nonstatistical, results cannot be projected to the full population.

We reviewed selected assets onsite to verify existence and agreement with recorded information, and to assess physical safeguards.

We extracted records and reports from County financial and human resource systems. We compared expenditure data to capital and controlled asset records, and human resource records to annual inventory reporting to verify asset custody was appropriately transferred.

We reviewed applicable Countywide policies, procedures, and other relevant guidance related to asset management.

CONCLUSIONS

We identified opportunities to strengthen governance, oversight, and accountability over capital and controlled assets located at the Government Center. While agencies had processes in place to manage assets, controls were not consistently designed or operating effectively to ensure assets were accurately recorded, properly safeguarded, and supported by complete documentation.

Specifically, we found opportunities to:

1. Strengthen countywide oversight of capital asset management.
2. Improve asset inventory practices and asset record accuracy.
3. Improve asset recording and reconciliation.
4. Strengthen safeguards over assets and asset systems.
5. Improve documentation and record retention.

These opportunities are particularly timely as Salt Lake County prepares to relocate operations to a new Government Center campus. Addressing the control gaps identified in this report, including inventory completeness, record accuracy, asset safeguards, and documentation practices, will help ensure that assets purchased with

public funds can be located, safeguarded, and accurately accounted for before, during, and after the move, and will support an efficient post-move reconciliation.

Many of the issues identified throughout this audit stemmed from inconsistent Countywide guidance, limited centralized oversight, and the absence of standardized asset management procedures across agencies.

We did not identify evidence of fraud. However, several control weaknesses increase the risk of asset loss, unauthorized activity, inaccurate records, or reduced accountability if not addressed. Implementing the recommendations in this report will help strengthen stewardship of County assets and support a successful transition to the new Government Center.

We appreciate the cooperation of Behavioral Health Services, Clerk's Office, Health Department, Information Technology, and MFA.

FINDING 1 AND RECOMMENDATIONS

Opportunities to Strengthen Countywide Oversight of Asset Management

Risk Rating: High Risk Finding

Mayor's Financial Administration did not consistently monitor annual capital asset inventories, track asset tagging activities, or maintain standardized oversight procedures. As a result, the County could not consistently demonstrate that key asset management processes were completed in accordance with County requirements.

Countywide Policy 1125 assigns MFA centralized oversight and accounting for capital assets, including administration of asset management policies and procedures.[8] MFA maintains the County's capital asset system, assigns capital asset identification tags, and processes capital asset additions, transfers, and disposals and supports agencies with inventories and asset management.[9]

MFA has established policies, forms, and guidance intended to support asset management activities across County agencies. However, we identified opportunities to strengthen monitoring, documentation, and oversight practices to help ensure these processes are performed consistently and can be demonstrated when needed.

Figure 3: MFA's Oversight Role: Capital Asset Records, Inventories, and Policy Guidance. *This figure illustrates how MFA's intended oversight role influences accountability throughout Salt Lake County agencies.*



Source: Figure created by Audit Staff using ChatGPT

[8] *For most of the audit period, from January 1, 2024, to February 25, 2025, Countywide Policy 1125 assigned responsibility for fixed (capital) asset oversight, including the receipt of PM-2 forms and annual capital asset inventory certifications, to the Auditor's Office rather than MFA. In practice, however, MFA performed these functions. Policy 1125 was revised effective February 25, 2025, to formally reassign this responsibility to MFA. Testing evaluated the control as it actually operated.*

[9] *Salt Lake County Mayor's Financial Administration Accounting Procedures Manual, Chapter 4 Policies & Procedures Relating to Capital Assets*

2024 Annual Inventory of Capital Assets Not Initiated

Annual capital asset inventories help ensure the County accurately accounts for, safeguards, and maintains property purchased with public funds. Inventories verify that assets still exist, remain in the correct location and are assigned to a responsible employee. Without periodic inventories, the risk increases that assets may be lost, stolen, or inaccurately recorded.

Countywide Policy 1125[10] requires County agencies to complete annual capital asset inventories and submit signed certifications to MFA confirming inventory completion, property manager designation, and procedures in place for maintaining accurate records. Annually, MFA provided each agency with a capital asset inventory report and an acknowledgement form. Agencies used the form to certify that they had conducted the inventory and that the asset list was complete and accurate, and were responsible for returning the signed form to MFA. MFA coordinated with agencies on any adjustments identified during the inventory.[11]

MFA did not have a signed 2024 acknowledgement form on file for any of the four agencies reviewed. Information Technology retained its signed form and provided a copy to the audit team; the other three agencies did not have one on file either. As a result, errors or losses may have remained undetected, accountability was weakened, and the risk of financial misstatements, loss, theft or misuse of County property increased.

After the audit period, during August of 2025 through January 2026, MFA took action to request capital asset inventory certifications from all agencies in scope, resulting in completion of a 2025 inventory. The 2024 inventory cycle was not completed.

Inconsistent Capital Asset Purchasing and Tagging Procedures

MFA records capital assets in the County's asset management system and issues agencies a PM-4 new capital asset form (an internal form agencies return to MFA to confirm a new asset has been tagged and that identifying information such as serial number, make, and model is accurate) and asset tag. Agencies are responsible for applying the tag and returning the PM-4 to MFA to confirm receipt and communicate updates to asset information, such as serial number, make, or model.[12]

MFA management did not track when PM-4s were distributed

[10] *Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.2 Property Manager's Duties, Section 2.2.11*
[11] *Salt Lake County Mayor's Financial Administration Accounting Procedures Manual, Chapter 4 Policies & Procedures Relating to Capital Assets, Part 4.4 Capital Assets Location Code Maintenance, Section 4.1.3 Responsibilities of Fiscal Personnel who Work with Capital Assets*
[12] *Salt Lake County Mayor's Financial Administration Accounting Procedures Manual, Chapter 4 Policies & Procedures Relating to Capital Assets, Part 4.4 Capital Assets Location Code Maintenance, Section 4.4.3 Tagging Capital Assets*

or whether agencies returned them. As a result, MFA could not demonstrate that capital assets were tagged and recorded in a timely and accurate manner. Without tagging and recording accurate information, assets are at greater risk of loss or theft.

We selected a random sample of 18 newly acquired capital assets from the agencies in scope and found that:

- 13 of 18 (72%) assets were purchased by Information Technology, and PM-4 forms were not on file. Instead, MFA relied on an Excel file, but unlike the PM-4 process, this arrangement did not require Information Technology to confirm that asset tags had actually been applied or that identifying information such as serial number, make, and model was accurate. Because the workaround was never formalized, there was no documented assurance that these assets were correctly tagged and recorded, leaving MFA unable to demonstrate that tagging requirements had been met for the majority of sampled assets.
- Three of 18 (17%) assets had PM-4 forms on file; however, the forms were not dated, limiting our ability to assess timeliness. For example, one PM-4 form listed an asset acquired on October 16, 2024, but the form was signed by the agency on September 10, 2025, nearly one year later.
- Two of 18 (11%) assets were software upgrades for which MFA determined new tags were not required. However, similar software-related assets had been tagged in other instances, indicating inconsistent treatment.

MFA management noted that they are exploring the use of the County's financial system or email to distribute new capital asset PM-4 forms electronically and acknowledged that PM-4 forms were not always provided within a reasonable timeframe.



Inconsistent Asset Disposal Procedures

We also reviewed the use and tracking of Personal Property Transfer/ Disposition/Transfer Sale Forms (PM-2), which document the disposal and transfer of capital and controlled assets. As part of this testing, we compared PM-2 forms involving 47 capital assets with the capital asset system to determine whether the related records had been appropriately removed or transferred. Of the 47 assets reviewed, 46 (98%) were accurately updated, while one asset (2%) had not been updated. Although the exception rate was low, the result highlights the value of periodic inventories and reconciliations to identify and correct isolated recordkeeping oversights.

In addition, PM-2 disposal forms were not consistently returned to agencies with an MFA control number. MFA explained that the control number is used internally to track PM-2 forms after MFA confirms capital asset updates have been processed, or that listed assets are not capital assets. MFA stated that the control number is part of its current practice but is not specifically required by policy. When agencies do not receive a copy of the PM-2 back, they may have limited ability to confirm that disposal forms were fully processed.

We also observed differences in how PM-2 disposal forms requirements were interpreted and applied across agencies, some completing forms for all disposals, others only for surplus or capital assets, resulting in gaps in documentation, processing, and retention that reduce the County's ability to demonstrate that asset disposals were properly authorized and completed.



Unclear Policies and Procedures

The lack of standardized documentation was compounded by inconsistencies and ambiguity in Countywide guidance.

We noted that Countywide Policy 1125, Countywide Policy 1100, Countywide Policy 1304, and the MFA Accounting Procedures Manual contained unclear guidance regarding the time of capital asset inventories and documentation requirements.

Specifically, the policies do not consistently define when PM-2 disposal forms are required, how requirements differ between capital and controlled assets, inventory timing, and disposal processing, as seen in Table 1, below.

Table 1: Conflicting or Unclear Guidance. *This table identifies areas where Countywide policies conflict with each other or with the MFA Accounting Manual, leaving agencies without clear guidance on asset management requirements.*[13]

Area	Potential Conflict or Unclear Guidance	Why It Matters
PM-2 use for controlled assets	**Countywide Policy #1100** says the PM-2 is used for transfers of *any* personal property but defines PM-2 Forms as being used to document changes in Capital Assets.	Agencies may not know whether PM-2 forms are required for controlled assets; controlled asset transfers and disposals may not be documented.
	Countywide Policy #1125 says PM-2 may be used for controlled assets but is not required because it is primarily for capital assets.	
	In practice agencies use PM-2 forms to document the disposal of both capital and controlled assets.	
Annual Inventory Timing	**Countywide Policy #1125** says inventories occur on a rotating basis and not necessarily as of December 31.	Agencies may be unclear regarding an annual inventory deadline.
	The MFA Accounting Manual states inventories are due to MFA no later than November 30.	
Loss, theft, and misuse reporting	**Countywide Policy #1125** references theft and use of a PM-2 to remove from asset records.	The guidance does not clearly define documentation and reporting expectations for assets that are lost, missing or removed from inventory when theft, wrongdoing, or financial loss is not suspected.
	Countywide Policy #1304 establishes reporting requirements for theft, wrongful loss, misuse, waste, and wrongdoing.	

Source: Table created by Audit Staff based on review of the listed documents

Oversight activities related to annual inventories, asset tagging, and documentation requirements were not consistently documented or monitored. In addition, Countywide guidance did not always clearly define expectations for certain asset management processes.

As a result, agencies may interpret asset inventory, disposal, transfer, and documentation requirements differently, contributing to inconsistent practices across the County.

[13] *For most of the audit period, Countywide Policy 1125 assigned responsibility for fixed (capital) asset oversight, including the receipt of PM-2 forms and annual capital asset inventory certifications, to the Auditor's Office rather than Mayor's Financial Administration (MFA). In practice, however, MFA performed these functions, as reflected in the Accounting Procedures Manual. Policy 1125 was revised effective February 25, 2025, to formally reassign this responsibility to MFA. Testing evaluated the control as it actually operated.*

Figure 4: Importance of Oversight. *This figure illustrates elevated risks that assets may be lost, misidentified, or inaccurately reported during the move with the County preparing for relocation without strong oversight.*



Source: Figure created by Audit Staff, using ChatGPT

With the County preparing for relocation, the inability to demonstrate that assets were properly tagged, disposed of, and inventoried increases the risk that assets may be lost, misidentified, or inaccurately reported during the move.

