

AUDIT REPORT

An Audit of Salt Lake County Parks & Recreation Payroll

JULY 2024



PAYROLL

SALARIES



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AUDITOR'S LETTER

July 2024

I am pleased to present the results of our audit of Parks and Recreation's payroll operations for the period of September 1, 2021, to August 31, 2022. The objectives of the audit were to provide reasonable assurance regarding the adequacy and effectiveness of internal controls and to ensure that payroll processes comply with all applicable fiscal ordinances, policies, and procedures.

Our audit identified significant deficiencies in Parks and Recreation's payroll operations. These issues included background checks not being conducted or not conducted before starting work, inability to place reliance on timeclock entries, lack of understanding of retroactive and final payout responsibilities, insufficient documentation of bonus awards, and missing timecard approvals. 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 Parks and Recreation 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 appreciate the cooperation and assistance provided by the Parks and Recreation 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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PARKS AND RECREATION PAYROLL AUDIT

JULY 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

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

REPORT HIGHLIGHTS

Background Checks Not Conducted or Not Conducted Before the Start of Employment

From a sample of forty-three newly hired or rehired employees, we found that one (2%) employee had not undergone a BCI background clearance check, and four (10%) employees had their BCI background clearance approved after starting employment.

Unable to Place Reliance on Timeclock Entries

Recreation Center staff are strongly encouraged to use the wall mounted clocks to clock in and out for work. However, there were no written policies regarding use of mobile or web-based timeclocks. We found that between August 2021 to October 2023, staff at one recreation center clocked-in 2,724 out of 8,514 (32%) times and clocked-out 2,310 out of 8,514 (27%) times, using the mobile application, not the wall mounted clock. The use of mobile and web-based applications for timeclock entries increases the risk that employees fraudulently punch in or out when not actually present and working at the designated work location. The risk of one employee fraudulently logging in for another employee is also increased with mobile and web-based applications, in contrast to the physical wall timeclock, which requires use of the employee's fingerprint.

Agency Did Not Understand Retro Pay and Final Payout Responsibilities

During the audit period, we reviewed six retroactive payments and found that for four of the six (67%) transactions, there was no documentation on file regarding why the retroactive payment was required. In addition, for four of the six (67%) transactions, there was no evidence of management or supervisory approval of the payments. Finally for all retroactive payments there was no supporting documentation of the calculation of the amount due on file.

Documentation of Bonus Awards Not Retained

Parks and Recreation Management was unable to provide bonus award documentation for 27 of the 55 (49%) of the transactions we sampled. For the remaining 28 awards in our test sample, we found that bonus award documentation for six (21%) paychecks lacked important information such as the name and EIN of the employee receiving the award, the date the bonus leave was issued, and the pay period ending (PPE) when the award was being redeemed.



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 Parks & Recreation's 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, Parks & Recreation's payroll encompassed a workforce of 4,427 employees, with cumulative earnings of \$31 million.

Parks & Recreation's 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

Additionally, in August 2023, the Salt Lake County Auditor's Fraud Hotline received a fraud allegation regarding a Parks and Recreation Center. An anonymous employee alleged that another employee arrives to work late, avoids clocking in at the start of their shift, and then fabricates their start time when clocking out.

The Auditor's Office has no opinion regarding the validity of the claim regarding an employee falsifying their time. However, as a result of the tip submitted, the scope of the audit was expanded to include additional audit procedures designed to provide reasonable assurance that controls are in place to prevent or detect fraudulent time entries.

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 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.

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 Countywide Policy 1035: Employee Use of Cell Phones outlines expectations for agencies and employees who use cell phones for County business. Adherence to the policy will ensure compliance with applicable Internal Revenue Service (IRS) regulations. The policy's purpose is to establish the responsibilities and procedures regarding County-provided cell phones and allowances for cell phones.

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:

- Background Checks not Conducted or not Conducted Before the Start of Employment
- Unable to Place Reliance on Timeclock Entries
- Agency Did Not Understand Retro Pay and Final Payout Responsibilities
- Documentation of Bonus Awards Not Retained
- Timecards Not Approved by a Supervisor
- Incomplete Paper Timesheet Documentation and Inaccurate Entries
- Cell Phone Allowance Overpayments
- Overtime Compensation Agreement Form Not Congruent with Time Earned
- Access Termination Requests Not Submitted Timely

As a result, timekeeping and payroll processing are at an increased risk of undetected errors and omissions, potential fraud, waste, or abuse. To mitigate these risks and improve operational effectiveness, it is crucial for

Parks & Recreation's 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

Background Checks Not Conducted or Not Conducted Before the Start of Employment

Risk Rating: **Significant Risk Finding**

Parks and Recreation has specific job positions that require handling confidential information and interacting with members of the public, including children. Parks and Recreation management maintained a list of positions for which new hires and rehires are required to receive a Bureau of Criminal Identification (BCI) background check.

