

AUDIT REPORT

An Audit of Salt Lake County Library Services Payroll

MARCH 2024



PAYROLL

SALARIES



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AUDITOR'S LETTER

March 2024

I am pleased to present the results of our audit of Library Services payroll operations for the period from September 1, 2021, to August 31, 2022. This audit was aimed at evaluating the adequacy and effectiveness of internal controls and compliance with fiscal ordinances, policies, and procedures in the Library Services Administration.

Our examination revealed several significant areas of concern that necessitate immediate action to enhance accuracy, efficiency, and compliance. These include issues with the timing of background checks, timecard approvals, confusion over retroactive pay responsibilities, documentation of bonus awards, lack of internal policies and procedures for exempt employees' and employees working on-call hours, W-4 documentation requirements, compensatory time, and delays in access termination requests. These findings underscore the need for more stringent control measures, written procedures, and enhanced training to ensure compliance, mitigate risks, and improve overall operational effectiveness.

We strongly recommend that the Library Services Administration promptly review and implement the detailed recommendations in the attached audit report. Addressing these issues is crucial to safeguarding the operational and financial integrity of the county.

This audit was authorized under Utah Code Title 17, Chapter 19a, "County Auditor", Part 2, "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.

We wanted to clarify that the \$22 million in earnings mentioned in the Library's management response letter, attached on page 34, pertains to payroll expenditures, representing earnings for 634 employees. During the audit we did not review or make any assertions regarding non-payroll revenue or expenditures.

We appreciate the cooperation and assistance provided by the Library Services Administration during this audit. For further information or clarification regarding this report, please feel free to contact me at 385-468-7200.

A handwritten signature in black ink that reads "Chris Harding".

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

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LIBRARY SERVICES PAYROLL AUDIT

MARCH 2024

Objectives

The audit objectives were to provide reasonable assurance that the internal controls in place are adequate and effective and that the payroll processes comply with all applicable fiscal ordinances, policies, and procedures. Areas of audit focus included the processes and procedures for the following:

- Onboarding of new employees
- Timekeeping
- Special allowances paid through payroll
- Overtime and compensatory time
- Reconciliations of payroll time and expenditures
- Offboarding of terminated employees

REPORT HIGHLIGHTS

Form I-9 and background checks not conducted before the start of employment

United States Citizenship and Immigration Services (2023, November 3). Completing Section 1, Employee Information and Attestation, states, "Your employees must complete and sign Section 1 of Form I-9 no later than their first day of employment (the actual commencement of employment of an employee for wages or other remuneration, referred to as date of hire in the Department of Homeland Security regulations), but may complete Section 1 any time after they accept the job offer. ..." From a sample of 70 new hires Countywide, we identified one (1%) Library Services employee who completed and signed Form I-9 two days after starting their employment.

Salt Lake County Human Resources Policy 2-500: Background Check Requirements, Part II Procedures, Section A.1, states, "The Human Resources Division, in consultation with the relevant agencies and the District Attorney's office, will identify and maintain a current list of designated positions and volunteer functions that are subject to background checks." From a sample of 33 out of 127 Library Services employees hired during the audit period, we found that 15 (45%) had a Bureau of Criminal Investigation (BCI) clearance date, on average, occurring 18 days after their effective hire date.

Timecard approvals by individuals lacking sufficient authority

Government Accountability Office (GAO), December 2000 Publication, "Maintaining Effective Control Over Employee Time and Attendance Reporting," states, "Primary responsibility for authorizing and approving [Time and Attendance (T&A)] transactions rests with the employee's supervisor, who approves the employee's T&A reports. Timekeepers and supervisors must be aware of the work time and absence of employees for whom they are responsible to ensure the reliability of T&A data." From a random sample of 42 out of 634 employees, with over 11,900 timecard entries, 22 (52%) employees had 491 (4%) time entries approved by an individual that was not their supervisor according to PeopleSoft, or the individual's job title and grade did not match that of a supervisor or manager. We noted an additional nine of the 42 (21%) employees with 63 (0.5%) time entries approved by an individual who was a supervisor or manager working in a different department than the department time was coded to.



Finding Risk Classifications

Classification	Description
<p>1 – Low Risk Finding</p>	<p>Low risk findings may have an effect on providing reasonable assurance that County funds and assets were protected from fraud, waste, and abuse.</p> <p>Recommendations may or may not be given to address the issues identified in the final audit report. If recommendations are given, management should try to implement the recommendations within one year of the final audit report date if possible. Follow-up audits may or may not focus on the status of implementation.</p>
<p>2 – Moderate Risk Finding</p>	<p>Moderate risk findings may have an effect on whether there is reasonable assurance that County funds and assets were protected from fraud, waste, and abuse.</p> <p>Recommendations will be given to address the issues identified in the final audit report. Management should implement the recommendations within one year of the final audit report date if possible. Follow-up audits will focus on the status of implementation.</p>
<p>3 – Significant Risk Finding</p>	<p>Significant risks are the result of one or more findings that may have an effect on whether there is reasonable assurance that County funds and assets were protected from fraud, waste, and abuse.</p> <p>Recommendations will include necessary corrective actions that address the significant risks identified in the final audit report. Management should implement the recommendations within six months of the final audit report date if possible. Follow-up audits will focus on the status of implementation.</p>
<p>4 – Critical Risk Finding</p>	<p>Critical risks are the result of one or more findings that would have an effect on whether there is reasonable assurance that County funds and assets were protected from fraud, waste, and abuse.</p> <p>Recommendations will include necessary corrective actions that address the critical risks identified in the final audit report. Management should implement the recommendations as soon as possible. Follow-up audits will focus on the status of implementation.</p>

BACKGROUND

The Salt Lake County Auditor's Audit Services Division completed an audit of the Salt Lake County Library Services Payroll Operations for the period of September 1, 2021, to August 31, 2022. The audit was performed in conjunction with a Countywide Audit of Payroll Operations, focusing on Mayor's Finance Administration (Payroll Administration), Human Resources, and twelve County Agencies.

