Preliminary FOLLOW-UP REPORT

AN AUDIT OF THE SALT LAKE COUNTY FOUNDATION

JULY 2026

Chris Harding, CPA, CFE, CIA
County Auditor

Office of the Auditor
Salt Lake County

Audit Team

Brenda Nelson, CISA, MBA, Audit Manager
Pete Busche, CIA, Senior Internal Auditor
Tammy Brakey, CFE, Senior Internal Auditor
Tyler Standing, CPA, Internal Auditor

Audit Management

Chris Harding, CPA, CFE, CIA, County Auditor
Richard Jaussi, MBA, Chief Deputy Auditor
Shawna Ahlborn, Audit Division Director

Audit Committee

Marty Van Wagoner, CPA, MBA

SALT LAKE COUNTY

Office of the Auditor
Salt Lake County
2001 S State Street, Ste N3-300
Salt Lake City, UT 84190-1100
Phone: (385) 468-7200

www.saltlakecounty.gov/auditor/

Salt Lake County Auditor

Chris Harding, CPA, CFE, CIA
County Auditor

2001 S State Street, Ste N3-300, Salt Lake City, UT 84190
Phone: (385) 468-7200 www.saltlakecounty.gov/auditor/

AUDITOR'S LETTER

July 29, 2026

This is the preliminary follow-up report for *An Audit of the Salt Lake County Foundation*, originally issued in July 2025. The original audit identified seven findings with eight recommendations.

This preliminary follow-up verified that Management fully implemented five of the eight recommendations, one recommendation remains in progress, and two recommendations were closed.

Foundation Management fully implemented recommendations addressing Board member training, Board review and approval of the annual financial report, financial reporting documentation, reconciliation documentation, and disclosure of the relationship between the Foundation and Salt Lake County and how funds may be used.

One recommendation remains in progress and will be reassessed during the secondary follow-up audit. The recommendation was for the County Council to review Countywide Policy 1430 to clarify disclosure requirements for County officers and employees serving on separate legal entities by virtue of their county position.

Two recommendations were closed. One was closed because the Foundation no longer maintains a public website, making that portion of the recommendation no longer applicable. Management implemented the remaining applicable portions. The second recommendation, related to formalizing the Foundation's cash reserve policy, was closed because Management determined it would not establish a formal process for replenishing the reserve if it is used. The remaining portions of that recommendation were implemented. No additional follow-up work is planned for either recommendation.

A secondary follow-up audit will be conducted by the Auditor's Office no earlier than January 2027 to assess the status of the remaining recommendation.

As authorized by Utah Code Title 17, Chapter 69, County Auditor, Part 3, Powers and Duties, and in accordance with Generally Accepted Government Auditing Standards (GAGAS), the Auditor's Office monitors corrective actions taken in response to audit recommendations to support continuous improvement across County agencies.

We conducted this follow-up audit in accordance with GAGAS and believe the evidence obtained provides a sufficient basis for our conclusions. We extend our appreciation to Foundation Management for its cooperation throughout this process. Should you have any questions, please contact me at (385) 468-7200.

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

July 2026

Action Since Audit Report

An Audit of the Salt Lake County Foundation

Original Audit: Report Issued July 2025

The original audit was issued in July 2025 and identified seven findings containing eight recommendations for improvement.

Preliminary Follow-up

The preliminary follow-up determined that Foundation Management fully implemented five recommendations. One recommendation remains in progress, and two recommendations have been closed. The scope of this preliminary follow-up audit was December 15, 2025, through June 15, 2026.

FULLY IMPLEMENTED	5
IMPLEMENTATION IN PROGRESS	1
NOT IMPLEMENTED	0
CLOSED	2

Remaining Risks

A secondary follow-up audit will be conducted by the Auditor’s Office no earlier than January 2027 to verify implementation of the remaining “In Progress” recommendation.

FINDING 1. OPPORTUNITY TO ENHANCE COMPLIANCE WITH BOARD MEMBER TRAINING REQUIREMENTS

Risk Rating: High Risk Finding

Recommendation 1.1 - We recommend that Management implement a written policy requiring board members to complete the State Auditor training for Governmental Nonprofit Corporation boards and designate an individual to track and retain board member training completion.

