

# AUDIT REPORT

# A Limited Scope Performance Audit of the Salt Lake County Mayor's Office Administration

AUGUST 2025



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## AUDITOR'S LETTER

August 29, 2025

I am pleased to present our audit of the Salt Lake County Mayor's Office Administration (Mayor's Administration) for the period from January 1, 2023, to December 31, 2023. The objectives of this audit were to provide reasonable assurance that the internal controls over financial transactions and safeguarding County assets are adequate and effective and that the Mayor's Administration processes comply with applicable fiscal ordinances, policies, and procedures.

Our audit identified opportunities to strengthen governance, compliance, and transparency, including:

- Improving documentation practices for tracking and distributing gift cards
- Ensuring accuracy and completeness of asset lists, including annual inventories and disposals
- Strengthening PCard and purchase reconciliations and authorizations
- Formalizing timecard approval delegations
- Enhancing compliance with countywide policies for:
  - Purchasing cards authorization forms
  - Required trainings
  - Prohibited use
- Strengthening segregation of duties for receiving funds and authorizing purchases.

Mayor's Administration agreed to all 24 recommendations and demonstrated a commitment to implementing them promptly. We appreciate their responsiveness, which is essential to safeguarding the County's operational and financial integrity.

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 of all involved personnel during this audit. For further details, please refer to the enclosed detailed audit report. Should you require any further information or clarification, please do not hesitate to contact me at 385-468-7200.

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

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## **A LIMITED SCOPE PERFORMANCE AUDIT OF THE SALT LAKE COUNTY MAYOR'S OFFICE ADMINISTRATION**

**AUGUST 2025**

### **Objectives and Scope:**

The scope of this audit was from January 1, 2023, to December 31, 2023.

The audit objectives were to provide reasonable assurance that the Mayor's Office Administration:

- Internal controls are adequate and effective.
- Financial transactions are recorded accurately, completely, and are free from significant errors, and comply with applicable standards, ordinances, policies, statutes, and laws.
- County assets are safeguarded against fraud, waste, and abuse.

# **REPORT HIGHLIGHTS**

### **Opportunities to Enhance Compliance of County Policy When Purchasing, Tracking, and Distributing Gift Cards**

The Mayor's Office Administration purchased and distributed gift cards without a formal written policy to document and track their use. Some gift cards were given to employees and volunteers even though County policy restricts volunteer gift card purchases on purchasing cards. The lack of detailed records for gift card distribution increases the risk of fraud or misuse. Additionally, there was no annual review process to ensure staff remained aware of purchasing card restrictions.

### **Opportunities to Improve Accuracy and Completeness of Asset Lists and Completion of Annual Inventory**

Annual forms used to track controlled assets were missing key dates and occasionally omitted assigned items. Nearly half of the sampled controlled assets did not show clear evidence of an annual review, undermining the verification process. Without accurate forms documenting asset locations and employee assignments, there is a higher risk of theft or unintended use. The inconsistencies stem largely from human error and a lack of internal guidelines.

### **Opportunities to Improve Documentation of Capital Asset Inventory List's Readily Identifiable Information**

A capital asset, described as conference room equipment, lacked sufficient identifying information, such as a serial number or asset tag, which hindered our ability to verify its location and status. Proper asset tagging, including coordination with the Mayor's Financial Administration (MFA), was not fully in place. This raises the risk of items being misplaced or unaccounted for, especially if equipment can be disassembled or moved. The incomplete annual inventory process also compounds accountability issues.





