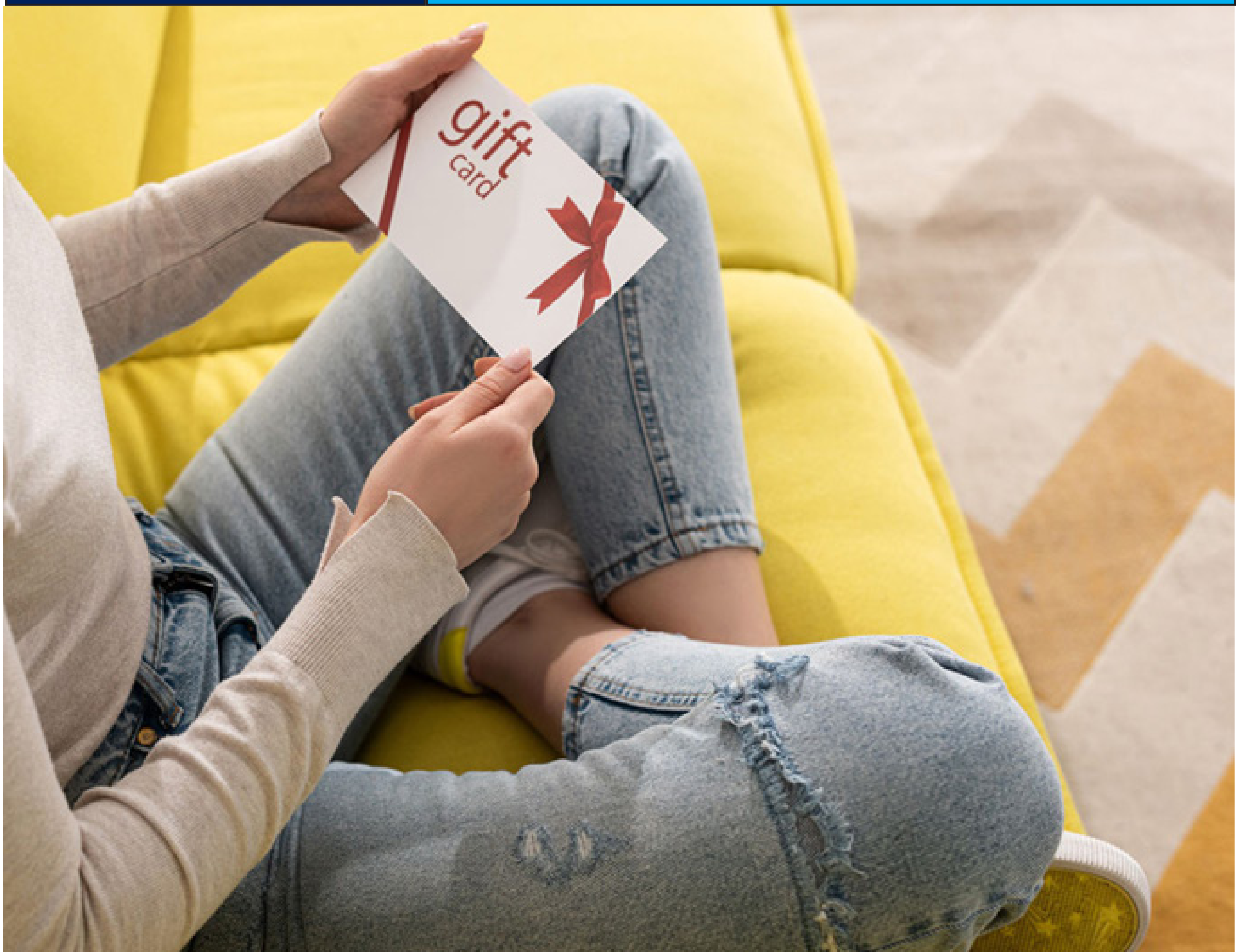
Secondary FOLLOW-UP REPORT

AN AUDIT OF SALT LAKE COUNTY DEFERRED REVENUE

JULY 2026



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AUDITOR'S LETTER

July 13, 2026

This is the final follow-up report for *An Audit of Salt Lake County Deferred Revenue*, originally issued in October 2023, and it concludes the audit cycle for the recommendations included within the audit scope.

The original audit identified seven findings with 38 recommendations across the agencies reviewed. The preliminary follow-up report, issued in September 2025, verified that 18 recommendations had been implemented, 17 remained in progress, and three had been closed.