For the audit period, the Library Services' payroll encompassed a workforce of 634 employees, with cumulative earnings of \$22 million.

The Library Services' Human Resources and Payroll Coordinators are entrusted with the responsibilities of employee hiring, rehiring, promotions, terminations, as well as processing timekeeping and special allowances.

OBJECTIVES AND SCOPE

The audit objectives were to provide reasonable assurance that the internal controls in place are adequate and effective and that the payroll processes comply with all applicable fiscal ordinances, policies, and procedures. Areas of audit focus included the processes and procedures for the following:

- Onboarding of new employees
- Timekeeping
- Special allowances paid through payroll
- Overtime and compensatory time
- Reconciliations of payroll time and expenditures
- Offboarding of terminated employees

The scope of the audit was from September 1, 2021 to August 31, 2022.

AUDIT CRITERIA

Salt Lake County Human Resources Policy 5-100: Pay and Employment Practices establishes procedures to implement pay practices and provide the foundation for a performance-based pay system. Procedures include:

- Department management and Human Resources roles and responsibilities
- Temporary Employee compensation
- Employment practices for rehire, transfer, promotion, termination
- Pay Differentials
- Career development, such as acting in positions, temporary

- assignments, and in-grade advancements
- Bonus Awards and Incentive Plans

Salt Lake County Human Resources Policy 5-300: Payroll establishes a uniform and consistent application of the provisions of the Salt Lake County Payroll System. The policy's purpose is that the maintenance of payroll records for each employee will be consistent with FLSA requirements. Procedures include:

- Certification of Payrolls
- Payment Procedures
- Off-Cycle Checks
- Termination Pay
- Payroll Corrections
- Overtime and Compensatory time
- On Call Duty Assignments

Salt Lake County Human Resources Policy 2-500: Background Check Requirements states that "The Human Resources Division, in consultation with the relevant agencies and the District Attorney's office, will identify and maintain a current list of designated positions and volunteer functions that are subject to background checks."

Government Accountability Office (GAO) December 2000 publication "Maintaining Effective Control Over Employee Time and Attendance Reporting" outlines best practices for an internal control environment for a time and attendance reporting system. Publications key area for this audit included the authorization and approval of time and attendance transactions.

METHODOLOGY

We used several methodologies to gather and analyze information related to our audit objectives. The methodologies included but were not limited to:

1. Auditors met with agency personnel to gain an understanding of payroll procedures and agency controls in place. Processes observed and described were documented and agreed upon.
2. Controls were observed in operation, such as employee use of physical timeclocks, safeguarding of sensitive documents, and payroll system access controls.
3. Documents were examined, such as emails or memos authorizing overtime, gift card request forms, and W-4s.
4. Payroll data was analyzed, such as analytics to identify whether timecards were approved, and no terminated employees were still receiving a paycheck.

5. Where appropriate statistical or judgmental sampling was used to identify transactions selected for review.

CONCLUSIONS

During the COVID-19 pandemic, payroll operations throughout the County were more vulnerable to deviations from existing internal controls derived from established policies and procedures. While we did not find evidence of wrongdoing, we noted payroll operations did not comply with several key controls, including those required by County policy, such as:

- Form I-9 and Background Checks not Conducted Before the Start of Employment
- Timecards Not Approved by a Supervisor
- Agency Did Not Understand Retro Pay and Final Payout Responsibilities
- Documentation of Bonus Awards Not Retained
- No Internal Policy for On-Call Requirements
- W-4 Forms Not Obtained and On File
- Employee Received Compensation while on Unpaid Leave
- Termination Requests and Final Paychecks not Timely
- Overtime Compensation Agreement Form Not Congruent with Time Earned and No Internal Policy for Exempt Employees' Compensatory Time

As a result, time keeping and payroll processing are at an increased risk of undetected errors and omissions, potential fraud, waste, and abuse. To mitigate these risks and improve operational effectiveness, it is crucial for Library Services Management to establish and implement written policies and procedures regarding payroll processing, including practices to monitor for compliance. In addition, management should collaborate with Human Resources (HR) and Mayors Finance Administration (MFA) Payroll Administration to expand and reinforce Countywide policies and procedures related to Payroll.

FINDING 1 AND RECOMMENDATIONS

Form I-9 and Background Checks not Conducted Before the Start of Employment

Risk Rating: **Significant Risk Finding**

Form I-9 and background checks are crucial components of employment procedures, ensuring compliance and risk mitigation. The completion and processing of Form I-9, "Employment Eligibility Verification," is mandated by the United States Citizenship and Immigration Services (USCIS) to establish eligibility to work in the United States and validate identity of all employees. Certain positions within Library Services, listed by Human Resources, required new hires to undergo a Bureau of Criminal Investigation (BCI) background check.

During the audit period, Salt Lake County hired over 2,500 employees for agencies in scope. Human Resources oversaw the Form I-9 (I-9) process, while BCI background checks were handled at the agency level. We found:

- **Form I-9:** From a random sample of 70 new hires Countywide, we found that one out of the 70 (1%) employees had completed and signed Section 1, Employee Information and Attestation of Form I-9, two days after their first day of employment. The employee identified worked for Library Services.
- **Background Checks:** Among the 2,500 new hires and 489 rehires Countywide, Library Services accounted for 127 individuals. From this group, we sampled 33 employees and found that 15 (45%) employees experienced delayed BCI clearance dates averaging 18 days after the employees' start date.

United States Citizenship and Immigration Services (2023, November 3). Completing Section 1, Employee Information and Attestation, states, "Your employees must complete and sign Section 1 of Form I-9 no later than their first day of employment (the actual commencement of employment of an employee for wages or other remuneration, referred to as date of hire in the Department of Homeland Security regulations), but may complete Section 1 any time after they accept the job offer. ..."1

1 <https://www.uscis.gov/i-9-central/completing-form-i-9/completing-section-1-employee-information-and-attestation> (Para.2) (visited 2/6/2024)

Salt Lake County Human Resources Policy 2-500: Background Check Requirements, Part II Procedures, Section A.1, states, “The Human Resources Division, in consultation with the relevant agencies and the District Attorney’s office, will identify and maintain a current list of designated positions and volunteer functions that are subject to background checks.”