Salt Lake County Human Resources also maintained a list of positions that required a BCI background check. When we compared the two lists, we noted that Parks and Recreation's list encompassed a broader range of positions and responsibilities and was therefore used for testing.

We reviewed Parks and Recreation's hiring practices for positions requiring a Bureau of Criminal Identification background check. During the audit period, Parks and Recreation hired or rehired 881 employees for these positions. We reviewed a sample of 43 employees and found the following:

- Two were excluded from testing:
 - One employee was under 18, exempt from the background check requirement. (Note: This employee was a minor under 18, before and after being hired.)
 - Another individual never started work. Therefore, a background check was not performed.
- Among the remaining 41 employees:
 - One (2%) had not undergone a BCI background check. (Note: This employee was under 18 when initially offered the job but turned 18 shortly before starting work.)
 - Four (10%) received BCI clearance only after starting their jobs.

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."

Section D.1, states, “Employees in designated positions will be background checked annually but no less than every three years to ensure compliance with the County’s criminal clearance standards...”

In addition, Parks and Recreation requires background checks to be completed prior to starting work. The Parks and Recreation Payroll Guide, BCI Administration, states, “Anyone over 18 who is being hired to a position that needs a bci [sic]- has to have one ran and approved PRIOR to their HR visit.”

The Parks and Recreation Internal Services Manager (Internal Services Manager) explained that a background check was not conducted for one employee because they were under 18 when they were initially offered the job. However, the employee turned 18 two days before their official hire date. The Internal Services Manager stated that all employees in applicable positions receive background checks at least every 3 years. Any employee that had not received one, would be given a background check at that time.

For the four employees with BCI clearance after starting work, the Internal Services Manager stated that managers are trained to conduct BCI clearance checks before an employee starts work. However, occasional oversights can occur, due to confusion about an employee’s age. In such cases, the clearance might not be started initially but is recognized as necessary once the employee has started working. In addition, clearance sometimes takes longer. In these cases, managers are told wait until it is received, but they may not always do so.

Salt Lake County Human Resource Policy 2-500 does not specify that background checks are to be completed prior to the employee performing work, with exception of the Sheriff’s Office and other criminal justice agencies. For all other agencies, there are no guidelines regarding how soon a background check must be completed. In addition, Parks and Recreation has no written internal policy regarding background checks.

When background checks are not conducted, it increases the risk of workplace incidents, posing potential threats to the safety and well-being of employees and the public. The County may be subject to reputational damage and potential legal fees.

We recommend that Parks and Recreation Management expand written policies and procedures to clearly define when background checks are required, specific timing for obtaining them, and requirements to renew background checks every three years.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

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

We recommend that Parks and Recreation Management work with Human Resources and the District Attorney's Office to establish and conduct reviews of Parks and Recreation 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: 10/12/24

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

FINDING 2 AND RECOMMENDATIONS

Unable to Place Reliance on Timeclock Entries

Risk Rating: **Significant Risk Finding**

The Auditor's Office received a fraud tip through the Salt Lake County Auditor's Fraud Hotline. The tip alleged that a Parks and Recreation Center employee was entering fraudulent timecard entries. The tipster claimed a specific employee arrives late, avoids using the wall mounted timeclock to clock in upon arrival, and then manually enters a fraudulent start time when clocking out.

The Auditor's Office confirmed that the named employee in the allegation manually entered 112 clock-ins, and 10 clock-outs, out of 536 (23%) time entries during September 2022 to September 2023. Prior to the tip being received, Parks and Recreation Management had already identified the employees' missed clock-ins through management review of timekeeping reports. The employee had been placed on a Performance Improvement Plan (PIP) and was being monitored for their timekeeping practices.

However, we also found that between August 2021 to October 2023, staff at the Recreation Center clocked in 2,724 out of 8,514 (32%) times and clocked out 2,310 out of 8,514 (27%) times, using the mobile application instead of the wall mounted timeclock.

The mobile TimeClock Plus (TCP) application was also used by Parks and Recreation staff that maintain Salt Lake County Parks throughout the County. The mobile TCP application included GPS tracking, which the employee's manager and fiscal team can access to verify the employee's location. However, Parks and Recreation management noted that the system was not reliable, and that employees were sometimes reported elsewhere when they could physically be seen working onsite.

United States Government Accountability Office GAO Standards for Internal Control in the Federal Government, Section 5.01 Enforce Accountability, states that "Management should evaluate performance and hold individuals accountable for their internal control responsibilities."