1.1	RECOMMENDATION	Strengthen Recording and Tagging of Acquired Capital Assets

We recommend that Mayor's Financial Administration management update standardized procedures and documentation requirements for new capital assets to ensure that new assets are accurately recorded and tagged in a timely manner.

Agencies Included: Mayor's Financial Administration

AGENCY RESPONSE: Agree

AGENCY RESPONSES BEGIN AT PAGE 54

1.2	RECOMMENDATION	Standardize and Document Oversight Procedures

We recommend that Mayor's Financial Administration improve standardized policies and procedures for annual capital asset inventory certification requests and agency responses. Improvements should include requirements for monitoring and tracking of agency responses and documented follow up.

Agencies Included: Mayor's Financial Administration

AGENCY RESPONSE: Agree

AGENCY RESPONSES BEGIN AT PAGE 54

1.3	RECOMMENDATION	Clarify and Communicate Countywide Asset Management Requirements

We recommend that Mayor's Financial Administration, in coordination with Contracts and Procurement, clarify Countywide asset management and disposal requirements and communicate them to agencies. Potential items for clarification include when assets must be inventoried, the procedures required to dispose of an asset, and whether a PM-2 is required, optional, or not applicable for each asset category (capital and controlled) and event (transfer, disposal, loss, or an asset that is missing when theft is not suspected).

Agencies Included: Mayor's Financial Administration

AGENCY RESPONSE: Agree

AGENCY RESPONSES BEGIN AT PAGE 54

FINDING 2 AND RECOMMENDATIONS

Opportunities to Improve Asset Inventories and Asset Record Accuracy

Risk Rating: High Risk Finding

Agencies did not consistently complete comprehensive inventories of capital and controlled assets. In addition, assets could not always be located and asset records frequently contained inaccurate or incomplete identifying information, reducing accountability and increasing the risk that missing assets may go undetected.

Countywide Policy 1125 requires agencies to maintain accurate records for capital and controlled assets and to perform annual inventories to verify asset existence, location, and status. Asset identifiers, such as asset tag numbers, make, model, serial number, and location, support the ability to track assets throughout the asset's life from purchase to disposal.[14]

Without accurate records and periodic inventories, management cannot reliably demonstrate that assets are properly safeguarded. Additionally, missing or stolen assets may not be detected.

We found that agencies did not consistently perform comprehensive inventories, maintain accurate asset locations, or maintain complete identifying information necessary to support asset accountability.

Comprehensive Annual Inventories Not Performed: Behavioral Health Services, Clerk's Office, and Health Department

Countywide Policy 1125 requires agencies to perform annual inventories of both capital and controlled assets.[15] We identified instances where required inventories were not performed, were not complete, or were not supported by documentation, as seen in Table 2 below.

[14] *Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.2 Property Manager's Duties and Part 4.3 Procedures Controlled Assets*
[15] *Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.2 Property Manager's Duties, Section 2.2.11*

Table 2: 2024 Capital and Controlled Inventory. *This table summarizes the results of our review of the agencies listed below. None of these agencies completed documented, comprehensive inventories of all capital and controlled assets.*

Agency	Capital Asset Inventory Completed?	Controlled Asset Inventory Completed?	Asset Inventory Key Concerns
Behavioral Health Services	✗	✗	Neither the capital nor controlled asset inventories were performed.
Clerk's Office	✗	✗	A controlled asset inventory was reportedly performed, but supporting documentation was not available.
			A capital asset inventory was not performed.
Health Department	✗	✗	A controlled asset inventory was reportedly performed, but documentation was destroyed.
			A capital asset inventory was reportedly performed, but no supporting documentation was provided.
Legend: ✗ Inventory not completed.			

Source: Table created by Audit Staff based on the results of testing

By not completing 2024 asset inventories, missing assets, assets on site but not recorded, and other errors may not have been detected in a timely manner.

After the audit period, and in response to MFA's request during August 2025 to January 2026, Behavioral Health Services, the Clerk's Office, and the Health Department took action to complete a 2025 capital asset inventory.

Missing Assets and Inaccurate Asset Records: Health Department, Clerk's Office and Information Technology

To assess whether asset records matched what was physically present, we selected a sample of assets, some randomly, others based on auditor judgment and verified them onsite against recorded location, tag number, make, model, and serial number where available. Our findings can be seen in Table 3 below.

Table 3: Sampled Asset Results. *This table includes assets sampled and whether they were found at the correct location. The Health Department had the highest rate of missing controlled assets, with 77% of controlled assets not found onsite, followed by the Clerk's Office with 56% of capital assets not found onsite.*

Agency	Asset Type	Sampled Assets	Not Found	Found - Wrong Location	Found - Correct Location	Other	Other Issues
Behavioral Health Services	Capital	1	0	0	1 *100%*	n/a	*n/a*
	Controlled	20	0	0	20 *100%*	n/a	*n/a*
Clerk's Office	Capital	9	5 *56%*	3 *33%*	1 *11%*	n/a	*Missing assets later removed using PM-2*
	Controlled	22	1 *5%*	0	21 *95%*	n/a	*Missing switch later removed using PM-2*
Health Department	Capital	12	3 *25%*	4 *33%*	2 *17%*	3 *25%*	*2 generators could not be matched due to insufficient identifiers; 1 copier replaced but records not updated*
	Controlled	22	17 *77%*	1 *5%*	4 *18%*	n/a	*Due to limited management feedback, we were unable to resolve the status of missing assets*
Information Technology	Capital	11	0	10 *91%*	1 *9%*	n/a	n/a
	Controlled	22	1 *5%*	2 *9%*	19 *86%*	n/a	*IT explained a missing monitor may have been surplussed*

=Asset was not found.

=Asset was found at a different (wrong) location than the one listed on asset records.

=Asset was found at the same (correct) location listed on the asset records.

Source: Table created by Audit Staff based on the results of testing

Behavioral Health Services

Behavioral Health Services had one capital asset and 212 controlled assets listed at the Government Center. The one capital asset and the 20 controlled assets sampled were all found at the location listed on capital and controlled asset reports.

Health Department

The Health Department experienced the highest rate of missing

assets. There were 45 capital assets and 1,704 controlled assets listed at the Government Center. Of the 12 capital assets and 22 controlled assets sampled, we found that three (25%) capital assets and 17 (77%) controlled assets (including iPads, handheld radios, and a headset) could not be located. After audit testing, management completed a PM-2 disposal form indicating that the missing capital assets had been damaged and disposed of in a landfill.

For the missing controlled assets, multiple iPads were observed onsite. However, we were unable to verify whether the observed iPads matched those listed on the controlled asset report because the asset tags were not readily accessible and the devices were not charged. As a result, the controlled assets remain unaccounted for.

Clerk's Office

The Clerk's Office had the highest percentage of missing capital assets. There were 29 capital assets and 3,314 controlled assets listed at the Government Center. Of the nine capital assets and 22 controlled assets sampled, five capital assets (56%) and one controlled asset (5%) could not be located. The missing assets included two scanners, a copier, a folder/sealer, a switch, and a server. After audit testing, management completed a PM-2 disposal form documenting removal of the assets. The transfer type was listed as "Discarded/Scrapped/Recycled."

Information Technology

Information Technology had 247 capital assets and 1,306 controlled assets listed at the Government Center. Of the 11 capital assets sampled, 10 (91%) were located at a different location than indicated on the capital asset report, and one (9%) was located at the recorded location.

Of the 22 controlled assets sampled, 19 (86%) were located at the same location listed on controlled asset records, two (9%) were located at different locations than listed, and one (5%) could not be located. Management stated that the monitor we could not locate may have been surplussed.

In addition to assets that could not be located, we identified additional inaccuracies in asset location, serial number, make, model, and description information for both capital and controlled assets. Some assets were physically present but recorded with incorrect location information. A detailed breakdown by agency is included in **Appendices A through D**.

2.1	RECOMMENDATION	Perform Annual Inventories

We recommend that agency management perform and document comprehensive annual inventories of all capital and controlled assets in accordance with Countywide Policy 1125. Inventories should include documentation of completion, verification of asset existence, location, and identifying information, as well as documentation of discrepancies identified and corrective actions taken.

Agencies Included: Behavioral Health Services; Clerk's Office; Health Department

AGENCY RESPONSE

Behavioral Health Services - Agree

Clerk's Office - Agree

Health Department - Agree

AGENCY RESPONSES BEGIN AT PAGE 54

2.2	RECOMMENDATION	Maintain Accurate and Complete Records

We recommend that agency management document and implement procedures to ensure asset records are updated in a timely manner when assets are acquired, transferred, relocated, disposed of, or are identified as missing or damaged. Procedures should include assigning responsibility for updating asset records and periodically reviewing records for accuracy, including asset location, serial number, make, and model.

Agencies Included: Clerk's Office; Health Department; Information Technology

AGENCY RESPONSE AND IMPLEMENTATION DATE

Clerk's Office - Agree

Health Department - Agree

Information Technology - Agree

AGENCY RESPONSES BEGIN AT PAGE 54

FINDING 3 AND RECOMMENDATIONS

Opportunities to Improve Asset Recording and Reconciliation

Risk Rating: High Risk Finding

Agencies did not consistently record qualifying assets in official asset records or reconcile asset information to supporting records. As a result, management could not always demonstrate that all qualifying assets were subject to inventory and accountability controls.

Countywide Policy 1125 requires agencies to maintain accurate and complete records for capital and controlled assets.[16] Accurate records help ensure that assets are subject to inventory procedures, can be located when needed, and remain accountable throughout their lifecycle. Recording assets when purchased and maintaining complete, reconciled asset records are fundamental components of an effective asset management program.

We found that the Health Department and Information Technology did not consistently record purchased assets. Additionally, we noted inconsistencies in Health Department asset records. As a result, assets were not always recorded, reporting information was inconsistent, and management could not always demonstrate that asset records were complete and accurate.

Purchased Assets Not Recorded: Health Department and Information Technology

We reviewed 2024 expenditure transactions to identify a sample of potential capital and controlled asset purchases based on transaction descriptions and dollar amounts. We then determined whether the purchased assets were subsequently recorded in official asset records. We selected 168 transactions for testing, which included 433 capital and controlled asset purchases. The results are shown in Table 4 below. These figures reflect only the transactions selected for testing and do not represent the agencies total asset purchases for the year.

[16] *Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.2 Property Manager's Duties, Part 4.3 Procedures Controlled Assets*

Table 4: Sampled Purchased Assets Matched to Agency Asset Records. *This table shows whether assets identified from a sample of purchases were recorded in agency asset records. The Health Department had the highest rate of sampled purchased controlled assets that could not be matched to agency asset records, with 89% not recorded.*

Sampled Purchased Assets Matched to Agency Asset Records					
Agency	**Asset Type**	**Not Recorded**	**Recorded**	**Number of Sampled Assets**	**Results**
Behavioral Health Services	Capital	0	1	1	*The capital asset purchase identified was matched to the capital assets records.*
	Controlled	0	8	8	*All controlled asset purchases identified were matched to the controlled asset records.*
Clerk's Office	Capital	0	0	0	*No capital asset purchases were identified during the audit period.*
	Controlled	0	242	242	*All controlled asset purchases identified were matched to the controlled asset records.*
Health Department	Capital	1	1	2	*One of two capital asset purchases could not be matched to capital asset records, while one purchase had been recorded.*
	Controlled	116	15	131	*116 of 131 (89%) controlled asset purchases identified could not be matched to controlled asset records, while 15 of 131 (11%) purchased assets had been recorded.*
Information Technology	Capital	0	10	10	*All capital asset purchases identified were matched to capital asset records.*
	Controlled	18	21	39	*18 of 39 (46%) controlled asset purchases could not be matched to controlled asset records, while 21 of 39 (54%) purchased assets had been recorded.*
		=Purchased asset could not be matched to asset records.			
		=Purchased asset was successfully matched to asset records.			