This final follow-up reviewed the remaining 17 recommendations. County agencies fully implemented 11 recommendations, including corrective actions related to application retention, procedural updates, and deferred revenue processes. Four recommendations related to refund appeals, membership expiration and extension procedures were closed after agencies established standardized policies and procedures to address the identified risks and no instances were available to test. Two recommendations remain not implemented and relate to quarterly reviews of Easy Pay cancellations and monthly gift certificate reconciliations.

The final status of the original 38 recommendations is 29 implemented, seven closed, and two not implemented. The Auditor's Office has completed two consecutive follow-up audits and will not conduct additional follow-up reviews on the remaining recommendations.

We conducted this final follow-up review under the Auditor's Office's authority to perform audit services as provided in Utah Code Title 17, Chapter 69. The original audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). This follow-up review was performed to assess the implementation status of the recommendations issued in the original audit. Our findings and conclusions are based on the follow-up procedures performed and the evidence obtained during this review.

We extend our appreciation to all leaders and team members of the agencies involved for their cooperation during this process. The enclosed follow-up audit report summarizes the status of the recommendations. Should you have any questions or wish to discuss the report further, please do not hesitate to contact me at 385-468-7200.

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

July 2026

Action Since Audit Report

An Audit of Salt Lake County Deferred Revenue

Original Audit: Report Issued October 2023
The original audit identified seven findings with 22 recommendations, resulting in 38 agency and department recommendations across the agencies within scope.

Preliminary Follow-up: Report Issued September 2025
The agencies implemented 18 recommendations, 17 were in progress, and three recommendations were closed.

Secondary Follow-up
Of the 17 recommendations previously reported as in progress, 11 were implemented, two were not implemented, and four were closed. The audit period for this secondary follow-up audit was November 1, 2025, through April 30, 2026.

Final Implementation Status (After Two Follow-Up Audits)

FULLY IMPLEMENTED	29
IMPLEMENTATION IN PROGRESS	0
NOT IMPLEMENTED	2
CLOSED	7

Remaining Risks

Two recommendations remain not implemented. These recommendations relate to periodic reviews of Easy Pay cancellations at the Salt Lake City Sports Complex and the inclusion of beginning and ending outstanding gift certificate balances in monthly reconciliations at Arts and Culture. This secondary follow-up concludes the Auditor's Office's follow-up activities for this audit. Responsibility for addressing these recommendations now rests with agency management and those charged with governance.

FINDING 1. LACK OF BREAKAGE POLICY FOR UNCLAIMED FUNDS

Risk Rating: Significant Risk Finding

Recommendation 1.1 - We recommend that the agencies, in collaboration with the County Council and legal counsel, take proactive steps to establish and implement a breakage policy or defined cut-off period to be able to recognize unclaimed revenue in compliance with applicable legal parameters.

ARTS AND CULTURE: Agency Action – Implemented our recommendation.

FINDING 2. INADEQUATE MONTHLY RECONCILIATIONS OF GIFT CERTIFICATE BALANCES

Risk Rating: Significant Risk Finding

Recommendation 2.1 - We recommend that when Arts and Culture perform the monthly gift certificate reconciliation, to include the beginning and ending outstanding gift certificate balances in addition to their net gift certificate balance of redeemed and unredeemed gift certificate balances.

ARTS AND CULTURE: Agency Action – Not Implemented

Management provided monthly gift certificate reconciliations that did not include beginning and ending outstanding balances for redeemed and unredeemed gift certificates. During the follow-up process, management demonstrated progress by updating the reconciliation format; however, the recommendation was not fully implemented at the time of our review. As this is the final follow-up, responsibility for completing implementation remains with agency management.

FINDING 3. INADEQUATE RETENTION OR INCOMPLETE ANNUAL PASS MEMBERSHIP, VENUE AND PARTY ROOM RENTAL, AND EXISTING MONUMENT PERMIT APPLICATIONS

Risk Rating: Significant Risk Finding

Recommendation 3.1 - We recommend that Management for four agencies retain their applications electronically within a share drive. This approach would facilitate enhanced record keeping by enabling employees to efficiently maintain and access application records.

ACORD ICE CENTER: Agency Action – Implemented our recommendation.

SALT LAKE CITY SPORTS COMPLEX: Agency Action – Implemented our recommendation.

Note: Salt Lake County Ice Center and Clark Planetarium were reported as implemented in the Preliminary Follow-Up Audit Report issued September 2025 and were not included in the scope of this secondary follow-up review.

Recommendation 3.2 - We recommend that Viridian Event Center Management conduct a review with their legal counsel, of their rental application and contract, to assess whether the inclusion of the signature line with the rental application is necessary or could potentially be removed.

VIRIDIAN EVENT CENTER: Agency Action – Implemented our recommendation.