The Recreation Center's Facilities Manager explained that during COVID shutdowns, the previous Facility Director trained all staff on how to access and download the mobile app application to their phones. Management clarified that merit staff may need to use the application for off-site meetings, submitting leave requests, or clocking out after taking deposits to the bank. Parks employees use the application for remote work.

However, management emphasized that merit staff should primarily use the wall mounted timeclock. The Facilities Manager also admitted he was unaware that some staff continued to use the mobile application instead of the wall mounted timeclock.

Management stated that geolocation functionality depends on the user's phone location services, and can malfunction if location services are turned off, are set to lower accuracy, the phone is in power saving mode and not using real-time GPS data, or the signal is physically obstructed. Management indicated that they found GPS useful – but that their focus is on primarily on whether hours submitted are accurate and job duties have been performed.

There were no written policies on the appropriate use of the mobile and web-based timeclocks, geolocation tracking, reporting, or monitoring. There were written procedures on how to clear missed timeclock entries, but they did not include policies on monitoring repeated missed entries, requirements to follow up with employees or recommended actions. Supervisors were recommended to review each employee's missed entry individually, but also had the option to approve all exceptions in a date range.

The use of mobile and web-based applications for timeclock entries increases the risk that employees fraudulently punch in or out when not actually present and working at the designated work location. The risk of one employee fraudulently logging in for another employee is also increased with mobile and web-based applications, in contrast to the physical wall timeclock, which requires use of the employee's fingerprint.

2.1

RECOMMENDATION

Policies and Procedures

We recommend that Parks and Recreation management develop written policies and procedures for handling missed time punches as well as the appropriate use of mobile and web-based timeclocks. Procedures should include guidelines for staff, allowed usage, management periodic review and monitoring as well as follow-up.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

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

2.2

RECOMMENDATION

Monitor Timeclock

We recommend that Parks and Recreation management continue to monitor missed timeclock punches at all locations and start periodically reviewing employees' use of mobile and web-based applications.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 8/31/24

SEE PAGE 42 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

2.3

RECOMMENDATION

Staff Training

We recommend that Parks and Recreation management provide periodic staff training on timekeeping, and work with Human Resources to take disciplinary action where appropriate.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: COMPLETE

SEE PAGE 42 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend Parks and Recreation management work with County Information Technology (IT) to troubleshoot errors in GPS reporting and to implement safeguards limiting which employees have access to TCP mobile and web-based applications.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

SEE PAGE 43 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). Retro Pay refers to additional compensation added to an employee's paycheck to correct an underpayment from a previous pay period. 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, Parks and Recreation processed 78 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. Six payments met the criteria for further review. We found that:

- For four of the six (67%) transactions, there was no documentation on file regarding why the retroactive payments were required
- For four of the six (67%) transactions, there was no evidence of management or supervisory approval of the payments.
- All six retro payment transactions had no supporting documentation of the calculation of the amount due.

Upon termination of employment, merit and time limited appointed employees have the option to either use 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, Parks and Recreation terminated 1,810 employees. We reviewed a sample of 44 employees and found that 10 (23%) received final payouts. However, Parks and Recreation could not provide documentation of calculations supporting the amount of the payouts.

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 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.

The Internal Services Manager acknowledged she could not locate any documentation supporting the reasons for the retro payments. She was unsure whether backups explaining the situation were saved before she assumed the position.

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 Parks and Recreation Management establish clear written policies and procedures for calculating and verifying retroactive payments and leave payouts.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

SEE PAGE 43 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Parks and Recreation 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: 8/31/24

SEE PAGE 44 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 Parks and Recreation paychecks issued included 40 bonus leave taken time entries and 291 monetary bonus awards for 283 employees. Bonus leave taken entries occur when an employee receives time off as an award, and then they elect to use it during a given pay period.

We selected a random sample of 39 employees with 55 bonus awards transactions with either monetary or leave time awarded, to verify the presence of documentation supporting performance justification, authorized approvals, and proper separation of duties over bonuses. Parks and Recreation Management was unable to provide bonus award documentation for 27 of the 55 (49%) of the transactions we sampled. This prevented further testing of these transactions.

From the remaining 28 transactions in our test sample, we found that six (21%) of the bonus transactions were supported by documentation that lacked important information such as the name and EIN of the employee receiving the leave award, the date the bonus leave was issued, and the pay period ending (PPE) when the award was being redeemed.

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.”

The Internal Services Manager explained that she was new to her position and was unable to locate the bonus leave documentation for leave processed by her predecessor, who had retired. In addition, she explained that the bonus leaves award coupons originated from the Salt Lake County Mayor’s Office. The awards were documented using generic coupons

containing the hours being awarded and did not provide a space to enter the employee's name or EIN. Employees received the awards via email, obtained their supervisor's signature, and then submitted the coupon to the Parks and Recreation payroll coordinators.