Source: Table created by Audit Staff based on results of testing

We found that all sampled purchases of controlled and capital assets identified matched an existing asset record for Behavioral Health Services and the Clerk's Office, indicating that purchased assets were being recorded and tracked.

For the Health Department, some sampled purchased assets could not be matched to official asset records including laptops, docking stations, printers, and other items. Management stated that there was no mechanism to match purchases of multiple items (such as laptops)

to individual asset records. Additionally, they did not record docking stations, which meet the definition of controlled assets.

Among the Information Technology purchases sampled, some controlled assets could not be matched to asset records. Items included security appliances, uninterruptible power supplies, and a radio. Management explained that the uninterruptible power supplies were not entered into POB before Information Technology updated its receiving processes, the radio was purchased before those processes were updated, and the security devices were not entered due to an oversight.

Within the sample tested, 116 of 131 (89%) of the Health Department's purchased controlled assets and 18 of 39 (46%) of Information Technology's purchased controlled assets could not be matched to official asset records.

When purchased assets are not recorded timely, they may not be included in inventory procedures or other tracking controls, increasing the risk that missing or stolen assets may not be detected.



Incomplete and Inconsistent Controlled Asset Records: Health Department

Separate from our testing of purchased assets, we identified inconsistencies in the Health Department's controlled asset records. Specifically, the Health Department maintained separate lists of controlled assets that did not fully agree with its official controlled asset records. These issues are detailed below.

The Health Department maintained a separate list of 36 cell phones[17] and 102 iPads. While management expected iPads to be included on controlled asset records, management did not include cell phones. However, County policy classifies cell phones as controlled assets regardless of cost.[18] As a result, the 36 cell phones were not subject to the same inventory and accountability controls required for controlled assets.

We tested the full population of 102 iPads for inclusion on controlled asset records and found that:

- 60 of 102 (59%) iPads were not recorded.
- 41 of 102 (40%) iPads were correctly recorded.
- One iPad (1%) was matched after correcting a typographical error.

[17] *Includes only cell phones assigned to employees that work at the Government Center*
[18] *Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 1.2 Controlled Asset*

These conditions occurred because management had not established procedures to ensure qualifying assets were identified, recorded, and periodically reconciled to official asset records. Without complete and accurate controlled asset records, management cannot reliably demonstrate that all qualifying assets have been recorded and remain subject to inventory and accountability controls.

3.1	RECOMMENDATION	Ensure Qualifying Assets Are Recorded

We recommend that agency management establish procedures to ensure that acquired capital and controlled assets are identified and recorded in official asset records in a timely manner, including assets purchased in bulk or as part of a larger order.

Agencies Included: Health Department

AGENCY RESPONSE

Health Department - Agree

AGENCY RESPONSES BEGIN AT PAGE 54

3.2	RECOMMENDATION	Reconcile Controlled Asset Records and Resolve Discrepancies

We recommend that agency management establish procedures to periodically review and reconcile controlled asset records, including between agency tracking systems and resolve identified discrepancies to help ensure records are complete, accurate, and consistent.

Agencies Included: Health Department

AGENCY RESPONSE

Health Department - Agree

AGENCY RESPONSES BEGIN AT PAGE 54

3.3	RECOMMENDATION	Ensure Controlled Asset Purchases are Recorded

We recommend that agency management review and enhance procedures to ensure that acquired controlled assets are identified and recorded in official asset records in a timely manner.

Agencies Included: Information Technology

AGENCY RESPONSE

Information Technology - Agree

AGENCY RESPONSES BEGIN AT PAGE 54

FINDING 4 AND RECOMMENDATIONS

Opportunities to Strengthen Safeguards Over Assets and Asset Systems

Risk Rating: Medium Risk Finding

Agencies did not consistently restrict system access, separate key asset management responsibilities, monitor asset system activity, or secure assets awaiting assignment or disposal. These conditions increase the risk that errors, unauthorized changes, or asset loss may occur without timely detection.

Because controlled assets are managed at the agency level,[19] agencies independently select and administer their asset management systems. Each agency relied on a different asset management system, as seen in Table 5 below.

County policy requires adequate segregation of duties, appropriate restriction of system access based on business need, and physical security controls to safeguard assets throughout their lifecycle. Information Technology security policies require user access to be appropriately assigned and periodically reviewed.[20]

Table 5: Asset Management Systems. *This table identifies the asset management system used by each agency and summarizes key system characteristics relevant to asset management.*

Category	Behavioral Health Services	Clerk's Office	Health Department	Information Technology
System	AssetTiger	AssetCloud[21]	Health Asset Tracking System (HATS)	Point of Business (POB)
Vendor	*AssetTiger*	*Wasp Barcode Technologies*	*N/A*	*Serviceaide, Inc.*
System Type	*Cloud-Based Asset Management System*	*Cloud-Based Asset Management System*	*Internally Developed Database*	*Enterprise Service Management Platform*

Source: Table created by Audit Staff based on agency-provided information

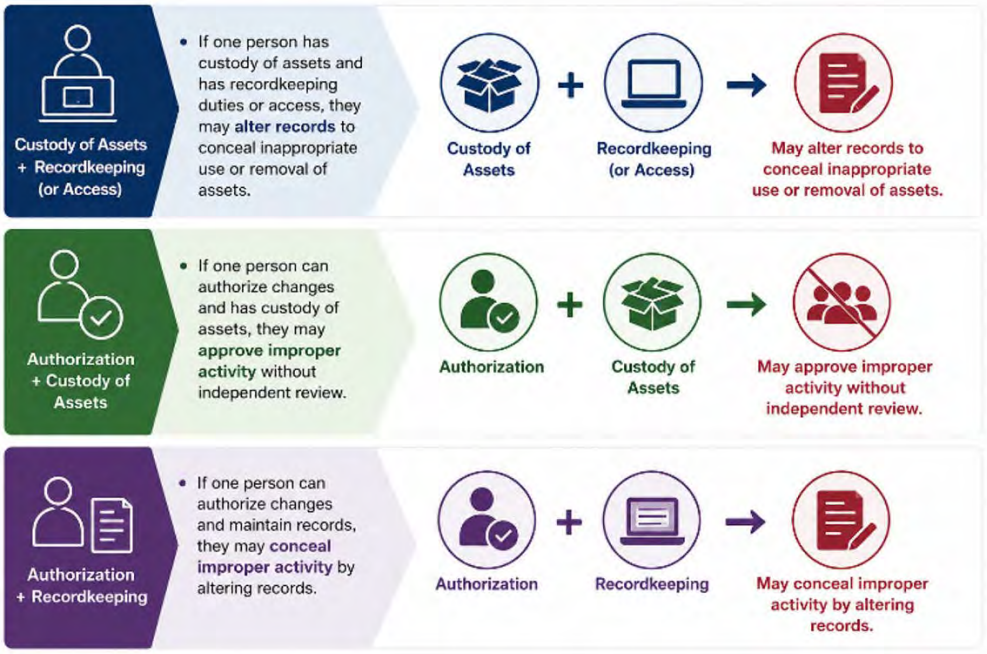
[19] *Salt Lake County Mayor's Financial Administration Accounting Procedures Manual, Chapter 4 Policies & Procedures Relating to Capital Assets, Section 4.1.3 Responsibilities of Fiscal Personnel Who Work with Capital Assets, Responsibilities of County Organization Property Managers.*
[20] *Salt Lake Countywide Policy 1060: Financial Goals and Policies, Part 8.0 Internal Control Policy; Salt Lake Countywide Policy 1400-1: Information Technology Security: Acceptable Use Policy, Part 3.0 Policy Statement, Section 3.1.2 Access and Control; and Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.0 Procedures – General & Admin*
[21] *The Clerk's Office refers to AssetCloud as "Wasp," therefore we use that term throughout the report when referring to the Clerk's asset management system.*

We identified excessive system access, limited segregation of duties, insufficient monitoring, and weaknesses in physical security. Collectively, these conditions limit management's ability to ensure asset records are accurate and complete and increase the risk that unauthorized changes, errors, or asset loss may occur without timely detection.

Insufficient Segregation of Duties and Access Controls: All Agencies

When one individual performs multiple functions or users are granted access beyond business need, the risk of errors, fraud, waste, abuse, or unauthorized changes increases. Segregation of duties principles and related risks can be seen in Figure 5, below.

Figure 5: Segregation of Duties in Asset Management. *This figure illustrates key duties that should be assigned to different individuals and the risks that may arise when those duties are not separated.*



Source: Figure created by Audit Staff using ChatGPT

We reviewed each agency to determine whether duties were appropriately segregated and whether access rights were restricted based on job duties. The result for each agency is detailed below.

Behavioral Health Services

We identified instances where assigned duties and system access created segregation of duties risks:

- An Office Supervisor had both purchasing and asset record edit rights, without a documented secondary review to ensure purchased assets were properly recorded.

- One IT Analyst, responsible for performing the controlled asset inventory, also performed asset tagging and maintained custody of unassigned assets. As a result, key asset management functions were not independently reviewed.

Management indicated that responsibilities were assigned based on operational needs and that purchased assets are recorded upon receipt.

Clerk's Office

The Clerk's Elections Asset Coordinator moved assets pending surplus to a holding area, prepared the PM-2 disposal forms for the assets, and updated asset records. The same employee reconciled disposal documentation and retained supporting documentation.

Additionally, one of the three asset management system users had no business need for access. The other two users had appropriate access levels. Management removed unneeded access after our inquiry.

Health Department

Assets awaiting disposal were received, verified, updated, and recorded on a PM-2 disposal form by an Office Specialist. Although the PM-2 disposal form was signed by the Health Department Facilities Manager, no review was performed to ensure all assets received for disposal were included on a PM-2 disposal form and all records were updated.

Information Technology

The Fiscal Coordinator received assets pending surplus, recorded them on a tracking spreadsheet, stored the assets until vendor pickup, and prepared the PM-2 disposal forms. The POB status of assets pending surplus was changed to "Expired." Once the assets were picked up by the disposal vendor, the status was changed in POB to "Surplus." The Fiscal Manager signed the PM-2 forms but stated that he did not compare them to the corresponding asset records in POB.

It is reasonable for one employee to receive and store assets pending surplus. However, when the same employee has custody of the assets and maintains the records used to document their receipt and disposal, independent verification or other compensating controls are needed to help ensure that the records are complete and accurate and that the assets are properly accounted for through disposal. As a result, IT lacked independent verification that assets documented as pending surplus were appropriately included on PM-2 forms and that their disposal status was accurately reflected in POB. This increased

the risk that assets could be lost, misplaced, or otherwise not properly accounted for without timely detection.

The importance of this control was demonstrated by our testing related to Finding 2. IT was unable to locate one monitor from our sample and stated that it may have been surplussed but could not provide documentation demonstrating that the monitor had been included on a PM-2 form.

In addition, all POB users could add, edit, and delete assets. Management stated that access level was required because POB also supports the division's daily operations, including IT helpdesk requests. Therefore, this access was not limited to individuals with asset management functions. At the time of fieldwork, there were no compensating controls in place to ensure individuals could not delete or edit their assigned assets.

Because segregation of duties and access controls were not adequate, the risk of errors, fraud, waste, abuse, or unauthorized changes was increased.