Occasionally, employees start working before completing Form I-9. In such cases, HR reminds agencies of the need for I-9 clearance first. However, Library Services onboarding process must actively inform and instruct new hires to schedule and attend an appointment with Human Resources to complete and sign Section 1 of Form I-9 no later than their first day of employment.

The Library HR Coordinator outlined challenges in both the Form I-9 completion and background checks processed. For Form I-9, she could not pinpoint specifics for the one case, issues like appointment unavailability or employee misunderstanding of new hire emails are possible reasons for employees starting work before completing the I-9. In such instances, Library Services management would direct the employee to immediately schedule an appointment with Human Resources.

Furthermore, background check delays may result from factors such as timely BCI request entry but delayed result clearance, employees returning the consent forms after starting work, or the Library initiating checks during internal reviews. While Salt Lake County Human Resources Policy 2-500 mandates background checks for specific positions, it lacks explicit timeframes outside specific departments like the Sheriff’s Office.

Despite USCIS allowing E-Verify information entry within 3 business days by the employer, employees must still complete and sign the I-9 by their first day of employment. When Form I-9 is not completed, obtained, and processed timely, the County may be subject to reputational damage and potential legal fines and fees, while background checks not conducted on a timely basis put sensitive information and vulnerable individuals at risk.

We recommend that Library Services Management work with Human Resources to ensure timely completion of Section 1 of Form I-9 before allowing an employee to begin work. This will help ensure compliance with USCIS and mitigate potential risks associated with unauthorized work.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE : 5/31/2023

SEE PAGE 31 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Library Services Management work with Human Resources and the District Attorney's Office to establish and conduct reviews of Library Services positions and the list of positions requiring background checks at periodic intervals, such as annually, to ensure the list remains up to date.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 3/8/2023

SEE PAGE 32 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Library Services Management develop written policies and procedures regarding how soon background checks must be obtained.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 32 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 2 AND RECOMMENDATIONS

Timecards Not Approved by a Supervisor

Risk Rating: **Significant Risk Finding**

Employee timecards are essential for maintaining accurate records of work hours, streamlining payroll processes, and ensuring compliance with labor laws, county and division-level policies. They also provide valuable data for stakeholders.

Library Services employees enter time worked into the County payroll system, PeopleSoft. Employee timecards must be approved before the employee's payroll can be processed. To assess whether Library Services employee time was reviewed and approved by the employee's supervisor, we selected a random sample of 42 out of 634 employees. The 42 employees had over 11,900 timecard entries during the audit period. We determined that:

- For 22 of the 42 (52%) employees, 491 of 11,900 (4%) time entries were approved by an individual that was not the employee's supervisor according to PeopleSoft and the individual's job title and grade did not match that of a supervisor or manager.
- For nine of the 42 (21%) employees, 63 of 11,900 (0.5%) time entries were approved by an individual who was a supervisor or manager, however they worked at a different location than the location the employee's time was coded to. As a result, the individual would not have been able to observe the employee's actual work time.

We noted that, for 39 out of the 42 (93%) sampled employees, there were 828 entries or edits made by individuals other than the employees themselves. Payroll coordinators, with management approval, enter mileage reimbursements, bonuses, or additional pay on employee timecards. To ensure accurate recording of Holiday pay or to correct time coded to the wrong time reporting code, additional entries may be necessary. We noted that 20 out of the 39 (51%) employees had 208 (25%) edits that impacted employee hours worked, pay, or leave time balances. However, management did not maintain documentation supporting the entries or documenting that the employee was notified. We also noted entries or edits lacking segregation of duties because they were both entered and approved by the same person.

Government Accountability Office (GAO) December 2000 Publication, Maintaining Effective Control Over Employee Time and Attendance Reporting, states, "Primary responsibility for authorizing and approving [Time and Attendance] T&A transactions rests with the employee's

supervisor, who approves the employee's T&A reports. Timekeepers and supervisors must be aware of the work time and absence of employees for whom they are responsible to ensure the reliability of T&A data."

Library Services Management stated that when the employee's supervisor did not approve time, they were granted authority for making the timecard approvals, all conducted verbally between Managers/Supervisors at each location. In response to the employees with approvals from a supervisor or manager at a different location, management stated that in these situations, the individual approving has been requested by another Manager/Supervisor within their branch to authorize the time off, usually for vacation or sick days.

Management stated that, concerning timecard edits, when employees are out of the office due to sickness or vacation and lack access to Peoplesoft, the Supervisor typically enters the time on their behalf, being aware of the approved hours. Additionally, management encourages the use of comments in the timecard, but this guidance has not been formally documented.

When supervisors do not approve employee time, and when employees do not enter information on their timecard themselves, employee accountability may be diminished. In addition, the risk of noncompliance with policies, laws, and regulations increases, along with a greater potential for payroll inaccuracies. Individuals other than the employee's supervisor may not be aware of the time the employee worked or the authorized working hours, which can lead to fraud, waste, and abuse.

2.1

RECOMMENDATION

Policies and Procedures

We recommend that Library Services Management establish and document procedures regarding the review and approval of employee time by direct supervisors or managers.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE : 5/31/2024

SEE PAGE 33 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

2.2

RECOMMENDATION

Policies and Procedures

We recommend that Library Services Management establish clear procedures that address situations when the direct supervisor is unavailable to approve time. These procedures should include documentation requirements to ensure proper oversight and accountability.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 33 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

2.3

RECOMMENDATION

Policies and Procedures

We recommend that Library Services Management establish and document procedures for supervisors and other staff making time edits, as well as the communication of those time edits to the affected employee. These procedures should include documentation requirements to ensure proper oversight and accountability.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 34 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Library Services Management establish and implement a review process for timecard entries not made by the employee. This process should require timecards to undergo review and approval by a higher-level manager or an independent reviewer at a higher organizational level.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 34 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 3 AND RECOMMENDATIONS

Agency Did Not Understand Retro Pay and Final Payout Responsibilities

Risk Rating: **Significant Risk Finding**

We reviewed controls over retroactive payroll payments (retro payments), which are defined as “compensation added to an employee’s paycheck to make up for a shortfall in a previous pay period.”¹ Examples of retro payments include back pay for a raise effective in a prior pay period, or employees due a shift-differential, or acting in rate, also not paid in a prior pay period.