## Finding Risk Classifications

Classification	Description	Action
<p style="text-align: center; color: white; font-weight: bold; font-size: 1.2em;">High Risk</p>	<p><b>High Risk Findings indicate significant weaknesses in controls and compliance:</b></p> <ul style="list-style-type: none"> <li>• Essential controls are either missing OR are in place but fail to adequately address critical risks.</li> <li>• Procedures are either not followed consistently OR are completely missing.</li> <li>• Documentation and communication of controls, policies, and procedures are either lacking OR entirely absent.</li> <li>• Controls may not be in operation OR may not have been implemented.</li> <li>• Material non-compliance (or a critical instance of non-compliance) with legislative requirements (both state law and county ordinances), countywide policies, departmental policies, and best practices is common, resulting in inadequate risk management.</li> </ul>	<p style="text-align: center;">Urgent Corrective Actions are Necessary</p>
<p style="text-align: center; color: white; font-weight: bold; font-size: 1.2em;">Medium Risk</p>	<p><b>Medium Risk Findings indicate weaknesses in control design and/or implementation, and occasional non-compliance:</b></p> <ul style="list-style-type: none"> <li>• Controls are partially in place but may not fully address all aspects of key risks.</li> <li>• Documentation and/or communication of controls, policies, and procedures may be incomplete, unclear, inconsistent, or outdated.</li> <li>• Controls might not be operating consistently and/or effectively or may not have been fully implemented.</li> <li>• Occasional non-compliance with legislative requirements (both state law and county ordinances), countywide policies, departmental policies, and best practices has occurred.</li> <li>• Risks are not being effectively managed, which could result in failure to meet departmental objectives or could lead to a less effective risk management framework.</li> </ul>	<p style="text-align: center;">Promptly Implement Recommendations</p>
<p style="text-align: center; color: white; font-weight: bold; font-size: 1.2em;">Low Risk</p>	<p><b>Low Risk Findings indicate that controls are generally effective, with minor areas for improvement:</b></p> <ul style="list-style-type: none"> <li>• Controls are effectively addressing key risks but may need minor improvements.</li> <li>• Documentation and/or communication of controls, policies, and procedures are generally adequate but might require minor updates.</li> <li>• Controls are generally operating effectively with minor inconsistencies.</li> <li>• Minor deviations from legislative requirements (both state law and county ordinances), countywide policies, departmental policies, and/or best practices may exist.</li> <li>• Risks are generally well-managed, with minimal areas for improvement identified during testing.</li> </ul>	<p style="text-align: center;">Implement Minor Improvements and Proactive Enhancements</p>

# BACKGROUND

The Salt Lake County Auditor's Audit Services Division completed a limited scope performance audit of the Salt Lake County Mayor's Office Administration (Mayor's Administration) revenues, expenditures, and assets for the period of January 1, 2023, to December 31, 2023.




The Salt Lake County Mayor is the elected chief executive of the County. The Mayor's Office Administration oversees various programs and County services including, but not limited to:

- Youth Services
- Parks and Recreation
- Senior Services
- Animal Services
- Arts and Culture
- Health Department

Although Mayor's Office Administration oversees various programs, our audit scope focused on Mayor's Office Administration and excluded the other programs and services.

# OBJECTIVES AND SCOPE

The audit objectives were to provide reasonable assurance that the Mayor's Office Administration:

-  Internal controls are adequate and effective and financial transactions are recorded accurately, completely, and are free from significant errors.
-  Financial transactions and business processes comply with applicable standards, ordinances, policies, statutes, and laws.
-  County assets are safeguarded against fraud, waste, and abuse.

The scope of this audit was from January 1, 2023, to December 31, 2023.

# AUDIT CRITERIA

**Salt Lake County Countywide Policy 1006: Donation of Property or Funds to Salt Lake County** establishes written procedures for donations of property and cash made to Salt Lake County. These donations must have a declaration of donation with restriction indicated on it. The County Council must approve all donations above \$5,000.

**Salt Lake County Countywide Policy 1062: Management of Public Funds** establishes policies for receiving and handling cash or checks received by the County. It also establishes the need for each agency to establish adequate internal controls surrounding the receipt of cash.

**Salt Lake County Countywide Policy 1125: Safeguarding Property/ Assets** establishes a uniform policy that provides direction concerning who is responsible for managing property, defines the types of assets subject to various controls, and refers to various procedures concerning the safeguarding of assets. Procedures and definitions include but are not limited to:

- Controlled assets are items having a cost of \$100 or greater, but less than the current capitalization rate, and which are sensitive to conversion to personal use.
- The Property Manager maintains records to manage controlled assets using the appropriate forms.
- Report theft of property to appropriate authorities in accordance with Countywide Policy 1304.

**Salt Lake County Countywide Policy 2010: Public Records Access – GRAMA** establishes policies for calculating fees and costs to complete information requests pursuant to the Government Records Access and Management Act (GRAMA).