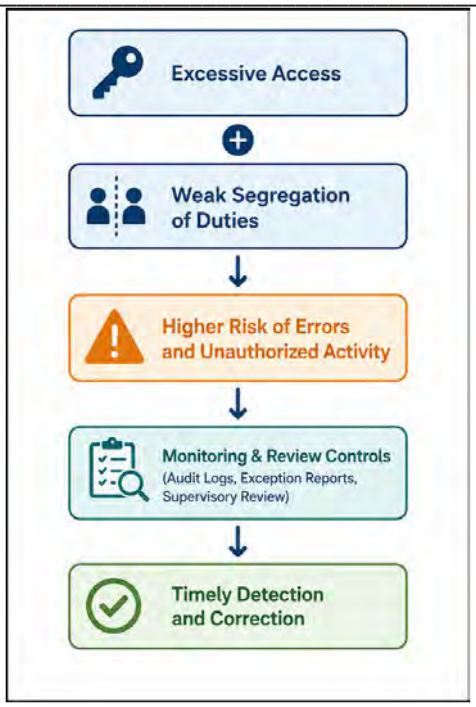


Monitoring of Asset System Activity Not Established: All Agencies

System-generated reports and audit logs make visible changes to asset records, including additions, edits, deletions, and disposals. Regular monitoring helps ensure that changes are authorized, enables timely detection of errors, and mitigates risk associated with inadequate segregation of duties and excessive access.[22]

[22] *Salt Lake Countywide Policy 1400-1: Information Technology Security: Acceptable Use Policy, Part 3.0 Policy Statement, Section 3.6 Monitoring, Control, and Compliance and Government Accountability Office Standards for Internal Control in the Federal Government (Green Book), 2014 revision Principle 16 Perform Monitoring Activities*

Figure 6: Monitoring to Mitigate Risks. *This figure illustrates how monitoring activities help mitigate the risks associated with excessive access and limited segregation of duties.*



Source: Figure created by Audit Staff using ChatGPT

Behavioral Health Services

AssetTiger assignment and removal notifications are optional and must be manually triggered. If not selected, individuals assigned or removed from asset custody were not notified. Because management did not require or enforce this process, notifications were not reliably generated or retained, limiting supporting documentation and reducing monitoring effectiveness. This risk was elevated because of the segregation of duties issues noted above.

Clerk's Office

The Clerk's Office did not routinely use available WASP system reports to monitor asset changes or disposals. Management indicated that reviewing transaction history would be cumbersome and time consuming, which contributed to the lack of routine monitoring. This risk was elevated because both WASP users had administrative-level access.

Health Department

The Health Department could not review transaction activity within its asset management system, the Health Asset Tracking System (HATS), because transaction history reporting was unavailable. Compensating monitoring procedures, such as periodic comparison of asset reports, were not established. This

risk was elevated because 32 users had "Modify" access in HATS, allowing users to change asset status fields including active, lost, or surplus designations.

Information Technology

As mentioned above, all Information Technology employees had access to POB and could add, edit, or delete asset records. Regular procedures to monitor and review changes to asset records in POB were not in place. This increases the risk that asset records or documentation could be modified or deleted without appropriate oversight or detection.

Because agency management did not require or perform regular monitoring, the risk of unauthorized or inaccurate changes occurring without timely detection was increased for all agencies reviewed.

Physical Security Gaps: Health Department and Information Technology

Supporting controls, including physical security, are required by county policy[23] and help ensure accountability for asset custody and reduce the risk of unauthorized access or loss.

Health Department

Surplus assets were stored in areas accessible to multiple employees. In addition, hard drives, memory devices, and credit card machines were destroyed using a hammer despite Health Department policy indicating hard drives should be shredded.[24] After destruction, items were transferred to Facilities Management personnel for landfill disposal or recycling without documentation verifying destruction occurred.

Information Technology

We observed that the key to the closet containing laptops available for checkout was stored in an easily accessible, unsecured location. In addition, staff did not copy the checkout log or maintain an electronic version. As a result, records could be lost if the log was misplaced, damaged, or destroyed.

Management had not established or consistently implemented sufficient controls to safeguard assets during storage, checkout, transfer, and disposal activities.

Because physical security and asset destruction controls were not adequate, the risk that assets may be lost or stolen, and that sensitive information may be exposed, was increased.

[23] *Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.2 Property Manager's Duties, Section 2.2.4*
[24] *Salt Lake County Health Department (SLCoHD) Operating Standard & Procedure 1900-FS: Asset Management Procedures, Section 7 Surplus, Paragraph 5.*

4.1	RECOMMENDATION	Strengthen Access Controls and Segregation of Duties

We recommend that agency management evaluate asset management responsibilities and system access to ensure duties are appropriately segregated and access is aligned with business need. Where segregation of duties is not practical, management should establish and document compensating controls.

Agencies Included: Behavioral Health Services; Clerk's Office; Health Department; Information Technology

AGENCY RESPONSE

Behavioral Health Services - Agree

Clerk's Office - Agree

Health Department - Agree

Information Technology - Agree

AGENCY RESPONSES BEGIN AT PAGE 54

4.2	RECOMMENDATION	Establish Monitoring Controls

We recommend that agency management establish and implement procedures to monitor asset management activities and review asset record changes, as appropriate, to help ensure transactions are authorized, accurate, and complete.

Agencies Included: Behavioral Health Services; Clerk's Office; Health Department; Information Technology

AGENCY RESPONSE

Behavioral Health Services - Agree

Clerk's Office - Agree

Health Department - Agree

Information Technology - Agree

AGENCY RESPONSES BEGIN AT PAGE 54

4.3	RECOMMENDATION	Strengthen Physical Safeguards Over Assets

We recommend that agency management establish and implement procedures and controls to safeguard assets and sensitive devices throughout assignment, storage, transfer, and disposal activities.

Agencies Included: Health Department; Information Technology

AGENCY RESPONSE

Health Department - Agree

Information Technology - Agree

AGENCY RESPONSES BEGIN AT PAGE 54

FINDING 5 AND RECOMMENDATIONS

Opportunities to Improve Documentation and Record Retention

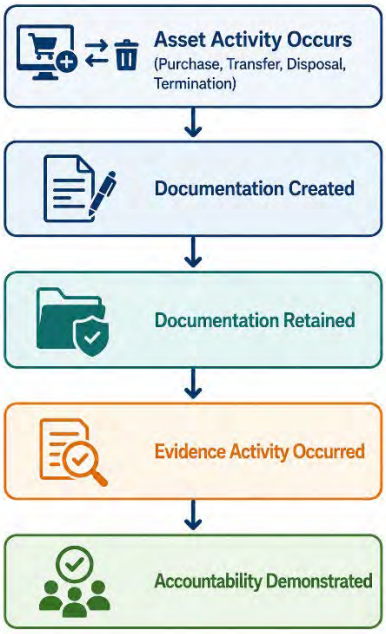
Risk Rating: Medium Risk Finding

Required documentation supporting asset acquisition, assignment, transfer, disposal, and employee accountability was not always created, completed, or retained. As a result, management could not consistently demonstrate accountability for assets throughout their lifecycle.

Effective asset management requires adequate supporting records, such as completed asset disposal and transfer forms, to provide a documented chain of custody and accountability for assets throughout their lifecycle. County policy requires agencies to maintain accurate and complete documentation of asset transactions, including acquisition, transfer, surplus, and disposal activities.[25]

We identified instances where required documentation was not created, was incomplete, or was not retained. In addition, records were not always centrally maintained or adequately controlled.

Figure 7: Documentation Supports Accountability for Assets. *This figure illustrates how asset management documentation supports the County's ability to demonstrate accountability throughout an asset's lifecycle.*



Source: Figure created by Audit Staff using ChatGPT

[25] *Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.0 Procedures - General & Administrative, Section 2.2 Property Manager's Duties, Paragraph 2.2.3.*

Incomplete and missing documentation: All Agencies

All agencies reviewed had instances where documentation was not adequate to ensure consistent accountability for assets, including when assets were acquired, transferred, or disposed of. Weak documentation and review controls increase the risk that assets may be lost, stolen, improperly disposed of, or reassigned without detection, and reduce management's ability to investigate discrepancies or demonstrate accountability over assets. Our findings for each agency are detailed below.

Behavioral Health Services

Newly purchased assets were received and distributed without documentation supporting the chain of custody, or evidence that assets were tagged before distribution and assignment. Additionally, staff did not submit all PM-2 disposal forms to the County Surplus Manager for assets being removed, as required by County policy.[26] Management's understanding was that PM-2 disposal form requirements only applied to capital assets. This misunderstanding is consistent with the policy clarity issues discussed in Finding 1.

We also noted documentation gaps related to employee terminations. For one of three (33%) terminations tested, no supporting documentation required by Countywide policy[27] was available to demonstrate that assigned assets had been returned. For the remaining two, such documentation was on file.

Behavioral Health Services management had not assigned assets located in common areas, storage, and surplus to specific individuals as required by County policy.[28] As a result, no individual was responsible for those assets, reducing accountability for their custody and safekeeping.

Clerk's Office

County policy requires the Controlled Asset Inventory Form-Employee and Form-Organization to include a statement acknowledging that the individual signing the form was responsible for the assets assigned to them.[29] However, the reports generated by the Clerk's Office for employees to sign did not include this acknowledgment.

We also identified gaps related to employee termination procedures. For one of two (50%) terminations tested, no supporting documentation was available to demonstrate that assigned assets had been returned. For the remaining termination, supporting documentation was provided and signed by the employee's supervisor; however, the documentation was

[26] *Salt Lake County, Countywide Policy 1100: Surplus Personal Property Disposition, Part 3.0 General Conditions*
[27] *Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.0, Section 2.3.4*
[28] *Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 4.0 Procedures Controlled Assets, Section 4.3.2*
[29] *Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 4.0 Procedures Controlled Assets, Section 4.3, Paragraphs 4.3.1-4.3.2.*

undated. As a result, the audit could not determine whether it was completed at the time of the employee's termination. Management stated that employees were not required to sign asset forms during the termination process and, in one instance, documentation was not completed due to the nature of the termination.

Health Department

We identified gaps in documentation related to internal transfers of assets for disposal, new hires, and asset accountability at employee termination.

A Health Department "Transfer Property to New Location" form was available to document assets transferred to the Health Department Facilities team for disposal. However, management confirmed the form was not consistently completed,[30] and staff did not reconcile assets listed on the form to completed PM-2 disposal forms.

The Health Department's internal procedures state that new employees should sign an Employee Controlled Asset Inventory Form within one week of hire to acknowledge responsibility for assigned assets[31]. However, staff did not consistently perform this process, and the form was not completed at the time of asset assignment. Department staff indicated that responsibility for newly assigned assets was typically not documented until the next annual inventory cycle, delaying individual accountability for up to one year.

In addition, we tested a sample of 29 of the 82 employees who terminated from the Health Department during the audit period. Of the 29, eight (28%) had not been assigned any assets, so no inventory form was required. For the remaining 21 (72%), management did not provide signed forms, despite Health Department policy[32] requiring inventory forms to be signed by the terminating employee and their supervisor.

Management provided records indicating that assets were reassigned to other individuals. However, the lack of documentation supporting asset return increases the risk that County property may not be returned, may be lost, or not properly tracked.

Information Technology

Five Information Technology employees terminated during the audit period. We excluded one termination attributable to

[30] *Salt Lake County Health Department Operating Standard & Procedure 1900-FS Asset Management Procedures: Part 4 Procedure, Section 4.9 Surplus, Paragraph 4.9.1.*
[31] *Salt Lake County Health Department Operating Standard & Procedure 1900-FS Asset Management Procedures, Section 4 Procedure, Part 4.6 Individual Responsibility, Paragraph 4.6.4.*
[32] *Salt Lake County Health Department Operating Standard & Procedure 1900-FS Asset Management Procedures: Part 4 Procedure, Section 4.2 Method of Tracking, Paragraph 4.2.8.*

death and tested the four remaining employees. For three of the four (75%), management did not provide documentation supporting asset accountability at termination, as required by County policy.[33] In two instances management was unable to locate the documentation; in the third, the supervisor stated that assets were retrieved from the employee but the transfer was not documented. Management provided a signed asset list for the remaining employee. While a process exists to collect assets, staff did not consistently maintain documentation to demonstrate that the process occurred.