During the audit period, Library Services processed 61 retro payments for employees. We filtered the population to identify payments above the Countywide retro payment average of \$280 for agencies in scope, as well as any adjusting, negative transactions. Seven payments met the criteria for further review. We found that three out of seven (43%) employees did not have communication on file regarding the reason for the retro payment. Additionally, six out of the seven (86%) employees lacked documentation of calculations performed to support the amount of the payments.

Upon termination of employment, merit and time limited appointed employees have the option to either utilize their accrued vacation or receive payment for it. Retiring employees receive a payout equivalent to 25 percent of accrued sick leave hours. In addition to retro pay, we reviewed controls over these final payouts.

During the audit period, Library Services terminated 89 employees. We tested a sample of 30 employees and found that 13 (43%) received final payouts. However, the Agency did not provide documentation of calculations supporting the amount of the payouts. The agency payroll coordinator calculated and provided amounts due when retro payments or leave payouts were required. MFA Payroll Administration was responsible for reperforming and verifying the agency calculations. However, according to Library Services Management, they typically do not calculate retro payments or payouts unless Payroll Administrators specifically request it, as the process is handled within Peoplesoft.

Government Accountability Office (GAO) September 2014 Publication, “Standards for Internal Control in the Federal Government,” Section 10.02 states, “Management designs control activities in response to the entity’s objectives and risks to achieve an effective internal control

¹ <https://www.oysterhr.com/glossary/retroactive-pay#:~:text=Retroactive%20pay%20is%20compensation%20added,received%20no%20compensation%20at%20all.>

system. Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives to achieve the entity's objectives and address related risks. As part of the control environment component, management defines responsibilities, assigns them to key roles, and delegates authority to achieve the entity's objectives... Management designs control activities to fulfill defined responsibilities and address identified risk responses."

Salt Lake County Human Resources Policy 5-300: Payroll, Part II Procedures, Section A.4. states, "Each payroll unit is responsible for accurately recording their information in the payroll system."

County Policy assigns the responsibility for accurate payroll submission, including retro payments and final payouts, to the agency level, but there are no written procedures specifically addressing these transactions. This gap exists because Countywide Payroll Procedures and internal agency written procedures are not formalized, and Payroll Coordinators lack sufficient training. As a result, there is a lack of clear understanding and consistency in handling the payments.

When procedures are not documented, key controls may not be in place and may degrade over time. Errors and omissions are more likely to occur and not be detected. Employees may be, or may have been, under or overpaid without detection.

We recommend that Library Services Management establish clear written policies and procedures for calculating and verifying retroactive payments and leave payouts.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 35 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Library Services Management work with Payroll Administration to establish a documentation retention system to ensure that documentation supporting payroll payments is maintained on file.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 35 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

Auditor's note: Related findings and recommendations will be addressed to Mayors Financial Administration (MFA) and Payroll Administration congruent with their oversight role and related responsibilities. These recommendations will be detailed in a dedicated Audit Report specifically addressed to MFA.

FINDING 4 AND RECOMMENDATIONS

Documentation of Bonus Awards Not Retained

Risk Rating: **Significant Risk Finding**

Agency administrators have the option to recognize exceptional employee performance through various forms of bonus awards, including monetary bonuses, gift cards, or time off. During the audit period, we noted Library Services paychecks issued included 741 bonus leave taken time entries and 49 monetary bonus awards.

We randomly selected a sample of 42 transactions to verify the presence of documentation supporting performance justification, authorized approvals, and proper separation of duties over bonuses. Library Services only retained the documentation for six months. This limited timeframe prevented us from conducting further testing.

Salt Lake County Human Resource Policy 5-100: Pay and Employment Practices, Part II Procedures, Section I.1., states, that “An agency administrator may give a discretionary Bonus Award to an employee for outstanding performance. The award may be in the form of cash or paid administrative leave. The agency shall keep a record of the outstanding performance being awarded and ensure that other similar outstanding performance is being awarded equitably.”

Salt Lake County Countywide Policy 2010: Public Records Access, Part 3.0 Records Retention, Section 3.1, states, “The Act and the Salt Lake County Ordinance require that all County records regardless of format be evaluated, designated with a primary classification, and scheduled for retention.”

Salt Lake County Records Management (Records Management) maintains retention scheduling procedures and processes on their intranet page. The Library Services Retention Schedule, accessible on the Records Management intranet page, outlines a 3-year retention period for Administrative-Fiscal documents, specifically Payroll Reports. This included miscellaneous payroll records such as payroll deduction information and mileage reports. Additionally, a 2-year retention period is indicated for Library Administrative documents categorized as General Files, which include correspondence, memos, and routine staff files.

Due to the lack of retained documentation for bonuses, we could not provide assurance that controls were operating effectively and in compliance with County policy. Errors and omissions may have occurred that were not detected.

Maintaining proper documentation safeguards against potential legal and compliance risks. It also serves as evidence of agreed-upon terms, which can help prevent or resolve disputes about the amount received. Proper documentation not only ensures compliance but also fosters transparency, accountability, and trust within the organization.

We recommend that Library Services Management follow their agency's retention schedule, maintaining miscellaneous payroll reports, including documentation for employee performance and award authorization, for a period of three years.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 36 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 5 AND RECOMMENDATIONS

No Internal Policy for On-Call Requirements

Risk Rating: **Moderate Risk Finding**

Agencies use internal policies and standard operating procedures as essential tools to maintain consistency, manage risk, guide and hold employees accountable, and to comply with Salt Lake County policies. Salt Lake County Human Resources Policy 5-300 mandates that departments establish internal policies and standard operating procedures (SOP) for employees who are required to be on-call.