Due to 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. The lack of documentation and generic nature of the bonus leave coupons increase the risk of fraud, waste, or abuse. Employees may receive, or may have received, pay for time off that was not authorized.

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 Parks and Recreation management establish and implement document retention policies and procedures. This should encompass both digital and physical document management systems to enhance document retrieval efficiency for a period deemed sufficient for business needs and any State or local requirements.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

SEE PAGE 44 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Parks and Recreation management work with the Mayor's Office to improve the Bonus Leave Coupon/Certificate by including the Employee's Name, EIN and Issue Date and pay period ending date that the employee requested to redeem the award on.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: COMPLETED

SEE PAGE 45 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 5 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, as well as county and division-level policies. They also provide valuable data for stakeholders.

Employee timecards must be approved before the employee's payroll can be processed. To assess whether Parks and Recreation employee time was reviewed and approved by the employee's supervisor, we selected a random sample of 44 out of 4,427 employees. The 44 employees had over 3,400 timecard entries during the audit period. We found that 116 (3%) of these 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.

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."

The Internal Services Manager stated that payroll staff approve time entries missed by supervisors to meet payroll deadlines. She explained that they subsequently email the supervisor requesting them to review the time for accuracy. However, they did not make a practice of retaining the email documentation.

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, or abuse.

5.1

RECOMMENDATION

Establish Procedure

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

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

SEE PAGE 45 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

5.2

RECOMMENDATION

Document Retention

We recommend that Parks and Recreation 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: 10/12/24

SEE PAGE 46 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 6 AND RECOMMENDATIONS

Access Termination Requests Not Submitted Timely

Risk Rating: **Significant Risk Finding**

When an employee departs from Salt Lake County employment, certain offboarding procedures are necessary at the agency level. These include requesting the employees access to the County Network, PeopleSoft, and any external timekeeping software be removed. Agencies submit a termination “Employee Personnel Action Request” (ePAR) in PeopleSoft, and network termination is requested through an Information Technology Division service request.

We tested 44 out of 1,810 Parks and Recreation terminations, including 11 merit employees and 33 temporary employees, to determine whether the agency promptly requested removal of timekeeping and network access.

Timekeeping Access

- Merit staff: We noted that an ePAR was submitted on a timely basis for all 11 merit employees, including one merit employee that was on long term disability prior to termination, and therefore the ePAR was submitted at that time.
- Temporary staff: For 18 out of 33 temporary employees, an ePAR was submitted within 90 days, as recommended by Human Resources. However, for 15 out of 33 (34%) the ePAR was not entered timely, with dates 93 to 126 days after termination, averaging 106 days after termination.

Network Access

- Merit staff: For the 11 terminated merit employees, we noted that two employees were shortly rehired and were therefore not tested for removal of network access. Access removal requests were submitted on a timely basis for eight of remaining nine merit employees. The requests were submitted either within the pay period ending of the termination date, or within five days of the employee’s last paycheck, to allow for the employee’s final paycheck to be processed. However, there was no access removal request for one of the nine (11%) merit employees.
- In addition, an access removal request was not submitted to IT for any of the 33 temporary employee terminations tested.

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 for removing employee access and issuing final payouts leads to ambiguity and inconsistencies. 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.

The Internal Service Manager stated that network termination requests are not typically submitted for temporary employees. Instead, they rely on the Information Technology Division to conduct bulk account cleanups to identify and deactivate inactive temporary staff. Parks and Recreation failed to request account termination for 34 employees (33 temporary and one merit). We noted that four accounts were still listed on IT records. A review of IT records by an IT Server Administrator noted that only one of the four was still active.

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.

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

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 9/28/24

SEE PAGE 46 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

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

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 9/28/24

SEE PAGE 47 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 7 AND RECOMMENDATIONS

Incomplete Paper Timesheet Documentation and Inaccurate Entries

Risk Rating: **Moderate Risk Finding**

During the audit period, Parks and Recreation used TCP, for tracking and recording employee time. Data from TCP was then uploaded to the County's Payroll System in PeopleSoft. If employee time was not recorded in TCP before the payroll deadline, Parks and Recreation fiscal staff used a paper timesheet. Then they manually entered this data into the PeopleSoft payroll system.