Documentation Was Not Centrally Maintained or Appropriately Restricted: Health Department

GAO Green Book Principle 13 states that quality information should be accessible, verifiable, retained as appropriate, and supported by clear responsibility and accountability.[34] We identified instances where agencies did not maintain asset-related documentation in a centralized or consistently controlled manner. Instead, documentation was stored across multiple locations and, in some cases, was accessible to personnel without a business need. These conditions limit the County's ability to efficiently locate, safeguard, and rely on documentation supporting asset management activities.

Asset-related documentation was not maintained in a centralized location. Annual inventory records were retained by individual site representatives, purchase documentation was kept by fiscal staff, and disposal documentation was stored by the facilities manager. This decentralized approach limited the Health Departments ability to efficiently locate and verify documentation. Management stated that documentation was retained by the individual responsible for that activity.

These conditions occurred because Health Department Management had not established centralized processes to ensure asset-related records were completed, retained, and periodically reviewed.

Because required documentation was not consistently created, completed, or retained, management could not always establish a clear chain of custody or determine responsibility for assets that were missing, damaged, or improperly disposed of. These gaps are particularly significant in light of the broader audit results showing missing assets, incomplete inventories, and inaccurate asset records, and they increase the risk that County property may be lost, misused, or unaccounted for without detection.

[33] Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.0, Section 2.3.4
[34] Government Accountability Office Standards for Internal Control in the Federal Government (Green Book), 2014 revision, Principle 13 Use Quality Information, Section 13.05 Data Processed into Quality Information.

5.1	RECOMMENDATION	Ensure Asset Documentation is Maintained

We recommend that agency management establish procedures to ensure documentation supporting asset acquisition, assignment, transfer, inventory, and disposal activities is consistently created, completed, and retained.

Agencies Included: Behavioral Health Services; Clerk's Office; Health Department

AGENCY RESPONSE

Behavioral Health Services - Agree

Clerk's Office - Agree

Health Department - Agree

AGENCY RESPONSES BEGIN AT PAGE 54

5.2	RECOMMENDATION	Strengthen Asset Accountability Documentation

We recommend that agency management establish procedures to document asset custody and accountability throughout the asset lifecycle, including asset assignment, reassignment, and employee separation activities.

Agencies Included: Behavioral Health Services; Clerk's Office; Health Department; Information Technology

AGENCY RESPONSE

Behavioral Health Services - Agree

Clerk's Office - Agree

Health Department - Agree

Information Technology - Agree

AGENCY RESPONSES BEGIN AT PAGE 54

5.3	RECOMMENDATION	Improve Documentation Management Controls

We recommend that agency management establish controls to ensure asset-related documentation is appropriately maintained, protected, and, where practical, centrally managed to support management oversight and accountability.

Agencies Included: Health Department

AGENCY RESPONSE

Health Department - Agree

AGENCY RESPONSES BEGIN AT PAGE 54

COMPLETE LIST OF AUDIT RECOMMENDATIONS

This report made the following 14 recommendations

RECOMMENDATION 1.1:
We recommend that Mayor's Financial Administration management update standardized procedures and documentation requirements for new capital assets to ensure that new assets are accurately recorded and tagged in a timely manner.

Agencies Included: Mayor's Financial Administration

RECOMMENDATION 1.2:
We recommend that Mayor's Financial Administration improve standardized policies and procedures for annual capital asset inventory certification requests and agency responses. Improvements should include requirements for monitoring and tracking of agency responses and documented follow up.

Agencies Included: Mayor's Financial Administration

RECOMMENDATION 1.3:
We recommend that Mayor's Financial Administration, in coordination with Contracts and Procurement, clarify Countywide asset management and disposal requirements and communicate them to agencies. Potential items for clarification include when assets must be inventoried, the procedures required to dispose of an asset, and whether a PM-2 is required, optional, or not applicable for each asset category (capital and controlled) and event (transfer, disposal, loss, or an asset that is missing when theft is not suspected).

Agencies Included: Mayor's Financial Administration

RECOMMENDATION 2.1:
We recommend that agency management perform and document comprehensive annual inventories of all capital and controlled assets in accordance with Countywide Policy 1125. Inventories should include documentation of completion, verification of asset existence, location, and identifying information, as well as documentation of discrepancies identified and corrective actions taken.

Agencies Included: Behavioral Health Services; Clerk's Office; Health Department

RECOMMENDATION 2.2:
We recommend that agency management document and implement procedures to ensure asset records are updated in a timely manner when assets are acquired, transferred, relocated, disposed of, or are identified as missing or damaged. Procedures should include assigning responsibility for updating asset records and periodically reviewing records for accuracy, including asset location, serial number, make, and model.

Agencies Included: Clerk's Office; Health Department; Information Technology

RECOMMENDATION 3.1:
We recommend that agency management establish procedures to ensure that acquired capital and controlled assets are identified and recorded in official asset records in a timely manner, including assets purchased in bulk or as part of a larger order.

Agencies Included: Health Department

RECOMMENDATION 3.2:
We recommend that agency management establish procedures to periodically review and reconcile controlled asset records, including between agency tracking systems and resolve identified discrepancies to help ensure records are complete, accurate, and consistent.

Agencies Included: Health Department

RECOMMENDATION 3.3
We recommend that agency management review and enhance procedures to ensure that acquired controlled assets are identified and recorded in official asset records in a timely manner.

Agencies Included: Information Technology

RECOMMENDATION 4.1:
We recommend that agency management evaluate asset management responsibilities and system access to ensure duties are appropriately segregated and access is aligned with business need. Where segregation of duties is not practical, management should establish and document compensating controls.

Agencies Included: Behavioral Health Services; Clerk's Office; Health Department; Information Technology

RECOMMENDATION 4.2:
We recommend that agency management establish and implement procedures to monitor asset management activities and review asset record changes, as appropriate, to help ensure transactions are authorized, accurate, and complete.

Agencies Included: Behavioral Health Services; Clerk's Office; Health Department; Information Technology

RECOMMENDATION 4.3:
We recommend that agency management establish and implement procedures and controls to safeguard assets and sensitive devices throughout assignment, storage, transfer, and disposal activities.

Agencies Included: Health Department; Information Technology

RECOMMENDATION 5.1:
We recommend that agency management establish procedures to ensure documentation supporting asset acquisition, assignment, transfer, inventory, and disposal activities is consistently created, completed, and retained.

Agencies Included: Behavioral Health Services; Clerk's Office; Health Department

RECOMMENDATION 5.2:
We recommend that agency management establish procedures to document asset custody and accountability throughout the asset lifecycle, including asset assignment, reassignment, and employee separation activities.

Agencies Included: Behavioral Health Services; Clerk's Office; Health Department; Information Technology

RECOMMENDATION 5.3:
We recommend that agency management establish controls to ensure asset-related documentation is appropriately maintained, protected, and, where practical, centrally managed to support management oversight and accountability.

Agencies Included: Health Department

Appendix A

Summary of Capital Asset *List to Floor* Traceability Testing Results by Agency

Capital Asset Location Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Capital asset population at Government Center	1	29	45	247
Reported capital assets selected for review	1	9	12	11
Recorded assets located in the correct location	1	1	2	1
Recorded assets located in the wrong location	-	3	4	10
Recorded assets not able to be located	-	5	3	-
Recorded assets could not be matched due to insufficient identifiers, *see table 3 in report*	-	-	3	-

Capital Asset Serial Number Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Capital assets selected for review	1	9	12	11
Recorded assets matched reported Serial Number	1	1	2	10*
Recorded assets did not match reported Serial Number	-	2	1	-
Recorded assets not able to be located (comparison not possible)	-	5	3	-
Recorded assets Serial Number field left blank in reporting (comparison not possible)	-	1	6	-

**Of the 11 capital assets sampled, one could not be included in the table because its serial number could not be confirmed. The serial number was covered, and removing the covering would have been detrimental to the asset's function.*

Capital Asset Make Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Capital assets selected for review	1	9	12	11
Recorded assets matched reported Make	-	3	6	11
Recorded assets did not match reported Make	-	-	-	-
Recorded assets not able to be located (comparison not possible)	-	5	3	-
Recorded assets Make field left blank in reporting (comparison not possible)	1	1	3	-

Capital Asset Model Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Capital assets selected for review	1	9	12	11
Recorded assets matched reported Model	-	2	7	11
Recorded assets did not match reported Model	-	-	-	-
Recorded assets not able to be located (comparison not possible)	-	5	3	-
Recorded assets Model field left blank in reporting (comparison not possible)	1	2	2	-

Capital Asset Description Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Capital assets selected for review	1	9	12	11
Recorded assets matched reported Description	1	4	9	11
Recorded assets did not match reported Description	-	-	-	-
Recorded assets not able to be located (comparison not possible)	-	5	3	-

Appendix B

Summary of Capital Asset *Floor to List* Traceability Testing Results by Agency[35]

Capital Asset Location Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Capital asset population at Government Center	1	29	45	247
On site capital assets selected for review	-	10	5	19
Observed asset Locations accurately reflected in reporting	-	5	2	2
Observed asset Locations inaccurately reflected in reporting	-	5	3	17

Capital Asset Serial Number Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
On site capital assets selected for review	-	10	5	19
Observed asset Serial Number accurately reflected in reporting or asset did not contain a serial number	-	4	-	17
Observed asset Serial Number inaccurately reflected in reporting	-	1	-	1
Observed asset Serial Number field blank in reporting or asset positioned so serial number could not be read (comparison not possible)	-	5	5	1

Capital Asset Make Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
On site capital assets selected for review	-	10	5	19
Observed asset Make accurately reflected in reporting	-	5	4	8
Observed asset Make inaccurately reflected in reporting	-	-	-	2
Observed asset Make field blank in reporting or asset positioned so serial number could not be read (comparison not possible)	-	5	1	9

[35] *Floor-to-list and list-to-floor testing were performed using different populations and testing directions. Floor-to-list testing began with assets physically observed onsite, while list-to-floor testing began with assets selected from agency records. Accordingly, sample sizes may differ and are not intended to be reciprocal.*

Capital Asset Model Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
On site capital assets selected for review	-	10	5	19
Observed asset Model accurately reflected in reporting	-	2	-	7
Observed asset Model inaccurately reflected in reporting	-	-	2	5
Observed asset Model field blank in reporting or asset positioned so serial number could not be read (comparison not possible)	-	8	3	7

Capital Asset Description Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
On site capital assets selected for review	-	10	5	19
Observed asset Description accurately reflected in reporting	-	9	5	17
Observed asset Description inaccurately reflected in reporting	-	1	-	2

Appendix C

Summary of Controlled Asset *List to Floor* Traceability Testing Results by Agency

Controlled Asset Location Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Controlled asset population at Government Center	212	3,314	1,704	1,306
Controlled assets selected for review	20	22	22	22
Recorded assets located in the correct location	20	21	4	19
Recorded assets located in the wrong location	-	-	-	2
Recorded asset existence verified by photo; location not verifiable	-	-	1	-
Recorded assets not able to be located	-	1	17	1

Controlled Asset Serial Number Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Controlled assets selected for review	20	22	22	22
Recorded assets matched reported Serial Number	20	15	5	20
Recorded assets did not match reported Serial Number	-	-	-	1
Recorded assets not able to be located (comparison not possible)	-	1	17	1
Recorded assets Serial Number field left blank in reporting (comparison not possible)	-	3	-	-
Recorded assets lacked a readable physical Serial Number (comparison not possible)	-	3	-	-

Note: Percentages are rounded to the nearest whole percent and may not total 100%.