Our review of on-call earning codes during the audit period identified 19 Library Services employees who had on-call duties. However, Library Services did not have a Standard Operating Procedure for on-call duties in place.

Salt Lake County Human Resources Policy 5-300: Payroll Part II Procedures, Section I.2., states “An office or division may not require an employee to be on-call unless it has a standard operating procedure that requires an on-call employee to respond in a specified period of time. Employees will perform work telephonically or electronically when possible.”

Library Services Management was not aware of Countywide requirements for an internal SOP with specific standards for on-call employees.

Without a documented internal SOP for on-call employees, on-call employees may not have a clear understanding of requirements and compensation associated with on-call work, and those in management may not be consistent in their requirements and standards for on-call work.

We recommend that Library Services Management develop and document an internal standard operating procedure for on-call employees, ensuring compliance with Salt Lake County Human Resources Policy 5-300.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 36 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 6 AND RECOMMENDATIONS

W-4 Forms Not Obtained and On File

Risk Rating: **Moderate Risk Finding**

The Internal Revenue Service's Form W-4, Employee's Withholding Certificate, provides guidance to Salt Lake County on the proper withholding of Federal taxes from employee pay. We tested 33 out of the 127 employees hired during the audit period. We found that Library Services did not have a W-4 form on file for 12 out of 33 (36%) employees tested.

Internal Revenue Service (IRS) Publication 15 (2023), Circular E, Employer's Tax Guide and Topic No 753 Employee's Withholding Certificate states, "Form W-4 tells you, as the employer, the employee's filing status, multiple jobs adjustments, amount of credits, amount of other income, amount of deductions, and any additional amount to withhold from each paycheck to use to compute the amount of federal income tax to deduct and withhold from the employee's pay." "You should inform your employees of the importance of submitting an accurate Form W-4. An employee may be subject to a \$500 penalty if he or she submits, with no reasonable basis, a Form W-4 that results in less tax being withheld than is required."

We observed that five of the 12 (15%) employees were paid Interns, five (15%) were temporary employees, and two (3%) were merit employees. Library Services Management acknowledged their lack of awareness about the agency's obligation to collect Form W-4 for all employees. Mayor's Finance Administration indicated that agencies were responsible for W-4s. However, there was no Countywide payroll policy establishing W-4 procedures, roles, and responsibilities.

Each employee without a Form W-4 had their withholding set to the default tax status of single, with no other jobs, dependent amounts, other income, deductions, or extra withholding. As a result, employees' tax withholdings may have been under or over the amount required depending on whether the default setting was correct.

We recommend that Library Services Management establish and document procedures for obtaining, storing, and accurately entering W-4 forms.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 37 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

Auditor's note: Related findings and recommendations will be addressed to Mayors Financial Administration (MFA) and Payroll Administration congruent with their oversight role and related responsibilities. These recommendations will be detailed in a dedicated Audit Report specifically addressed to MFA.

FINDING 7 AND RECOMMENDATIONS

Employee Received Compensation while on Unpaid Leave

Risk Rating: **Moderate Risk Finding**

Salt Lake County primarily uses direct deposits for payroll payments. Employee direct deposit setup relies on a prenote process for bank account verification, which can extend the setup process by up to two pay periods. To ensure employees are paid timely during the transition, paper checks are issued in the interim.

During the audit period, over 1,900 employees Countywide received more than two paper paychecks or received them more than 45 days after hire. We selected a random sample of 70 employees, with 298 paper paychecks, and verified payment accuracy. Within this sample, we identified one (0.3%) Library employee who received pay while on unpaid leave.

Salt Lake County Human Resources Policy 4-200: Leave Practices, Part I Policy, states, "Salt Lake County provides various types of paid and unpaid leave for an employee's absence from work for personal and professional reasons." Part II Procedures, Sections A.1 and 2, state, "Administrative leave may be paid or unpaid. 2. An employee may be placed on administrative leave for an investigation or other organizational needs."

Library Services Management acknowledged that the employee went on unpaid leave and records were not adjusted. They also indicated that they plan to provide additional training.

The employee was receiving an additional \$100 per paycheck for "Snow Team Pay" before transitioning to unpaid leave. The employee's Snow Team Pay continued for one pay period into their unpaid leave status. Despite the employee not returning to work and receiving a payout for accrued vacation time in the succeeding final paycheck, the agency did not make adjustments to recover the overpayment.

We recommend that Library Services Management establish and implement procedures that include removing additional pay for employees that are on unpaid leave.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/31/2023

SEE PAGE 37 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Library Services Management establish and implement procedures that include verifying any overpayments are adjusted for before a final termination payout is completed.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/31/2023

SEE PAGE 38 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 8 AND RECOMMENDATIONS

Termination Requests and Final Paychecks not Timely

Risk Rating: **Moderate Risk Finding**

When an employee departs from Salt Lake County employment, certain offboarding procedures are necessary at the agency level. These include terminating the employee's access to the County network, PeopleSoft and any external timekeeping software. Agencies submit a "Termination" Employee Personnel Action Request (ePAR) in PeopleSoft, and network termination is requested through an Information Technology Division service request. Additionally, since Library Services operates on a separate network from the County network, a ticket is also submitted to Library IT staff to remove Library network access.

We tested 30 out of 89 (33%) Library Services employees that terminated during the audit period to determine whether the agency promptly requested removal of timekeeping and network access. We found that six removal requests (20%) were made after the employee's termination date, occurring between 97 to 230 days after termination, with an average of 183 days. The affected employees were either temporary employees or paid interns.

In addition, we noted that one (3%) employee remained on the payroll for more than two years and three months after receiving their final paycheck, before a termination ePAR was submitted.