**Utah Code, Title 63G: General Government, Chapter 2: Government Records Access and Management Act, Part 2: Access to Records** establishes guidelines for fees charged by local governments for requests pursuant to GRAMA.

**Salt Lake County Countywide Policy 7021: Small Cost Purchasing Procedures** establishes that the purpose of small cost purchasing is to allow county agencies to purchase goods or services on an expedited basis, without major involvement of the Division of Contracts and Procurement. Delegating small-cost purchases to county agencies makes purchases of small cost items more convenient for the initiating county agencies; simplifies and reduces acquisition costs on small cost purchases; and provides for timely payment to the vendor. Procedures



and definitions include:

- Establishment of a small cost blanket by Contracts and Procurement.
- Quote requirements.
- Formal solicitation requirements.
- Restriction on split transactions.

**Salt Lake County Countywide Policy 7035: Purchasing Cards**

**Authorization and Use**, establishes guidelines and procedures for the issuances, authorization, and use of the county purchasing card (PCard) by county agencies. Items listed in policy as prohibited include:

- Sales tax.
- Personal purchases.
- Split payments on purchases to circumvent small costs or single transaction limits.
- Gift card purchases for employees or volunteers.
- Shipments to non-county facilities.

**Salt Lake County Utah Code of Ordinances Chapter 3.28 - CONTRACT PROCESSING AND PAYMENTS, Section 3.28.010**, establishes that contracts are required for all grants given to the County.

## METHODOLOGY

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

1. Met with agency personnel to gain an understanding of procedures and agency controls in place over revenue, expenditures, and asset management. Processes observed and described were documented and agreed upon.
2. Where appropriate, performed: statistical, judgmental, or random sampling to review revenue, expenditures, and PCard transactions within the County's financial system.
3. Obtained and reviewed documentation from the County's financial system, Contracts and Procurement's SharePoint Document Search, the State of Utah contract search, and from agency contacts. The documents examined included financial statements, PCard cardholder statements, PCard transaction detail reports, County contracts, State contracts, controlled and capital asset lists, Imprest account documents, and emails.
4. Performed both on-site testing of controlled and capital assets and obtained photo documentation of controlled assets located off-site from those working remotely.

5. Performed unannounced on-site testing for controls over PCard security.
6. Reviewed the U.S General Services Administration (GSA) rates for meals, Utah sales tax law, and relevant County policies and standards.

## CONCLUSIONS

During the audit of the Salt Lake County Mayor's Administration Office for the period of January 1, 2023, to December 31, 2023, we identified opportunities to enhance internal controls, ensure compliance with countywide policies, and further strengthen the accountability and transparency of financial and asset management processes.

Our review highlights areas for improvement, including:

- Procedures for safeguarding sensitive items such as gift cards,
- Purchasing Card and Accounts Payable expenditures,
- Purchasing Card reconciliation record-keeping,
- Asset tagging and tracking,
- Check logs and GRAMA request documentation,
- Revenue classification of donated grant funds.

Implementing the recommendations within this report will strengthen the Mayor's Administration's compliance with Countywide policies, mitigate identified risks, and reinforce public confidence in its stewardship of public funds and assets.