Agency Action – Implemented our recommendation.

FINDING 2. OPPORTUNITY TO ENHANCE BOARD MEETING MINUTE PROCESSES TO SUPPORT COMPLIANCE AND TRANSPARENCY

Risk Rating: High Risk Finding

Recommendation 2.1 - We recommend that Management develop a written procedure to ensure that Board Meeting minutes and, if applicable, recordings are approved and posted to the Salt Lake County Foundation website and the Utah Public Notices website.

Agency Action – Recommendation Closed.

Management implemented written procedures addressing the applicable portions of the recommendation, including procedures for posting Board Meeting minutes to the Utah Public Notices website.

However, the Salt Lake County Foundation no longer maintains a public website. Therefore, the requirement to post Board Meeting minutes to the Foundation website is no longer applicable.

Because the remaining unimplemented portion of the recommendation is no longer applicable, the recommendation is considered closed, and no additional follow-up work is planned.

FINDING 3. OPPORTUNITY FOR ENHANCED FINANCIAL REPORTING ACCURACY

Risk Rating: Medium Risk Finding

Recommendation 3.1 - We recommend that Management document and retain the Salt Lake County Foundation Board review and approval of the annual financial report.

Agency Action – Implemented our recommendation.

Recommendation 3.2 - We recommend that Management update the Foundation Financial Spreadsheet to include the date of invoices received and the date of the check corresponding to the invoice to better clarify which accounting period the expenditure should be recognized.

Agency Action – Implemented our recommendation.

FINDING 4. OPPORTUNITY FOR IMPROVEMENT IN RECONCILIATION DOCUMENTATION AND PROCESS

Risk Rating: Medium Risk Finding

Recommendation 4.1 - We recommend that Management implement written procedures to document the name of the reconciler and the date that the transaction was reconciled on the financial spreadsheet.

Agency Action – Implemented our recommendation.

FINDING 5. OPPORTUNITY TO FORMALIZE A CASH RESERVE POLICY

Risk Rating: Medium Risk Finding

Recommendation 5.1 - We recommend that Management create a written policy to maintain the cash reserve, specifying the restrictions or limitations on its use and the process for repayment if the reserve is utilized.

Agency Action – Recommendation Closed.

Management established a written policy to maintain a cash reserve and specify restrictions on its use. However, the policy does not establish a process for repaying the reserve if it is utilized.

Management indicated that it does not intend to revise the policy to include that provision because it does not believe it is necessary. Accordingly, although Management chose not to implement this portion of the recommendation, the recommendation is considered closed because no additional follow-up work is planned.

FINDING 6. OPPORTUNITY TO IMPROVE TRANSPARENCY BY SALT LAKE COUNTY EMPLOYEES SERVING AS FOUNDATION BOARD MEMBERS AND OFFICERS BY DISCLOSING FOUNDATION INVOLVEMENT ON THEIR "CONFLICT OF INTEREST" DISCLOSURES

Risk Rating: Low Risk Finding

Recommendation 6.1 - We recommend that the County Council review Countywide Policy 1430 to clarify disclosure requirements for County officers and employees serving on separate legal entities by virtue of their county position, such as the Salt Lake County Foundation.

Agency Action – Implementation in Progress.

Management has not yet completed implementation. It plans to consult with the County Council's legal counsel regarding Countywide Policy 1430 and related disclosure requirements by the end of July 2026. This recommendation will be reassessed during the secondary follow-up audit.

FINDING 7. OPPORTUNITY TO IMPROVE TRANSPARENCY WITH WRITTEN DISCLOSURE OF POTENTIAL FUND USAGE PROVIDED TO DONORS

Risk Rating: Low Risk Finding

Recommendation 7.1 - We recommend that Management implement a written policy to clearly disclose the relationship between the Salt Lake County Foundation and Salt Lake County. This disclosure, such as a statement on donation receipts or public-facing documents, should also specify how the Foundation may use funds before donating them to the County, including the retention of funds for administrative and operational Foundation expenditures.

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.