Controlled Asset Make Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Controlled assets selected for review	20	22	22	22
Recorded assets matched reported Make	20	18	3	17
Recorded assets did not match reported Make	-	-	-	-
Recorded assets not able to be located (comparison not possible)	-	1	17	1
Recorded assets Make field left blank in reporting (comparison not possible)	-	3	2	4

Controlled Asset Model Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Controlled assets selected for review	20	22	22	22
Recorded assets matched reported Model	16	14	4	16
Recorded assets did not match reported Model	-	-	1	-
Recorded assets not able to be located (comparison not possible)	-	1	17	1
Recorded assets Model field left blank in reporting (comparison not possible)	4	6	-	5
Recorded assets lacked a readable physical Serial Number (comparison not possible	-	1	-	-

Controlled Asset Description Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Controlled assets selected for review	20	22	22	22
Recorded assets matched Description	20	21	5	21
Recorded assets did not match reported Description	-	-	-	-
Recorded assets not able to be located (comparison not possible)	-	1	17	1

Appendix D

Summary of Controlled Asset *Floor to List* Traceability Testing Results by Agency

Controlled Asset Location Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
Controlled asset population at Government Center	212	3,314	1,704	1,306
On site controlled assets selected for review	20	23	41	22
Observed asset Locations accurately reflected in reporting	19	22	28	17
Observed asset Locations inaccurately reflected in reporting	1	1	11	3
Observed assets not reflected in reporting	-	-	2	2

Controlled Asset Serial Number Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
On site controlled assets selected for review	20	23	41	22
Observed asset Serial Number accurately reflected in reporting or asset did not contain a serial number	18	18	13	20
Observed asset Serial Number inaccurately reflected in reporting	1	1	1	-
Observed iPad Serial Number not verifiable due to agency nonresponse for screenshots (comparison not possible)	-	-	24	-
Observed assets not reflected in reporting	-	-	2	2
Observed asset Serial Number field blank in reporting (comparison not possible)	1	4	-	-
Observed broken iPad Serial Number not able to be physically read (comparison not possible)			1	-

Controlled Asset Make Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
On site controlled assets selected for review	20	23	41	22
Observed asset Make accurately reflected in reporting	19	20	11	19
Observed asset Make inaccurately reflected in reporting	-	-	-	-
Observed iPad Make not verifiable due to agency nonresponse for screenshots (comparison not possible)	-	-	24	-
Observed assets not reflected in reporting	-	-	2	2
Observed asset Make field blank in reporting (comparison not possible)	1	3	3	1
Observed broken iPad Make not able to be physically read (comparison not possible)			1	-

Controlled Asset Model Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
On site controlled assets selected for review	20	23	41	22
Observed asset Model accurately reflected in reporting	17	19	12	15
Observed asset Model inaccurately reflected in reporting	-	-	1	1
Observed iPad Model not verifiable due to agency nonresponse for screenshots (comparison not possible)	-	-	24	-
Observed assets not reflected in reporting	-	-	2	2
Observed asset Model field blank in reporting (comparison not possible)	3	4	1	1
Observed asset Model not physically identifiable (comparison not possible)				3
Observed broken iPad Make not able to be physically read (comparison not possible)			1	-

Controlled Asset Description Review

Attribute	Behavioral Health Services	County Clerk's Office	Health Department	Information Technology
On site controlled assets selected for review	20	23	41	22
Observed asset Description accurately reflected in reporting	20	23	14	20
Observed asset Description inaccurately reflected in reporting	-	-	-	-
Observed iPad Description not verifiable due to agency nonresponse for screenshots (comparison not possible)	-	-	24	-
Observed assets not reflected in reporting	-	-	2	2
Observed broken iPad Description not able to be physically identified (comparison not possible)			1	-

Agency Response

SALT LAKE COUNTY

JENNY WILSON
Salt Lake County Mayor

MAYOR'S FINANCIAL ADMINISTRATION

DARRIN CASPER
Deputy Mayor of Finance and Administration (CFO)

November 8, 2006

County Auditor Chris Harding, CPA, CFE, CIA
Office of the Auditor
Salt Lake County
2001 S State Street, Ste N3-300
Salt Lake City, UT 84190-1100

Auditor Harding,

Mayor`s Financial Administration appreciates the work performed by the internal auditors to prepare an audit of the County`s capital asset management processes. Management has reviewed the audit report and findings and agrees with the recommendations. An action plan has been developed for each recommendation.

Management believes that the successful implementation of these recommendations will not only increase accountability for organizations but also contribute to the mission of the Mayor's Financial Administration. Our office strives to be dedicated strategic partners who champion shared initiatives, provide fiscal guidance, and demonstrate leadership to all county stakeholders. We communicate clearly with our customers, hold ourselves accountable, and serve employees, the community, and outside investors for the collective success of Salt Lake County.

Once again, we appreciate the hours of work by the internal auditors and the opportunity to address the recommendations. Management is committed to ensuring the capital asset management processes best support county organizations.

Please find enclosed our response to each of the recommendations made in the audit report.

Sincerely,

Nathan S. Gubler
Financial Reporting Manager- Mayor's Financial Administration, Salt Lake County

Enclosure

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AUDIT FINDING 1: Opportunities to Strengthen Countywide Oversight of Asset Management

RECOMMENDATION 1.1: Strengthen Recording and Tagging of Acquired Capital Assets

We recommend that Mayor's Financial Administration management update standardized procedures and documentation requirements for new capital assets to ensure that new assets are accurately recorded and tagged in a timely manner.

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	9/30/2026	Nathan Gubler, Financial Reporting Manager

Narrative for Recommendation 1.1 including action plan.

Management will revise current capital asset management processes to better hold organizations accountable in their responsibility to provide Mayor's Financial Administration with the required forms, documentation and information to ensure that new assets are accurately recorded and tagged in a timely manner. This is accomplished through updating standardized procedures and documentation requirements to be consistent with Countywide Policy #1125 and the implementation of the Recommendation 1.2 action plan. Updates will include PM forms, MFA Accounting Manual and live virtual and on-demand training material.

The implementation activities described in the Recommendation 1.2 action plan may result in changes to current processes, forms, and documentation requirements. However, Management will complete the updates under Recommendation 1.1 using the present facts and circumstances rather than delay implementation pending the completion of the Recommendation 1.2 action plan. Completion of the Recommendation 1.1 action plan may be expected before 9/30/2026.

RECOMMENDATION 1.2: Standardize and Document Oversight Procedures

We recommend that Mayor's Financial Administration improve policies and procedures for annual capital asset inventory certification requests and agency responses. Improvements should include requirements for monitoring and tracking of agency responses and documented follow up.

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	9/15/2027	Nathan Gubler, Financial Reporting Manager

Narrative for Recommendation 1.2 including action plan.

Management has identified existing capabilities within the financial accounting system to provide organizations with enhanced communication and collaboration tools. The successful implementation of the action plan will improve organizations' responsiveness and support their responsibility to provide Mayor's Financial Administration with the annual capital asset inventory certification requests and agency responses.

Implementation activities for this action plan include centralized submission and approval of PM and other forms; access to changes in the capital asset lifecycle associated with inventories; form status updates and notifications; enhanced capital asset query and reporting capabilities; and centralized documentation storage. Features will include, but are not limited to, form submission, approval, tracking, notifications, follow-up, comments, time and date stamps, and document storage.

The financial accounting system is currently being upgraded to the latest version. This may delay Mayor's Financial Administration's ability to implement an acceptable version of the required communication and collaboration tools. Implementation activities are expected to be completed within one year.

RECOMMENDATION 1.3: Clarify and Communicate Countywide Asset Management Requirements

We recommend that Mayor's Financial Administration, in coordination with Contracts and Procurement, clarify Countywide asset management and disposal requirements and communicate them to agencies. Potential items for clarification include when assets must be inventoried, the procedures required to dispose of an asset, and whether a PM-2 is required, optional, or not applicable for each asset category (capital and controlled) and event (transfer, disposal, loss, or an asset that is missing when theft is not suspected).

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	12/15/2026	Nathan Gubler, Financial Reporting Manager

Narrative for Recommendation 1.3 including action plan.

Management will coordinate with Contracts and Procurement to address clarifications to be presented at the 2026 Mayor's Administration and Finance Year-End Training.

Implementation activities for this action plan include modifications to MFA Accounting Manual, PM forms, and all related documentation accessible through the Mayor's Financial Administration SharePoint site, as well as updates to training materials for both live virtual and on-demand training. The 2026 year-end training materials will address the following topics:

- When assets must be inventoried;
- The procedures required for asset disposal; and
- Whether a PM-2 is required, optional, or not applicable for each asset category (capital and controlled) and each event (transfer, disposal, loss, or an asset that is missing when theft is not suspected).

The Annual Mayor's Administration and Finance Year-End Training is typically held before December 15 of each year.

SALT LAKE COUNTY
HUMAN SERVICES

Jennifer Wilson
Salt Lake County Mayor

Kelly Colopy
Human Services
Department Director

Division of Behavioral Health Services

Timothy M. Whalen
Director

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9/2/2026
County Auditor Chris Harding, CPA, CFE, CIA
Office of the Auditor
Salt Lake County
2001 S State Street, Ste N3-300
Salt Lake City, UT 84190-1100

Auditor Harding,

After reviewing your Audit Report: A Performance Audit of Capital and Controlled Asset Management at the Government Center, we provided our responses to your feedback and findings below. We appreciate the professionalism of your team. They have been exceptional in their communication and updates throughout the process.

AUDIT FINDING 2: Opportunities to Improve Asset Inventories and Asset Record Accuracy

AUDIT RECOMMENDATION 2.1: Perform Annual Inventories

We recommend that agency management perform and document comprehensive annual inventories of all capital and controlled assets in accordance with Countywide Policy 1125. Inventories should include documentation of completion, verification of asset existence, location, and identifying information, as well as documentation of discrepancies identified and 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
We agree with the recommendations	Already implemented	Zac Case, Fiscal Manager

Starting in 2025, BHS now has the controlled asset inventory performed by our division Contract Compliance Auditor, a division staff that regularly performs subcontractor oversight, and who is completely independent from the management of division inventory. He has been tasked to both perform the inventory but also to test our procedures and verify that appropriate controls are working. Division staff with responsibility over the inventory will review any audit findings and address those findings accordingly. This annual audit is part of this individual's routine annual audit schedule, ensuring it is consistently performed in a timely manner.

AUDIT FINDING 4: Opportunities to Strengthen Safeguards Over Assets and Asset Systems

AUDIT RECOMMENDATION 4.1: Strengthen Access Controls and Segregation of Duties
We recommend that agency management evaluate asset management responsibilities and system access to ensure duties are appropriately segregated and access is aligned with business need. Where segregation of duties is not practical, management should establish and document compensating controls.

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
We agree with the recommendations	9/30/26	Zac Case, Fiscal Manager

Though we believe we have mitigating controls, we agree that a clearer segregation of duties between asset purchasing and asset tracking would be better. We have reviewed our distribution of responsibilities, and we have identified a way to fully separate purchasing from asset tracking and since 2025 the annual inventory is now performed by a staff member who performs audits professionally and is completely independent from inventory management. By 9/30/26, Zac Case will update the BHS inventory policy to reflect this change in duties and will train staff accordingly.