Finally, we tested whether terminated employee's final paychecks were issued within a reasonable timeframe. We found that one out of the 30 (3%) employees received a final paycheck three pay periods, or six weeks, after termination.

Salt Lake County Human Resources Policy 5-300: Payroll, Part II Procedures, Section D.1., states, "Employees, who leave the employment of Salt Lake County for any reason, will receive all pay that may be due them as soon as payroll forms and regular payroll payments are processed."

The lack of a Countywide or Human Resources policy or procedure on timing creates ambiguity and inconsistency in removing employee access and issuing final payouts. In response to our inquiry as to the expected timeframe, Human Resources stated that it was "an unwritten practice to [terminate temporary employees] after 90 days of inactivity".

Human Resources maintains an “Offboarding Checklist” for supervisors to assist with the termination process. While the checklist acknowledges that supervisors may not be directly responsible for every task mentioned, they are accountable for ensuring that all tasks are completed. Some of the tasks listed on the “Offboarding Checklist” involve deactivating agency-specific and County network access for the departing employee.

With regards to access termination requests, Library Services Management explained that most of the employees were temporary, and they typically terminate temporary employees after 90 days of inactivity in case the employee is needed again.

For the employee not paid until three pay periods after termination, Library Services Management explained that they were not notified of additional time that needed to be entered and paid to the employee until 24 days had passed. Additionally, they noted that the employee had attended a training for summer interns, then a few weeks later, verbally informed Library Services that she was terminating her employment.

Library Services Management also explained that they kept their temporary employees on payroll during the COVID pandemic in anticipation of resuming operations. This practice may have contributed to the delayed termination of an employee that was not terminated until over two years had passed. At that time, Library Services identified the employee as not having worked during that period and subsequently terminated their employment.

Former employees who retain access to timekeeping systems pose a risk of manipulating timesheets or attendance records, which can result in inaccurate payroll processing or fraudulent time entries. Former employees with access to network resources could engage in malicious activities, such as copying or deleting data, disrupting operations, or infecting systems with malware. The active account could be used by someone other than the former employee.

When employees are not paid timely, the County may be sued for back wages according to the Wage and Hour Division of the Department of Labor, Field Operations Handbook, Chapter 10, 10d03 Suits by federal, state, and local government employees under section 16(b).¹, “Section 16(b) of the [Fair Labor Standards Act] FLSA and section 6 of the Portal-to-Portal Act provide that employees of a public agency may sue for back wages in any federal or state court of competent jurisdiction for themselves or other employees.” If the County is sued for back wages, it could erode employee morale and public trust.

¹ https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/FOH_Ch10.pdf

We recommend that Library Services Management work with Human Resources to ensure the timely removal of employees from timekeeping applications upon termination of employment.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE : 5/31/2024

SEE PAGE 38 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Library Services Management work with Information Technology to ensure the timely removal of employees from network access upon termination of employment.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 39 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Library Services Management establish and implement procedures for documenting which employees are present at group meetings and trainings, and that this documentation be reconciled to hours entered into timekeeping applications to ensure that employee time is entered within the pay period it is earned.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 39 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

Auditor's note: Related findings and recommendations will be addressed to Mayors Financial Administration (MFA) and Payroll Administration congruent with their oversight role and related responsibilities. These recommendations will be detailed in a dedicated Audit Report specifically addressed to MFA.

FINDING 9 AND RECOMMENDATIONS

Overtime Compensation Agreement Form Not Congruent with Time Earned and No Internal Policy for Exempt Employees' Compensatory Time

Risk Rating: **Moderate Risk Finding**

Employees are classified under the Fair Labor Standards Act (FLSA) as either exempt or non-exempt. Exempt employees are those employees deemed exempt from certain provisions of the Fair Labor Standards Act (FLSA). Exempt employees typically do not receive overtime pay for hours worked beyond the standard 40-hour workweek. Each agency within Salt Lake County must determine and document in an internal policy whether exempt employees accrue compensatory time for hours worked over 40, as outlined in Salt Lake County Human Resources Policy 5-300.

Non-exempt employees earn one and one-half times their hourly rate for each overtime hour they work over 40 hours. To accrue compensatory time at that rate, instead of extra compensation, non-exempt employees must complete the Salt Lake County Human Resource's Overtime Compensation Agreement form.

We tested 26 out of 59 employees who received pay for overtime or compensatory time to verify that an Overtime Compensation Agreement form was on file and that the overtime and compensatory time accruals were congruent with the form on file. We found that six out of the 26 (23%) employees' earnings were not congruent with the elections on their Overtime Compensation Agreements over multiple pay periods.

However, Library Services Management did not provide a written internal policy regarding compensatory time off for FLSA exempt employees.

Salt Lake County Human Resources Policy 5-300: Payroll, Part II Procedures, Section F.1., states, "Any non-exempt employee who works more than forty hours in a workweek will be paid one and one-half times their regular rate of pay for each hour worked more than 40 unless the employee requests compensatory time off. Employees may request in writing compensatory time off in lieu of cash payment prior to working the overtime hours."

Salt Lake County Human Resources Policy 5-300: Payroll, Part II Procedures, Section G.3., states, "Each Department Director or Elected Official shall adopt written internal policies regarding compensatory time off for FLSA exempt employees."

Library Services Management noted that each of the employees with incongruent time had a job transfer or started a career mobility assignment when the system reverted to overtime. For this issue, Library Services Management stated, "...unless the employee notified us of something wrong, we would not know to look into it." Library Services Management did not provide comment on having an internal policy regarding compensatory time off for FLSA exempt employees.

Reporting time as overtime instead of compensatory time can result in higher labor costs for the organization and potential budgetary overruns. Additionally, this incorrect reporting can expose the County to legal liabilities, fines, or penalties, potentially resulting in non-compliance with legal requirements. Without a written internal policy from Library Services, exempt employees may lack a clear understanding of when compensatory time may be due. Similarly, those responsible for processing payroll may lack consistency in granting compensatory time, leading to conflicting guidance for employees.