# FINDING 1 AND RECOMMENDATIONS

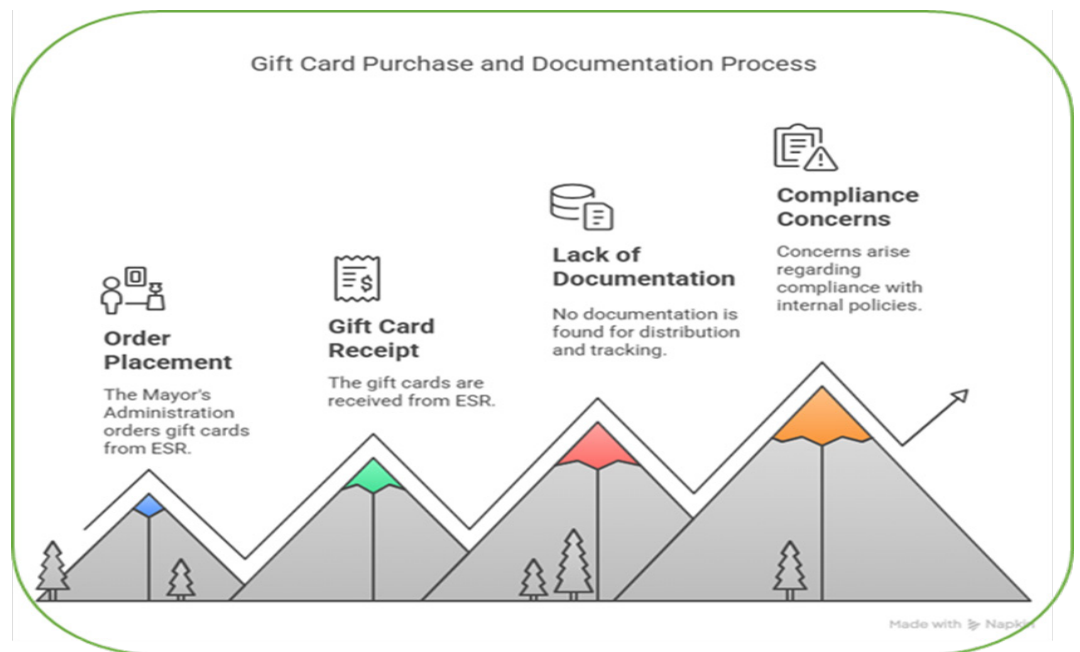
## Opportunities to Enhance Compliance of County Policy When Purchasing, Tracking and Distributing Gift Cards

Risk Rating: **High Risk Finding**

Salt Lake County Human Resources (HR) Policy 4-800 requires agencies that want to award employees with gift cards to obtain, receive, and distribute them through Employee Service Reserve (ESR).<sup>1</sup> In addition, agencies are required to establish internal procedures that outline acceptable use, safeguarding, tracking and distribution of gift cards.<sup>2</sup> County agencies are also prohibited from using County purchasing cards (PCards) to buy gift cards for employees or volunteers.

In 2023, Mayor's Administration ordered gift cards for employees across the Mayor's portfolio through ESR. We generated a report of gift cards purchased and identified three purchases under the Mayor's Administration. Each purchase included a Gift Card Request Form, which documented the employee's name, employee identification number (EIN), gift card amount, vendor name, and approval signatures from the supervisor, fiscal manager and director. Of the three purchases in 2023, two were for \$75 each in April and June, and one was for \$2,325 in December.

Enhancing written procedures and trainings for gift card purchases and distributions will strengthen compliance with County policy, improve accountability and reduce the risk of fraud, waste, or abuse.



1 Salt Lake County Human Resources Policy 4-800: Service Awards, Part II. Procedures, Section A. Awards for Commendable Performance, Section 1. Part C.

2 Salt Lake County Countywide Policy 7035: Purchasing Cards Authorization and Use, Part 4.0 Prohibited Purchases/Payments, Section 4.7.

Of the \$2,325 purchase in December 2023, we identified \$975 in gift cards that were ordered for seven employees within Mayor's Administration. The remaining gift card requests were for employees outside Mayor's Administration and were not included in our testing, as they were outside the scope of our review.

For the seven employees within Mayor's Administration, we were unable to obtain documented evidence showing how the gift cards were distributed or tracked after receipt. The Gift Card Request Form or alternative documentation was not on file to document the signature from the recipient and manager/ supervisor acknowledging and dating receipt of the gift card.

Additionally, we reviewed a sample of 42 PCard transactions to assess whether they included adequate source documentation and complied with County policy 7035 regarding permitted purchases. We identified one gift card transaction (2%) for \$209 that Mayor's Administration purchased for volunteers traveling for a program grant. These were not purchased through ESR, and management documented the gift card purchase using a Purchase Requisition. However, gift card purchases for volunteers are prohibited under County Policy 7035.

At the time of the audit, Management did not have a formal process for distributing or tracking gift cards. These control gaps were identified prior to the February 2025 update to the County's HR Policy 4-800: Service Awards, which strengthened gift cards oversight. Additionally, Management was unaware that using PCards to purchase gift cards for volunteers was prohibited.

The absence of documented procedures for purchasing and handling gift cards reduces accountability for their distribution and receipt, heightening the risk of fraud, waste, or abuse. Furthermore, providing training and requiring acknowledgement of the County Purchasing Card policy by cardholders reduces the risk of misuse because it will increase education of the policy.