To assess the accuracy and completeness of the data transferred from paper timesheets, we reviewed a sample of 23 employee paper timesheets out of 46 paper timesheets identified by Parks and Recreation. We then cross-referenced all 68 time entries on the 23 timesheets to the data entered in PeopleSoft. We also verified the presence of both the employee and supervisor signatures, as well as the pay period date on each timesheet. We found the following:

- **Illegible Supervisor Signatures (74%):** In a significant portion (17 out of 23) of the timesheets, supervisor signatures were illegible. This makes it difficult to confirm if the approver had the proper authorization.
- **Data Entry Errors (13%):** Three timesheets (13%) contained a total of five entries (7%) that were incorrectly recorded in PeopleSoft.
- **Missing Information (17%):** Four timesheets (17%) lacked the pay period date, and another four (17%) were missing employee signatures. Four (17%) timesheets did not include the pay period or date.

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."

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."

Management explained that missing data was likely due to a last-minute rush for approval to meet the payroll deadline, which led to a failure to

request the employee to fill out this information. In addition, payroll staff knew the correct pay period based on when they received the paper timesheet.

Differences in the data transferred from the paper timesheets were nominal, totaling less than two hours. However, the inaccurate time transfer led to errors in employee pay, including under and over payments. Missing fields such as dates and an employee's signature can lead to uncertainty about the accuracy of the recorded hours, as well as pose a compliance risk. The inability to identify an authorized signer may raise concerns about the validity and accuracy of an employee's time records.

7.1	RECOMMENDATION	Accurate Records
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We recommend that Parks and Recreation Management establish and document clear procedures for accurate completion of paper time sheets, including requiring employees' signatures and dates.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

SEE PAGE 47 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

7.2	RECOMMENDATION	Supervisor Approval
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We recommend that Parks and Recreation Management establish and document clear procedures for supervisor review of paper timesheets, including recording a legible supervisor name along with the signature.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

SEE PAGE 48 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

7.3	RECOMMENDATION	Secondary Approval
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We recommend that Parks and Recreation Management establish and document procedures that require an independent secondary review of manually entered time.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

SEE PAGE 48 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 8 AND RECOMMENDATIONS

Cell Phone Allowance Overpayments

Risk Rating: **Moderate Risk Finding**

Salt Lake County provides employees with a cell phone or cell phone allowance for business purposes, when deemed appropriate. Employees may receive one of three options from their agency: an ongoing allowance, reimbursement for actual costs incurred for these services, or a County-cell phone.

During the audit period, nine Parks and Recreation employees received cell phone allowances. We verified whether a County Provided Cell Phone Agreement Form (1035-A form) and a personal cell phone bill were on file for each employee. In addition, we verified that the allowance did not exceed what the employee paid for their cell phone. Finally, we ensured that employees did not receive more than the division's maximum allowance of \$40 per month.

We found that Parks and Recreation retained copies of both the Cell Phone Agreement form and the employee's personal cell phone bill for all nine employees. However, we noted the following:

- For six of the nine (67%) employees, the amount listed on the agreement form did not match the amount reimbursed.
- Four of the nine (44%) employees received reimbursements exceeding the agency's \$40 per month limit.
- One of the nine (11%) employees received an allowance greater than their actual phone costs.

Salt Lake County Countywide Policy 1035: Employee Use of Cell Phones, Part 5, Section 5.1, states, "The Allowance or reimbursement shall not exceed the actual cost of the plan. 5.2 Agencies may set an allowance amount for an employee or group of employees depending on the business needs, costs and other applicable factors... 5.3 ...To be eligible for reimbursement, the employee must incur out-of-pocket costs that must be approved by their supervisor..."

Variances occurred because in some cases, the amount paid on the employee's paycheck was reduced to account for 26 pay periods in the year. For example, the employee's 1035 Form may have indicated an allowance of \$20 per paycheck, but \$18.46 per paycheck was actually paid, resulting in \$40 per month ($\$18.46 \times 26 \text{ pay periods in a year, divided by } 12 \text{ months} = \40 per month). In other cases, \$20 per paycheck

was actually paid, resulting in \$43.33 per month ($\20×26, divided by 12 months = \$43.33).

For the employee that received more than they paid per their cell phone bill, the cost of the employee's phone service went down since the employee originally submitted the form and cell phone bill. The employee was initially approved for a reimbursement of \$18.46 per pay period, or \$40 per month. However, a review of the employee's cell phone bill showed the actual monthly cost to be \$25. As a result, the employee was paid almost \$200 more than allowed per policy during the audit period.

Parks and Recreation lacks a policy or procedure for calculating cell phone allowances and regularly reviewing the cell phone bill and agreement form to reflect changes in the employee's cell phone bill costs.

When cell phone allowance forms and invoices are not regularly reviewed for alignment with the current cost of cell phone services, employees may be under or overpaid for cell phone allowances. Additionally, if the allowable amount is not calculated based on the accurate number of paychecks per year, the reimbursement amount may exceed the allowable limit set by Parks and Recreation.