9.1

RECOMMENDATION

Time Earned Consistency

We recommend that Library Services Management establish and implement controls to ensure consistency in overtime and compensatory time earned during each pay period based on each employee's election.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE : 7/31/2023

SEE PAGE 40 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

9.2

RECOMMENDATION

Policies and Procedures

We recommend that Library Services Management establish and implement procedures that involve supervisors and the payroll coordinator in reviewing time for unexpected changes in time reporting.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 7/31/2023

SEE PAGE 40 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

9.3

RECOMMENDATION

Written Policies and Procedures

We recommend that Library Services Management establish written internal policies and procedures that address compensatory time for FLSA exempt employees.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 5/31/2024

SEE PAGE 41 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

Agency Response



Jenny Wilson, Salt Lake County Mayor
Robin Chalhoub, Community Services Director
Joey McNamee, Interim Library Director

March 8, 2024

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

Auditor Harding,

The Library has reviewed the audit report for payroll operations for the period of September 1, 2021 to August 31, 2022.

The audit period was one of significant disruption across the county, as operations resumed from interruptions caused by the Covid-19 pandemic. We are pleased that your team found no evidence of wrongdoing among the 634 employees and \$22 million in earnings during the audit period. Additionally, the Library implemented several of the recommendations in advance of the audit report as staff strengthened processes and procedures in response to returning to normal operations.

The Library values the audit process as a healthy contribution to good governance and accountability to the residents of Salt Lake County. Please find our response below to each of the recommendations made in your report.

AUDIT FINDING 1: I-9 and Background Checks not Conducted Before the Start of Employment

RECOMMENDATION 1.1 We recommend that Library Services Management work with Human Resources to ensure timely completion of Section 1 of Form I-9 before allowing an employee to begin work. This will help ensure compliance with USCIS and mitigate potential risks associated with unauthorized work.		
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	5/31/2023	Erin Sanderson Sr. Division HR Coordinator

Narrative for Recommendation 1.1 including action plan.

This finding is related to a high school student who was working as a summer intern with the Library. Library HR updated internal processes, including coordination with County Human Resources, in preparation for the 2023 summer intern program. The Library will continue to evaluate internal procedures and intern supervisor training to ensure ongoing compliance with USCIS.

RECOMMENDATION 1.2		
We recommend that Library Services Management work with Human Resources and the District Attorney's Office to establish and conduct reviews of Library Services positions and the list of positions requiring background checks at periodic intervals, such as annually, to ensure the list remains up to date.		
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	3/8/2023	Pamela Park Division HR Manager

Narrative for Recommendation 1.2 including action plan.

The Library has an established practice of regularly coordinating with the District Attorney's office and County HR to ensure the list of positions requiring background checks remains accurate. The Library will continue this practice moving forward, completing a review at least annually.

RECOMMENDATION 1.3		
We recommend that Library Services Management develop written policies and procedures regarding how soon background checks must be obtained.		
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	5/31/2024	Pamela Park Division HR Manager

Narrative for Recommendation 1.3 including action plan.

Library HR has been working with our policy and procedure workgroup to review and update internal procedures on new hire processing, including procedures regarding how soon background checks must be obtained. We will continue to work with the DA's office and Employee Relations for periodic reviews of our policy.

AUDIT FINDING 2: Timecards Not Approved by a Supervisor

RECOMMENDATION 2.1		
We recommend that Library Services Management establish and document procedures regarding the review and approval of employee time by direct supervisors or managers.		
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	5/31/2024	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 2.1 including action plan.

The Library Fiscal Division, in coordination with Administration, will review current processes for areas that may need to be refined. Once updated, we will communicate/remind all managers and supervisors of their role and responsibility. The system enhancements requiring delegation should help in this regard.

RECOMMENDATION 2.2		
We recommend that Library Services Management establish clear procedures that address situations when the direct supervisor is unavailable to approve time. These procedures should include documentation requirements to ensure proper 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	5/31/2024	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 2.2 including action plan.

The Library Fiscal Division, in coordination with Administration, will review current processes and update for clarity adding guidelines for proper supporting documentation. Once updated, we will communicate/remind all managers and supervisors of their role and responsibility. The system enhancements requiring delegation should help in this regard.

RECOMMENDATION 2.3		
We recommend that Library Services Management establish and document procedures for supervisors and other staff making time edits, as well as the communication of those time edits to the affected employee. These procedures should include documentation requirements to ensure proper 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	5/31/2024	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 2.3 including action plan.

The Library Fiscal Division, in coordination with the Administration, will review current processes and update for clarity adding guidelines for proper supporting documentation. Once updated we will communicate/remind all managers and supervisors of their role and responsibility. The system enhancements requiring delegation should help in this regard.

RECOMMENDATION 2.4		
We recommend that Library Services Management establish and implement a review process for timecard entries not made by the employee. This process should require timecards to undergo review and approval by a higher-level manager or an independent reviewer at a higher organizational level.		
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	5/31/2024	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 2.4 including action plan.

The Library Fiscal Division, in coordination with Administration, will review current processes for areas that may need to be refined. We will determine the appropriate level for review and approval that makes the most sense for Library operations.

AUDIT FINDING 3: Agency Did Not Understand Retro Pay and Final Payout Responsibilities

RECOMMENDATION 3.1		
We recommend that Library Services Management establish clear written policies and procedures for calculating and verifying retroactive payments and leave payouts.		
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	5/31/2024	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 3.1 including action plan.

The Library Fiscal Division, in coordination with Administration, will review current processes for areas that may need to be refined. We will coordinate with Mayor’s Finance Administration to gain clarity on agency roles and expectations.

RECOMMENDATION 3.2		
We recommend that Library Services Management work with Payroll Administration to establish a documentation retention system to ensure that documentation supporting payroll payments is maintained on file.		
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	5/31/2024	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 3.2 including action plan.

The Library Fiscal Division, in coordination with Administration, is looking forward to working with Mayor’s Finance Administration to establish retention guidelines for payroll payments.