Recommendation 3.3 - We recommend that the seven agencies designate either Front Desk personnel, Office Coordinators, or other assigned employees to conduct thorough reviews of applications. The review should encompass verifying completion, including signatures, dates, pricing, and payment information, if applicable.

ACORD ICE CENTER: Agency Action – Implemented our recommendation.

SALT LAKE CITY SPORTS COMPLEX: Agency Action – Implemented our recommendation.

SURVEYOR'S OFFICE: Agency Action – Implemented our recommendation.

Note: Clark Planetarium, Salt Lake County Ice Center, Viridian Event Center and Wheeler Farm were reported as implemented in the Preliminary Follow-Up Audit Report issued September 2025 and were not included in the scope of this secondary follow-up review.

FINDING 4. LACK OF MEMBERSHIP EXPIRATION DATE RETENTION AND EXTENSION POLICIES

Risk Rating: Significant Risk Finding

Recommendation 4.1 - We recommend agencies establish and implement written procedures for documenting extensions or adjustments to memberships. To safeguard County revenue, these procedures should encompass an approval process for granting extensions and retaining documentation, whether in digital or physical form, containing both the records of approval and the explanations for the granted extensions.

ACORD ICE CENTER: Agency Action – Closed.

SALT LAKE CITY ICE CENTER: Agency Action – Closed.

SALT LAKE COUNTY SPORTS COMPLEX: Agency Action - Closed.

Management established a standardized procedure for approving and documenting membership extensions across all three facilities. Because there were no membership extensions during the review period, compliance testing could not be performed. However, the required administrative controls were implemented; therefore, the recommendation is considered closed.

FINDING 5. ABSENCE OF CLEAR POLICIES, PROCEDURES, AND DOCUMENTATION FOR BUILDING RENTALS, EXISTING MONUMENT PERMIT FIELD, AND SECURITY AND CLEANING/ DAMAGE DEPOSIT ADJUSTMENTS

Risk Rating: Moderate Risk Finding

Recommendation 5.2 - We recommend that Surveyor's Office Management establish and implement written policies and procedures regarding the timeliness of when Notification Letters are sent out to Permit Holders once construction and field inspection is complete.

SURVEYOR'S OFFICE: Agency Action – Implemented our recommendation.

Recommendation 5.7 - We recommend that the Surveyor's Office Management document when permit holders appeal their refund amount. Management should retain the reason for changes in refund amounts and initial who authorized the adjustment and one other designee to review and approve the change on the notification letter.

SURVEYOR'S OFFICE: Agency Action – Closed.

Management confirmed that no refund appeals were received in 2025 or 2026. Because there were no refund appeals during our review period, compliance testing could not be performed.

FINDING 6. UNTIMELY AND UNREVIEWED OUTSTANDING VENUE DEPOSIT RECONCILIATIONS

Risk Rating: Moderate Risk Finding

Recommendation 6.1- We recommend that the Arts and Culture Fiscal Manager perform and review all monthly outstanding venue deposit reconciliations prior to the end of the new month to ensure accurate and timely reporting.

ARTS AND CULTURE: Agency Action – Implemented our recommendation.

FINDING 7. LACK OF EASY PAY CANCELLATION FORMS AND RECURRING CHARGES ON ACCOUNT

Risk Rating: Low Risk Finding

Recommendation 7.1- We recommend that SLC Sports Complex Management retain a digitally scanned copy of the Easy Pay cancellation form for a minimum of one year.

SALT LAKE CITY SPORTS COMPLEX: Agency Action - Implemented our recommendation.

Recommendation 7.2- We recommend that the SLC Sports Complex Office Coordinator conduct quarterly reviews of all Easy Pay Cancellations to ensure there are no recurring charges on the accounts that need to be cancelled and refunded to the patron.

SALT LAKE CITY SPORTS COMPLEX: Agency Action – Not Implemented.

The Salt Lake City Sports Complex did not perform quarterly reviews of Easy Pay cancellations during the review period. Management indicated that these reviews will be incorporated into the new SmartRec point-of-sale system. Because the reviews had not been performed at the time of our testing, the recommendation was not implemented. As this is the final follow-up, responsibility for implementing and following the revised procedures remains with agency management.

Recommendation 7.3- We recommend SLC Sports Complex Management establish an alternative designee responsible for reviewing Easy Pay Cancellations if the Office Coordinator or primary reviewer is absent.

SALT LAKE CITY SPORTS COMPLEX: Agency Action - Implemented our recommendation.

APPENDIX A: AUDIT RECOMMENDATION IMPLEMENTATION STATUS

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