We recommend that Parks and Recreation Management establish and implement a policy and procedure for regular reviews of cell phone agreement forms and cell phone bills to ensure alignment with any changes in employee cell phone services. The policy should include provisions requiring employees to notify Parks and Recreation Management whenever their cell phone bill amount decreases.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

SEE PAGE 49 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Parks and Recreation Management require the employee that received more than the cost of their cell phone services to repay the almost \$200 received in error.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

SEE PAGE 49 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

We recommend that Parks and Recreation Management establish a procedure for accurately calculating the allowable reimbursed amount on each paycheck, in accordance with the County policy of providing the allowance amount per pay period rather than per month, considering the 26 pay periods per year, to prevent overpayment.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE: 10/12/24

SEE PAGE 50 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

FINDING 9 AND RECOMMENDATIONS

Overtime Compensation Agreement Form Not Congruent with Time Earned

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, Payroll. The Parks and Recreation Management team provided us with their internal policy as required by Policy 5-300.

Non-exempt employees earn one and one-half times their hourly rate for each hour they work over 40. 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 a sample of 41 out of 455 employees who received pay for overtime or compensatory time to verify that an Overtime Compensation Agreement form was on file and that the overtime or compensatory time was congruent with the election on the form. We found the following:

- Three employees (7%) did not require Overtime Compensation Agreements because they only earned the default pay of overtime for extra hours worked.
- All remaining 38 employees had an Overtime Compensation Agreement form on file.
 - However, one employee (3%) received overtime pay despite electing compensatory time on their form.
 - 10 employees (26%) had overtime and/or compensatory time approved by an individual who was not their designated supervisor in PeopleSoft, and whose job title and grade did not align with that of a supervisor or manager.

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.

The Internal Services Manager speculated that the employee who had opted for compensatory time but received overtime might have undergone an unrelated data change in Peoplesoft that inadvertently reset his earnings to the default of one and one-half times his hourly rate. The change went unnoticed before payroll processing. Furthermore, she explained that the non-supervisory approvals for the 10 employees were done by the Fiscal Coordinator and herself. The approvals were done in the interest of expediting the processing of payroll entries that had not received approval from the employees’ supervisors.

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, and potential non-compliance with legal requirements.

9.1	RECOMMENDATION	OT And Comp Time Reviews
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We recommend that Parks and Recreation 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: COMPLETE

SEE PAGE 50 FOR THE AGENCY’S FULL RESPONSE TO OUR RECOMMENDATION

9.2	RECOMMENDATION	Procedures
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We recommend that Parks and Recreation 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: 10/12/24

SEE PAGE 51 FOR THE AGENCY’S FULL RESPONSE TO OUR RECOMMENDATION

Complete List of Audit Recommendations

This report made the following 21 recommendations.

RECOMMENDATION 1.1:

We recommend that Parks and Recreation Management expand written policies and procedures to clearly define when background checks are required, specific timing for obtaining them, and requirements to renew background checks every three years.

RECOMMENDATION 1.2

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

RECOMMENDATION 2.1

We recommend that Parks and Recreation management develop written policies and procedures for handling missed time punches as well as the appropriate use of mobile and web-based timeclocks. Procedures should include guidelines for staff, allowed usage, management periodic review and monitoring as well as follow-up.

RECOMMENDATION 2.2

We recommend that Parks and Recreation management continue to monitor missed timeclock punches at all locations and start periodically reviewing employees' use of mobile and web-based applications.

RECOMMENDATION 2.3

We recommend that Parks and Recreation management provide periodic staff training on timekeeping, and work with Human Resources to take disciplinary action where appropriate.

RECOMMENDATION 2.4

We recommend Parks and Recreation management work with County Information Technology (IT) to troubleshoot errors in GPS reporting and to implement safeguards limiting which employees have access to TCP mobile and web-based applications.

RECOMMENDATION 3.1

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

RECOMMENDATION 3.2

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

RECOMMENDATION 4.1

We recommend that Parks and Recreation management establish and implement document retention policies and procedures. This should encompass both digital and physical document management systems to enhance document retrieval efficiency for a period deemed sufficient for business needs and any State or local requirements.

RECOMMENDATION 4.2

We recommend that Parks and Recreation management work with the Mayor's Office to improve the Bonus Leave Coupon/Certificate by including the Employee's Name, EIN and Issue Date and pay period ending date that the employee requested to redeem the award on.

RECOMMENDATION 5.1:

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

RECOMMENDATION 5.2:

We recommend that Parks and Recreation 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.

