

Secondary FOLLOW-UP REPORT

An Audit of Salt Lake County **FLOOD CONTROL AND ENGINEERING SERVICES PAYROLL**

OCTOBER 2026



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AUDITOR'S LETTER

October 12, 2026

This is the final follow-up report for An Audit of Salt Lake County Flood Control and Engineering Services Payroll, originally issued in October 2024, and it concludes the audit cycle for the recommendations included within the audit scope.

The original audit identified six findings with 13 recommendations. The preliminary follow-up report, issued in February 2026, verified that eight recommendations were implemented, four remained in progress, and one was not implemented.

This final follow-up reviewed the remaining four recommendations. Flood Control and Engineering Services fully implemented Recommendations 3.1 and 3.2 related to establishing written policies and procedures for calculating and verifying retroactive payments and leave payouts and establishing a documentation retention system for payroll-supporting documentation.

Recommendation 5.1 was closed. The County's PeopleSoft Employee Self Service process allows employees to submit Form W-4 information electronically within the payroll system, and Flood Control and Engineering Services established written W-4 processing procedures. Together, these changes addressed the processing weaknesses identified in the original finding.

Recommendation 5.2 was closed. W-4 information is now entered and maintained in PeopleSoft. The separate retention process contemplated by the original recommendation is therefore no longer applicable.

Of the original 13 recommendations, 10 were implemented, two were closed, and one remains not implemented. Recommendation 2.2, concerning two-factor authentication for badge-based timekeeping, was reported as not implemented in the February 2026 preliminary follow-up and was not retested in this review. At that time, management stated that it had considered the option but determined it was not practical or financially viable. The Auditor's Office has completed two follow-up audits and does not plan a further follow-up on this final recommendation.

We conducted this secondary follow-up review under the Auditor's Office's authority to perform audit services as provided in Utah Code Title 17, Chapter 69, Part 3. 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 Flood Control and Engineering Services management for their cooperation during this process. Should you have any questions or require further discussion, please do not hesitate to contact me at 385-468-7200.

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

Action Since Audit Report

An Audit of Salt Lake County Flood Control and Engineering Services Payroll

Original Audit: Report Issued October 2024

Six findings with 13 recommendations issued.

Preliminary Follow-up: Report Issued February 2026

Eight recommendations were implemented, four remained in progress, and one was not implemented.

Secondary Follow-up:

Of the four recommendations that were in progress after the preliminary follow-up, two were implemented and two were closed.

	IMPLEMENTED	10
	IN PROGRESS	0
	UNABLE TO TEST	0
	NOT IMPLEMENTED	1
	CLOSED	2

Remaining Risks

Recommendation 2.2, concerning two-factor authentication for badge-based timekeeping, remains not implemented, as reported in the February 2026 preliminary follow-up. Flood Control and Engineering Services management stated that it had considered our recommendation but determined it was not practical or financially viable. The Auditor’s Office has completed its follow-up reviews. Responsibility for addressing this remaining risk rests with Flood Control and Engineering Services management and those charged with governance.

FINDING 3. AGENCY DID NOT UNDERSTAND RETRO PAY AND FINAL PAYOUT RESPONSIBILITIES

Risk Rating: **Moderate Risk Finding**



Recommendation 3.1 - We recommend that Flood Control and Engineering Services Management establish clear written policies and procedures for calculating and verifying retroactive payments and leave payouts.

Agency Action – Implemented our recommendation

Flood Control and Engineering Services established a written policy addressing the calculation and verification of retroactive payments and leave payouts.



Recommendation 3.2 - We recommend that Flood Control and Engineering Services Management work with Payroll Administration to establish a documentation retention system to ensure that documentation supporting payroll payments is maintained on file.

Agency Action – Implemented our recommendation

Flood Control and Engineering Services established a documentation retention system for payroll-supporting documentation. Testing confirmed that supporting documentation for the retro payment was retained on the agency's network drive, and the retro payment documentation and calculations contained no exceptions. No termination payouts had occurred since the agency's final implementation of procedures, so none were available for testing. This scope limitation does not affect our conclusion that Management implemented a documentation retention system, since that conclusion is based on the retro payment testing performed.

FINDING 5. W-4 FORMS NOT OBTAINED AND ON FILE

Risk Rating: **Moderate Risk Finding**



Recommendation 5.1 - We recommend that Flood Control and Engineering Services Management establish and document procedures for obtaining, storing, and accurately entering W-4 forms. These procedures should include a documented secondary review and approval process to ensure the accuracy of the data entered.

Agency Action – Closed

During the preliminary follow-up audit, Flood Control and Engineering Services established written procedures addressing W-4 processing. In 2023, the County implemented a PeopleSoft Employee Self Service process allowing employees to submit Form W-4 information electronically within the payroll system. This change addresses the process weaknesses identified in the original finding and mitigates the associated risk. Accordingly, this recommendation is considered Closed.



Recommendation 5.2 - We recommend that Flood Control and Engineering Services Management maintain hard or electronic copies of each employee's W-4 documentation for a minimum of four years.

Agency Action – Closed

In 2023, the County implemented a PeopleSoft Employee Self Service process allowing employees to submit Form W-4 information electronically within the payroll system. This change addresses the process weaknesses identified in the original finding and mitigates the associated risk. Accordingly, this recommendation is considered Closed.

APPENDIX A: AUDIT RECOMMENDATION IMPLEMENTATION STATUS

Audit Recommendation Implementation Status				
				
Fully Implemented	Implementation In Progress	Unable to Test	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.	Policy/control is in place, but no occurrence existed during the scope period to test it. Will be re-evaluated at the next follow-up.	The agency has not taken corrective action to address the audit recommendation.	Circumstances have changed since the original finding or recommendation, such as the discontinuation of processes or a shift in responsibility, processes, or organizational structure, rendering the recommendation no longer applicable to the audited entity. No further follow-up is required.