AUDIT RECOMMENDATION 4.2: Establish Monitoring Controls
We recommend that agency management establish and implement procedures to monitor asset management activities and review asset record changes, as appropriate, to help ensure transactions are authorized, accurate, and complete.

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
We agree with the recommendation	Already implemented	Amitonu (Wes) Amosa, Contract Compliance Auditor

As explained in our response to audit recommendation 2.1, starting in 2025 our division Contract Compliance Auditor annually performs both a detailed inventory and an audit of our adherence to our division inventory policy, providing us written findings and feedback. He is independent from the inventory management process and is able to provide completely independent feedback to help ensure

all transactions are authorized, accurate and complete and to ensure all assets are properly recorded and tracked in AssetTiger.

AUDIT FINDING 5: Opportunities to Improve Documentation and Record Retention

AUDIT RECOMMENDATION 5.1: Ensure Asset Documentation is Maintained

We recommend that agency management establish procedures to ensure documentation supporting asset acquisition, assignment, transfer, inventory, and disposal activities is consistently created, completed, and retained.

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 with the recommendation	9/30/26	Zac Case, Fiscal Manager

BHS will clarify its internal policies to ensure it is clearly understood that PM-2 forms must be submitted to the County Surplus Manager. BHS is also training staff in its monthly staff meetings to ensure all staff understand the importance of verifying that they receive the appropriate AssetTiger transfer form when assets move throughout the year, which is system generated evidence that the asset assignment change had been appropriately recorded in AssetTiger. We will also ensure that it is clearly noted on our offboarding checklist to ensure a signed transfer form of all assets being returned by offboarding staff has been completed.

AUDIT RECOMMENDATION 5.2: Strengthen Asset Accountability Documentation

We recommend that agency management establish procedures to document asset custody and accountability throughout the asset lifecycle, including asset assignment, reassignment, and employee separation activities.

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 with the recommendation	9/30/26	Zac Case, Fiscal Manager

Though it is now internally understood that assets we assign to "common areas, storage and surplus" are assigned to specific individuals, we will ensure that this assignment and responsibility is clearly noted in

our division inventory policy and if possible, in AssetTiger itself. All other assets will also be clearly assigned to specific staff and timely evidence of those assignments are tracked in AssetTiger and evidence of any changes are emailed automatically to impacted staff. Staff are routinely trained to help remind inventory staff to update re-assignments in a timely manner by reaching out if they do not receive the AssetTiger emails in a timely manner. Ultimately, all assignments are audited each year by an independent staff member and any errors are quickly corrected.

Jeannie Edens Digitally signed by Jeannie Edens
Date: 2026.09.02 16:15:11 -06'00'

Jeannie Edens,
Acting Director
Salt Lake County Behavioral Health Services

Lannie Chapman
Salt Lake County Clerk

Nikila Venugopal
Chief Deputy Clerk

August 26, 2026

County Auditor Chris Harding, CPA, CFE, CIA
Office of the Auditor
Salt Lake County
2001 S State Street, Ste N3-300
Salt Lake City, UT 84190-1100

Auditor Harding,

The Salt Lake County Clerk's Office has received the completed performance audit of capital and controlled asset management in the Government Center and the relevant recommendations pertaining to our office. We agree with the findings in your report and are glad to report that many recommendations have already been implemented by our team. The remainder are in progress, and we look forward to full implementation soon.

We deeply appreciate the professionalism of the audit team and the time they took to thoughtfully conduct this process. We are also grateful for the audit team's understanding of the constraints put on our office by the timing of election cycles and their willingness to work with us on an audit timeline that allowed both our agency and yours to fulfill our statutory duties. We also appreciate the continued understanding regarding implementation dates outlined below, as our office prepares for a rapidly approaching midterm general election.

Since the beginning of the current Clerk administration, our office has made it a priority to ensure that capital and controlled assets are managed in accordance with County Policy and that strong internal controls are in place. This has been a continuous process, and we are grateful that this audit opens the forum to discuss the great strides we have already made and provides the opportunity, via your recommendations, to make further improvements.

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

Sincerely,

Lannie Chapman
Salt Lake County Clerk

AUDIT FINDING 2: Opportunities to Improve Asset Inventories and Asset Record Accuracy

AUDIT RECOMMENDATION 2.1: Perform Annual Inventories

We recommend that agency management perform and document comprehensive annual inventories of all capital and controlled assets in accordance with Countywide Policy 1125. Inventories should include documentation of completion, verification of asset existence, location, and identifying information, as well as documentation of discrepancies identified and 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	Complete	Nikila Venugopal, Chief Deputy Clerk Ann Stoddard, Fiscal Manager Tim Schorzman, Asset Coordinator

Narrative for Recommendation 2.1 including action plan.

We appreciate this recommendation and agree that a comprehensive annual inventory is crucial to protecting the county property in the care of the Clerk. As such, the Clerk's office completed a comprehensive controlled asset inventory in June of 2025 and provided the corresponding documentation to the audit team. A written procedure outlining this inventory process was also completed in 2025 and provided to the audit team. This process included, and will continue to include, identifying, researching and documenting the resolution of any discrepancies. The Clerk's office also completed a capital asset inventory in August of 2025. It will continue to be our internal procedure moving forward, in accordance with Countywide Policy 1125, to complete a comprehensive annual inventory of all capital and controlled assets, with the understanding that the specific timing of this process within a given year may vary based on election cycle constraints. We consider this recommendation to be implemented and also know that improvement is a continual process. We will regularly review our asset inventory procedures to ensure they are up to date and in line with County Policy.

AUDIT RECOMMENDATION 2.2: Maintain Accurate and Complete Records

We recommend that agency management document and implement procedures to ensure asset records are updated in a timely manner when assets are acquired, transferred, relocated, disposed of, or are identified as missing or damaged. Procedures should include assigning responsibility for updating asset records and periodically reviewing records for accuracy, including asset location, serial number, make, and model.

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	Partially complete. Full completion by December 31, 2026	Nikila Venugopal, Chief Deputy Clerk Ann Stoddard, Fiscal Manager Tim Schorzman, Asset Coordinator

Narrative for Recommendation 2.2 including action plan.

We agree that accurate recordkeeping is paramount. The missing capital assets identified in the audit report appear to relate to a previous administration. We are grateful for the direction we received from the audit team on how to properly document the disposal of assets that were disposed of before our time. As the previous administration's supporting documentation has not yet been able to be located, we were able to complete a PM-2 form in its stead. Upon taking office, the current Clerk administration has made a focused effort to implement improved asset tracking and disposal practices, including the timely creation and retention of all appropriate records and documentation.

Our office is statutorily subject to the election schedule and must work within those required timelines. Within those constraints, we agree that asset information should be entered timely and will continue to emphasize and proceduralize timely updates. Our fiscal team will also perform random audits of assets to provide an additional periodic review and verification of records.

We will update existing procedures and develop new procedures as necessary to codify practices already in place and ensure consistency going forward.

AUDIT FINDING 4: Opportunities to Strengthen Safeguards Over Assets and Asset Systems

AUDIT RECOMMENDATION 4.1: Strengthen Access Controls and Segregation of Duties

We recommend that agency management evaluate asset management responsibilities and system access to ensure duties are appropriately segregated and access is aligned with business need. Where segregation of duties is not practical, management should establish and document compensating controls.

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	December 31, 2026	Nikila Venugopal, Chief Deputy Clerk Ann Stoddard, Fiscal Manager Tim Schorzman, Asset Coordinator

Narrative for Recommendation 4.1 including action plan.

We agree with this recommendation and are deeply grateful that the County Council recently made it possible for us to add a new Accountant position to our staff. Having this additional team member has already made comprehensive segregation of duties more practicable. As the individual hired into this new position is still within their first year in our office, we are currently working on training and

integrating them into our asset management system. As this process continues through the end of the year, if further compensating controls are needed, our office will establish and document them.

AUDIT RECOMMENDATION 4.2: Establish Monitoring Controls We recommend that agency management establish and implement procedures to monitor asset management activities and review asset record changes, as appropriate, to help ensure transactions are authorized, accurate, and complete.		
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	December 31, 2026	Nikila Venugopal, Chief Deputy Clerk Ann Stoddard, Fiscal Manager Tim Schorzman, Asset Coordinator

Narrative for Recommendation 4.2 including action plan.

The Clerk's office agrees with this recommendation. With the addition of an Accountant to our team, as described in our response to the previous recommendation, we anticipate being able to establish further monitoring controls for our asset management record keeping system, including periodic fiscal team random audits of assets and asset records. Due to the relatively small size of our team, and some of the constraints provided by movement of assets during election cycles, we look forward to further collaboration with the audit team to ensure we are establishing the appropriate compensating controls where regular monitoring is not feasible. Such controls will be proceduralized.

AUDIT FINDING 5: Opportunities to Improve Documentation and Record Retention

AUDIT RECOMMENDATION 5.1: Ensure Asset Documentation is Maintained We recommend that agency management establish procedures to ensure documentation supporting asset acquisition, assignment, transfer, inventory, and disposal activities is consistently created, completed, and retained.		
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	Nikila Venugopal, Chief Deputy Clerk Ann Stoddard, Fiscal Manager Tim Schorzman, Asset Coordinator

Narrative for Recommendation 5.1 including action plan.

We agree that this recommendation is critical to protecting assets in our custody. For this reason, since the beginning of the current Clerk administration, we have established thorough procedures outlining our purchasing process when acquiring an asset. Our procedure ensures that multiple levels of management approval are documented, appropriate purchasing documentation and business need explanation are provided, and that initial assignment of assets is determined, all prior to acquisition of an asset. All Clerk purchasing records are retained digitally. Additionally, we have established a written policy on the assignment of assets and a procedure for conducting annual assigned asset internal audits. Asset transfer, inventory and disposal activity are all documented in our asset management software system called WASP, which permanently retains this information and can produce reports accordingly. Our current Clerk administration has also implemented the consistent use and retention of PM-2 forms. Finally, we are excited to be integrating a new staff member into this process to ensure appropriate oversight, segregation of duties, and monitoring of these documentation processes, as discussed in our response to previous recommendations.

AUDIT RECOMMENDATION 5.2: Strengthen Asset Accountability Documentation
We recommend that agency management establish procedures to document asset custody and accountability throughout the asset lifecycle, including asset assignment, reassignment, and employee separation activities.

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	Nikila Venugopal, Chief Deputy Clerk Ann Stoddard, Fiscal Manager Tim Schorzman, Asset Coordinator

Narrative for Recommendation 5.2 including action plan.

This is an important recommendation, and we are happy to report that in 2025 we finalized written internal policies and procedures related to assigned assets, which have been implemented into practice and shared with the audit team. One of the major priorities of the current clerk administration has been improving on-boarding and off-boarding procedures for all merit and temporary employees. Checklists and procedures for these processes include appropriate documentation of assets assigned upon hire or returned upon termination, and retention of these documents. Additionally, audits of assigned assets are conducted annually, and all employees must verify and sign off on their list of assigned assets. The controlled asset inventory form signed by employees now includes the appropriate language so that we can fully ensure that employees acknowledge their full responsibility and accountability for the assets assigned to them.

SALT LAKE COUNTY
HEALTH DEPARTMENT

Jennifer Wilson, Salt Lake County Mayor
Kelly Colopy, Human Services Director
Dorothy Adams, Executive Director

August 24, 2026

Auditor Chris Harding, CPA
Office of the Auditor
Salt Lake County
2001 S State Street
Salt Lake City, UT 84121

Auditor Harding,

We appreciate the work of the auditor's office to assist with making our processes better. The audit recommendations will be implemented within the next 90+ days, as detailed in our response below to each of the recommendations made in your report.