RECOMMENDATION 6.1

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

RECOMMENDATION 6.2

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

RECOMMENDATION 7.1

We recommend that Parks and Recreation Management establish and document clear procedures for accurate completion of paper time sheets, including requiring employees' signatures and dates.

RECOMMENDATION 7.2

We recommend that Parks and Recreation Management establish and document clear procedures for supervisor review of paper timesheets, including recording a legible supervisor name along with the signature.

RECOMMENDATION 7.3

We recommend that Parks and Recreation Management establish and document procedures that require an independent secondary review of manually entered time.

RECOMMENDATION 8.1:

We recommend that Parks and Recreation Management establish and implement a policy and procedure for regular reviews of cell phone agreement forms and cell phone bills to ensure alignment with any changes in employee cell phone services.

RECOMMENDATION 8.2:

We recommend that Parks and Recreation Management require the employee that received more than the cost of their cell phone services to repay the almost \$200 received in error.

RECOMMENDATION 8.3:

We recommend that Parks and Recreation Management establish a procedure for accurately calculating the allowable reimbursed amount on each paycheck, in accordance with the County policy of providing the allowance amount per pay period rather than per month, considering the 26 pay periods per year, to prevent overpayment.

RECOMMENDATION 9.1:

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

RECOMMENDATION 9.2

We recommend that Parks and Recreation 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



JENNY WILSON
Salt Lake County Mayor

ROBIN B. CHALHOUB
Department Director
Community Services

VACANT
Division Director
Parks & Recreation

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

July 19, 2024

Auditor Harding,

Thank you for your feedback. Please find our response below to each of the recommendations made in your report.

Respectfully,

A handwritten signature in cursive script that reads 'Julie Peck-Dabling'.

Julie Peck-Dabling
Interim Division Director
Salt Lake County Parks and Recreation

AUDIT FINDING 1: Background Checks Not Conducted or Not Conducted Before the Start of Employment

RECOMMENDATION 1.1 We recommend that Parks and Recreation Management expand written policies and procedures to clearly define when background checks are required, specific timing for obtaining them, and requirements to renew background checks every 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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will document its background check processes in Standard Operating Guidelines.

RECOMMENDATION 1.2 We recommend that Parks and Recreation Management work with Human Resources and the District Attorney’s Office to establish and conduct reviews of Parks and Recreation 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	10/12/24	Melissa Lugo, Division HR Manager

Parks and Recreation will continue to work with Human Resources and the District Attorney’s Office to review the list of positions requiring background checks.

AUDIT FINDING 2: Unable to Place Reliance on Timeclock Entries

RECOMMENDATION 2.1 We recommend that Parks and Recreation management develop written policies and procedures for handling missed time punches as well as the appropriate use of mobile and web-based timeclocks. Procedures should include guidelines for staff, allowed usage, management periodic review and monitoring as well as follow-up.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will develop Standard Operating Guidelines to document proper punch and review actions.

RECOMMENDATION 2.2 We recommend that Parks and Recreation management continue to monitor missed timeclock punches at all locations and start periodically reviewing employees' use of mobile and web-based applications.		
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	8/31/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will work with Information Technology to identify additional reports for managers to use to review and evaluate punches.

RECOMMENDATION 2.3 We recommend that Parks and Recreation management provide periodic staff training on timekeeping, and work with Human Resources to take disciplinary action where appropriate.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	Complete	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation conducts monthly payroll training and works with Human Resources on disciplinary actions.

RECOMMENDATION 2.4 We recommend Parks and Recreation management work with County Information Technology (IT) to troubleshoot errors in GPS reporting and to implement safeguards limiting which employees have access to TCP mobile and web-based applications.		
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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will work with Information Technology to gather additional information, identify reports, and investigate possible controls.

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

RECOMMENDATION 3.1 We recommend that Parks and Recreation 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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will ensure that retro pay and leave payout practices are documented in the payroll coordinators' operating manual. The countywide policy will be referenced in the operating manual.

RECOMMENDATION 3.2 We recommend that Parks and Recreation 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	8/31/24	Nikki Kilpatrick, Internal Services Manager

Each pay period Parks and Recreation completes the payroll processing checklist developed by Mayor’s Finance, saves it to a central document repository, and transmits a copy to Mayor’s Finance for their records. Additional calculations, communications, and documentation will also be saved in the central document repository.

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 Parks and Recreation management establish and implement document retention policies and procedures. This should encompass both digital and physical document management systems to enhance document retrieval efficiency for a period deemed sufficient for business needs and any State or local requirements.		
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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will document its retention policies and procedures in Standard Operating Guidelines.