Auditor’s note: Related findings and recommendations will be addressed to Mayors Financial Administration (MFA) and Payroll Administration congruent with their oversight role and related responsibilities. These recommendations will be detailed in a dedicated Audit Report specifically addressed to MFA.

AUDIT FINDING 4: Documentation of Bonus Awards Not Retained

RECOMMENDATION 4.1		
We recommend that Library Services Management follow their agency’s retention schedule, maintaining miscellaneous payroll reports, including documentation for employee performance and award authorization, for a period of three years.		
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	5/31/2024	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 4.1 including action plan.

Library Fiscal and HR, in coordination with Administration, are currently reviewing the bonus practices to identify opportunities for centralization and clarity of retention expectations for admin leave awards.

AUDIT FINDING 5: No Internal Policy for On-Call Requirements

RECOMMENDATION 5.1		
We recommend that Library Services Management develop and document an internal standard operating procedure for on-call employees, ensuring compliance with Salt Lake County Human Resources Policy 5-300.		
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	5/31/2024	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 5.1 including action plan.

The Library will develop an internal standard operating procedure for on-call employees.

AUDIT FINDING 6: W-4 Forms Not Obtained and On File

RECOMMENDATION 6.1		
We recommend that Library Services Management establish and document procedures for obtaining, storing, and accurately entering W-4 forms.		
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	5/31/2024	Pamela Park Division HR Manager

Narrative for Recommendation 6.1 including action plan.

The Library has effective practices for obtaining, storing, and accurately entering W-4 forms. Library HR will seek clarity on enforcement protocols for occasional instances when employees are late or negligent in returning their forms.

Auditor's note: Related findings and recommendations will be addressed to Mayors Financial Administration (MFA) and Payroll Administration congruent with their oversight role and related responsibilities. These recommendations will be detailed in a dedicated Audit Report specifically addressed to MFA.

AUDIT FINDING 7: Employee Received Compensation while on Unpaid Leave

RECOMMENDATION 7.1		
We recommend that Library Services Management establish and implement procedures that include removing additional pay for employees that are on unpaid leave.		
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	10/31/2023	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 7.1 including action plan.

The Library Payroll Coordinator has a process in place to review additional pay each pay period.

RECOMMENDATION 7.2		
We recommend that Library Services Management establish and implement procedures that include verifying any overpayments are adjusted for before a final termination payout is completed.		
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	10/31/2023	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 7.2 including action plan.

While this is a rare occurrence, the Library Payroll Coordinator has added this to our internal termination checklist.

AUDIT FINDING 8: Termination Requests and Final Paychecks not Timely

RECOMMENDATION 8.1		
We recommend that Library Services Management work with Human Resources to ensure the timely removal of employees from timekeeping applications upon termination of employment.		
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	5/31/2024	Erin Sanderson Sr. Division HR Coordinator

Narrative for Recommendation 8.1 including action plan.

This finding is related to a one-time adjustment in Library offboarding practices in response to the Covid-19 pandemic. Temporary staff were left on payroll lists during interrupted operations. The Library has resumed standard protocols and time frames for removing temporary employee

system access upon termination of employment. Library HR will review internal procedures for processing terminations to identify if there are additional opportunities to strengthen practices.

RECOMMENDATION 8.2		
We recommend that Library Services Management work with Information Technology to ensure the timely removal of employees from network access upon termination of employment.		
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	5/31/2024	Erin Sanderson Sr Division HR Coordinator

Narrative for Recommendation 8.2 including action plan.

Library HR will work closely with both Library IT and County IT to determine what is needed for both teams to process different types of terminations.

RECOMMENDATION 8.3		
We recommend that Library Services Management establish and implement procedures for documenting which employees are present at group meetings and trainings, and that this documentation be reconciled to hours entered into timekeeping applications to ensure that employee time is entered within the pay period it is earned.		
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	5/31/2024	Emily Bullough Learning & Development Manager

Narrative for Recommendation 8.3 including action plan.

It is rare for an outgoing employee to have a time entry error that requires correction after the departure date. Nevertheless, the Library will continue to use attendance logs for meetings and trainings. We will also review and update the termination checklist to include reviewing timecard entries when an employee resigns.

Auditor's note: Related findings and recommendations will be addressed to Mayors Financial Administration (MFA) and Payroll Administration congruent with their oversight role and related responsibilities. These recommendations will be detailed in a dedicated Audit Report specifically addressed to MFA.

AUDIT FINDING 9: Overtime Compensation Agreement Form Not Congruent with Time Earned and No Internal Policy for Exempt Employees' Compensatory Time

RECOMMENDATION 9.1		
We recommend that Library Services Management establish and implement controls to ensure consistency in overtime and compensatory time earned during each pay period based on each employee's election.		
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	07/31/2023	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 9.1 including action plan.

When a change was made to the employee record there was an unknown system issue that caused the employee record to revert back to a default setting for overtime. Once this was discovered, payroll staff implemented a process to check for unintended changes when job record changes are made.

RECOMMENDATION 9.2		
We recommend that Library Services Management establish and implement procedures that involve supervisors and the payroll coordinator in reviewing time for unexpected changes in time reporting.		
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	07/31/2023	Carrie Hackworth Admin & Fiscal Manager

Narrative for Recommendation 9.2 including action plan.

Payroll staff have implemented a process to check for unintended changes when job record changes are made.

RECOMMENDATION 9.3		
We recommend that Library Services Management establish written internal policies and procedures that address compensatory time for FLSA exempt employees.		
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	5/31/2024	Carrie Hackworth Admin & Fiscal Manager Pamela Park Division HR Manager

Narrative for Recommendation 9.3 including action plan.

The Library Fiscal/HR Division, in coordination with Administration, will establish a written internal procedure to match the current process.

The Library is committed to continuously improving our internal processes and procedures to ensure exceptional service to the residents of Salt Lake County.

Please pass along our appreciation to your team for responding to our questions quickly and thoroughly.

Sincerely,



Joey McNamee
Interim Library Director