AUDIT FINDING 2: Opportunities to Improve Asset Inventories and Asset Record Accuracy

AUDIT RECOMMENDATION 2.1: Perform Annual Inventories

We recommend that agency management perform and document comprehensive annual inventories of all capital and controlled assets in accordance with Countywide Policy 1125. Inventories should include documentation of completion, verification of asset existence, location, and identifying information, as well as documentation of discrepancies identified and 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	12/30/2026	Heather Edwards

Implementation plan – The Health Department has begun a software upgrade for inventory management and will ensure capital and controlled assets are maintained in accordance with Countywide Policy 1125. An SOP will establish internal control roles, responsibilities, and segregation of duties related to asset management. The SOP will also establish procedures for completing and documenting comprehensive annual inventories, including verification of asset existence, location, and identifying information. Procedures will address the identification and documentation of discrepancies and corrective actions taken to resolve them.

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Salt Lake County Health Department provides equal opportunity in employment and services.

AUDIT RECOMMENDATION 2.2: Maintain Accurate and Complete Records We recommend that agency management document and implement procedures to ensure asset records are updated in a timely manner when assets are acquired, transferred, relocated, disposed of, or are identified as missing or damaged. Procedures should include assigning responsibility for updating asset records and periodically reviewing records for accuracy, including asset location, serial number, make, and model.		
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	12/30/2026	Heather Edwards

Implementation plan – The Health Department has begun a software upgrade for inventory management and is updating Internal Operating Standard 1900-FS, Asset Management Procedures, to ensure capital and controlled asset records are maintained in accordance with policy. The updated procedures will define roles and responsibilities for timely updating asset records when assets are acquired, transferred, relocated, disposed of, or identified as missing or damaged. Procedures will also establish periodic review of asset records to verify the accuracy and completeness of information, including asset location, serial number, make, and model.

AUDIT FINDING 3: Opportunities to Improve Asset Recording and Reconciliation

AUDIT RECOMMENDATION 3.1: Ensure Qualifying Assets Are Recorded We recommend that agency management establish procedures to ensure that acquired capital and controlled assets are identified and recorded in official asset records in a timely manner, including assets purchased in bulk or as part of a larger order.		
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	12/30/2026	Heather Edwards

Implementation plan – The Health Department has begun a software upgrade for inventory management and is updating Internal Operating Standard 1900-FS, Asset Management Procedures, to ensure capital and controlled assets are appropriately identified and recorded. The updated procedures will establish roles and responsibilities for identifying qualifying assets at the time of acquisition and ensuring they are recorded in official asset records in a timely manner. This will include procedures for identifying and recording qualifying assets purchased in bulk or as part of a larger order.

AUDIT RECOMMENDATION 3.2: Reconcile Asset Records and Resolve Discrepancies We recommend that agency management establish procedures to periodically review and reconcile asset records, including between agency tracking systems and official MFA capital asset records, and resolve identified discrepancies to help ensure records are complete, accurate, and consistent.		
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	12/30/2026	Heather Edwards

Implementation plan – The Health Department has begun a software upgrade for inventory management and is updating Internal Operating Standard 1900-FS, Asset Management Procedures, to strengthen the accuracy and completeness of asset records. The updated procedures will establish roles and responsibilities for periodically reviewing and reconciling Health Department asset records with official MFA capital asset records. Procedures will also address the identification, resolution, and documentation of discrepancies to help ensure asset records remain complete, accurate, and consistent.

AUDIT FINDING 4: Opportunities to Strengthen Safeguards Over Assets and Asset Systems

AUDIT RECOMMENDATION 4.1: Strengthen Access Controls and Segregation of Duties We recommend that agency management evaluate asset management responsibilities and system access to ensure duties are appropriately segregated and access is aligned with business need. Where segregation of duties is not practical, management should establish and document compensating controls.		
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	12/30/2026	Heather Edwards

Implementation plan – The Health Department has begun a software upgrade for inventory management and will establish an SOP outlining internal control roles, responsibilities, and segregation of duties related to asset management. As part of implementation, asset management responsibilities and system access will be reviewed to ensure access is appropriate based on business need and duties are appropriately segregated. Where full segregation of duties is not practical, the SOP will identify and document appropriate compensating controls.

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AUDIT RECOMMENDATION 4.2: Establish Monitoring Controls We recommend that agency management establish and implement procedures to monitor asset management activities and review asset record changes, as appropriate, to help ensure transactions are authorized, accurate, and complete.		
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	12/30/2026	Heather Edwards

Implementation plan – The Health Department has begun a software upgrade for inventory management and will establish an SOP outlining internal control roles, responsibilities, and segregation of duties related to asset management. The SOP will establish procedures for ongoing management monitoring of asset management activities and appropriate review of changes to asset records. Monitoring procedures will be designed to help ensure asset transactions and record changes are authorized, accurate, and complete.

AUDIT RECOMMENDATION 4.3: Strengthen Physical Safeguards Over Assets We recommend that agency management establish and implement procedures and controls to safeguard assets and sensitive devices throughout assignment, storage, transfer, and disposal activities.		
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	12/30/2026	Heather Edwards

Implementation plan – The Health Department has begun a software upgrade for inventory management and will establish an SOP outlining internal control roles and responsibilities for safeguarding capital and controlled assets. The SOP will establish procedures for maintaining accountability and appropriate physical safeguards throughout the asset lifecycle, including assignment, storage, transfer, and disposal. Responsibilities for safeguarding assets and sensitive devices during each stage will be clearly defined.

AUDIT FINDING 5: Opportunities to Improve Documentation and Record Retention

AUDIT RECOMMENDATION 5.1: Ensure Asset Documentation is Maintained We recommend that agency management establish procedures to ensure documentation supporting asset acquisition, assignment, transfer, inventory, and disposal activities is consistently created, completed, and retained.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and Title of specific point of contact for implementation**

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	(Generally expected within 60 to 90 days)	
Agree	12/30/2026	Heather Edwards

Implementation plan – The Health Department has begun a software upgrade for inventory management and will establish an SOP outlining requirements and responsibilities for maintaining asset-related documentation. The SOP will identify required documentation for asset acquisition, assignment, transfer, inventory, and disposal activities and establish responsibility for ensuring required records are consistently created, completed, and retained.

AUDIT RECOMMENDATION 5.2: Strengthen Asset Accountability Documentation

We recommend that agency management establish procedures to document asset custody and accountability throughout the asset lifecycle, including asset assignment, reassignment, and employee separation activities.

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	12/30/2026	Heather Edwards

Implementation plan – The Health Department has begun a software upgrade for inventory management and will establish an SOP outlining requirements and responsibilities for maintaining asset custody and accountability documentation. The SOP will establish procedures for documenting asset assignment, reassignment, return, and employee separation activities and will define responsibility for ensuring asset accountability records are updated throughout the asset lifecycle.

AUDIT RECOMMENDATION 5.3: Improve Documentation Management Controls

We recommend that agency management establish controls to ensure asset-related documentation is appropriately maintained, protected, and, where practical, centrally managed to support management oversight and accountability.

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	12/30/2026	Heather Edwards

Implementation plan – The Health Department has begun a software upgrade for inventory management and will establish an SOP outlining requirements and responsibilities for managing asset-related documentation. The SOP will establish procedures to ensure documentation is consistently maintained, appropriately protected, and retained in accordance with applicable requirements. As part of the software upgrade and SOP development, the Health Department will identify appropriate methods for centrally managing asset-related documentation, where practical, to support management oversight and accountability.

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SALT LAKE COUNTY

INFORMATION TECHNOLOGY

October 22, 2026

Salt Lake County Auditor
Attn: Chris Harding
2001 South State Street, Ste N3-300
Salt Lake City, Utah 84190-1100

Dear Auditor Harding,

Thank you for the opportunity to review and respond to the audit of Information Technology's controlled and capital assets. The Information Technology Division appreciates the time invested in this audit and recognizes the value of constructive recommendations that strengthen County operations.

We appreciate that the audit did not identify any fraud, waste, or abuse of public funds. We believe that is an important conclusion and one that should be clearly recognized.

The findings in the audit report indicate that significant progress has been made in the Information Technology Division's asset management processes, since the previous audit was conducted in 2019.

The IT Division appreciates the Auditor's attention to detail and agrees that the findings present opportunities to further strength our processes. We are committed to continuous process and review that adds value and makes wise use of resources.

Our responses to each of the findings are contained below.

Sincerely,

Tony Jolley

Tony Jolley
Chief Information Officer

Salt Lake County Information Technology
2001 South State Street – Suite S3-600
Salt Lake City, UT, 84114-4575
saltlakecounty.gov

AUDIT FINDING 2: Opportunities to Improve Asset Inventories and Asset Record Accuracy

RECOMMENDATION 2.2: Maintain Accurate and Complete Records We recommend that agency management document and implement procedures to ensure asset records are updated in a timely manner when assets are acquired, transferred, relocated, disposed of, or are identified as missing or damaged. Procedures should include assigning responsibility for updating asset records and periodically reviewing records for accuracy, including asset location, serial number, make, and model.		
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.	12/1/2027	Matt Mulvey, Fiscal Coordinator

Narrative for Recommendation 2.2 including action plan.

IT has policies in place that address asset records, but we acknowledge some asset locations and descriptions were not accurate during the scope of the audit. We will undertake a process to improve the accuracy of specific asset locations and descriptions.

AUDIT FINDING 3: Opportunities to Improve Asset Recording and Reconciliation

RECOMMENDATION 3.3: Ensure Controlled Assets are Recorded We recommend that agency management review and enhance procedures to ensure that acquired controlled assets are identified and recorded in official asset records in a timely manner.		
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	N/A

Narrative for Recommendation 3.3 including action plan.

Since the scope of the audit, IT has implemented procedure changes that mitigate the risk identified in this finding.

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AUDIT FINDING 4: Opportunities to Strengthen Safeguards Over Assets and Asset Systems

RECOMMENDATION 4.1: Strengthen Access Controls and Segregation of Duties We recommend that agency management evaluate asset management responsibilities and system access to ensure duties are appropriately segregated and access is aligned with business need. Where segregation of duties is not practical, management should establish and document compensating controls.		
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	6/30/2027	Kimball Ball, Fiscal Manager

Narrative for Recommendation 4.1 including action plan.

We will implement and document compensating controls.

RECOMMENDATION 4.2: Establish Monitoring Controls We recommend that agency management establish and implement procedures to monitor asset management activities and review asset record changes, as appropriate, to help ensure transactions are authorized, accurate, and complete.		
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	1/1/2027	Matt Mulvey, Fiscal Coordinator

Narrative for Recommendation 4.2 including action plan.

We will implement procedures to better review record changes.

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RECOMMENDATION 4.3: Strengthen Physical Safeguards Over Assets We recommend that agency management establish and implement procedures and controls to safeguard assets and sensitive devices throughout assignment, storage, transfer, and disposal activities.		
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	12/31/2026	Kimball Ball, Fiscal Manager

Narrative for Recommendation 4.3 including action plan.

We will implement additional controls to mitigate this risk.

AUDIT FINDING 5: Opportunities to Improve Documentation and Record Retention

RECOMMENDATION 5.2: Strengthen Asset Accountability Documentation We recommend that agency management establish procedures to document asset custody and accountability throughout the asset lifecycle, including asset assignment, reassignment, and employee separation activities.		
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	N/A

Narrative for Recommendation 5.2 including action plan.

Since completion of the audit, IT has implemented additional procedures to mitigate the risk.

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