RECOMMENDATION 4.2 We recommend that Parks and Recreation management work with the Mayor’s Office to improve the Bonus Leave Coupon/Certificate by including the Employee’s Name, EIN and Issue Date and pay period ending date that the employee requested to redeem the award on.		
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	Completed	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation has revised the process of recording awarded bonus leave. The Mayor’s Office now sends a file including the employee’s name, EIN, and number of hours. Parks and Recreation enters those hours into PeopleSoft, and PeopleSoft tracks the redemption or expiration of the bonus leave.

AUDIT FINDING 5: Timecards Not Approved by a Supervisor

RECOMMENDATION 5.1 We recommend that Parks and Recreation 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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will document procedures in Standard Operating Guidelines to ensure review and approval of time by direct supervisors or managers and will communicate expectations and processes to supervisors and managers.

RECOMMENDATION 5.2 We recommend that Parks and Recreation 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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will develop Standard Operating Guidelines to address situations when the direct supervisor is unavailable to approve time to ensure that time is properly reviewed and approved without delaying employee pay.

AUDIT FINDING 6: Access Termination Requests Not Submitted Timely

RECOMMENDATION 6.1 We recommend that Parks and Recreation 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	9/28/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will consult with Human Resources and Information Technology to clarify processing schedules and system limitations. Parks and Recreation will monitor progress moving forwards. Batch terminations are now done via Excel-to-CI, which should improve timeliness. Parks and Recreation will document the access removal timeline in its Standard Operating Guidelines.

RECOMMENDATION 6.2 We recommend that Parks and Recreation 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	9/28/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will meet with Information Technology to understand the timetable for access removal and will work with Information Technology to ensure timely removal for terminated employees.

AUDIT FINDING 7: Incomplete Paper Timesheet Documentation and Inaccurate Entries

RECOMMENDATION 7.1 We recommend that Parks and Recreation Management establish and document clear procedures for accurate completion of paper time sheets, including requiring employees’ signatures and dates.		
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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will compile Standard Operating Guidelines that address paper time sheets. Parks and Recreation will ensure that employees’ signatures and dates are on all paper time sheets.

RECOMMENDATION 7.2 We recommend that Parks and Recreation Management establish and document clear procedures for supervisor review of paper timesheets, including recording a legible supervisor name along with the signature.		
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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will compile Standard Operating Guidelines that address paper time sheets. Parks and Recreation will investigate adding a printed name field or other methods to ensure that the supervisor can be identified.

RECOMMENDATION 7.3 We recommend that Parks and Recreation Management establish and document procedures that require an independent secondary review of manually entered time.		
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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will develop and document Standard Operating Guidelines to conduct a secondary review for manually entered time and to retain the record of the review.

AUDIT FINDING 8: Cell Phone Allowance Overpayments

RECOMMENDATION 8.1 We recommend that Parks and Recreation Management establish and implement a policy and procedure for regular reviews of cell phone agreement forms and cell phone bills to ensure alignment with any changes in employee cell phone services. The policy should include provisions requiring employees to notify Parks and Recreation Management whenever their cell phone bill amount decreases.		
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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will review its cell phone needs and usage and will develop Standard Operating Guidelines to ensure regular review and calculation.

RECOMMENDATION 8.2 We recommend that Parks and Recreation Management require the employee that received more than the cost of their cell phone services to repay the almost \$200 received in error.		
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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will work with the employee to repay the amount paid in error.

RECOMMENDATION 8.3 We recommend that Parks and Recreation Management establish a procedure for accurately calculating the allowable reimbursed amount on each paycheck, in accordance with the County policy of providing the allowance amount per pay period rather than per month, considering the 26 pay periods per year, to prevent overpayment.		
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	10/12/24	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will establish a calculation method to ensure the uniformity of units of measure and will document this practice in Standard Operating Guidelines.

AUDIT FINDING 9: Overtime Compensation Agreement Form Not Congruent with Time Earned

RECOMMENDATION 9.1 We recommend that Parks and Recreation 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	Completed	Nikki Kilpatrick, Internal Services Manager

Parks and Recreation will continue to monitor the TRCs in PeopleSoft Payable Time and investigate possible issues. The SLCPY_COMP_PLAN_AUDIT query is used to research possible issues.

<p>RECOMMENDATION 9.2 We recommend that Parks and Recreation 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.</p>		
<p>Agree or Disagree with Recommendation</p>	<p>Target date to complete implementation activities (Generally expected within 60 to 90 days)</p>	<p>Name and Title of specific point of contact for implementation</p>
<p>Agree</p>	<p>10/12/24</p>	<p>Nikki Kilpatrick, Internal Services Manager</p>

Parks and Recreation will establish Standard Operating Guidelines to ensure review and approval of time by direct supervisors or managers and will communicate expectations and processes to supervisors and managers.