1.1

RECOMMENDATION

Develop Internal Policy for Safeguarding, Tracking, and Distribution of Gift Cards

We recommend that Management develop a written internal policy in alignment with HR Policy 4-800: Service Awards for the safeguarding, tracking, and distribution of all gift cards including but not limited to:

- Proper authorization by two or more individuals for the purchase of gift cards for customers or clients or the request to ESR.
- Storage of gifts cards before distribution
- Acknowledgement from individuals receiving the gift card upon receipt.
- Retaining supporting documentation according to document retention schedule.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

1.2

RECOMMENDATION

Implement Employee Acknowledgement for Gift Card Receipt

We recommend that Management have employees sign or initial the Gift Card Request Form or alternative documentation to document the date and acknowledgement of gift card receipt to comply with the updated Salt Lake County HR Policy 4-800: Service Awards.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

1.3

RECOMMENDATION

Training for Annual Review of Countywide Policy 7035

We recommend that Management establish a formal internal training and certification process to ensure that all cardholders, as well as individuals with PCard Place access who approve cardholder transactions, annually review and acknowledge Salt Lake County Countywide Policy 7035. After training is complete, management is advised to implement documented confirmation of policy understanding, reinforce expectations for compliant purchasing practices, and promote accountability across all levels of PCard usage and oversight.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - ALREADY IMPLEMENTED

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



# FINDING 2 AND RECOMMENDATIONS

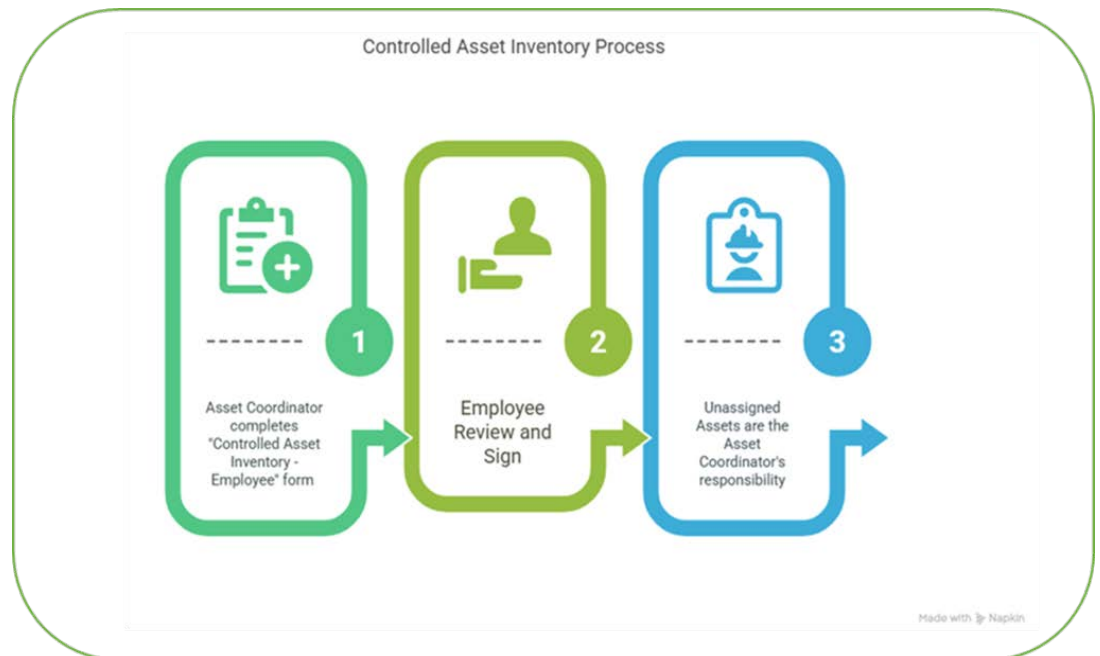
## Opportunities to Improve Accuracy and Completeness of Asset Lists and Completion of Annual Inventory

Risk Rating: **High Risk Finding**

Salt Lake County requires property managers to complete an annual inventory of controlled assets assigned to employees.<sup>3</sup> For Mayor’s Office Administration, the office delegates the responsibility to the Asset Coordinator. The Asset Coordinator prepares a “Controlled Asset Inventory Form- Employee” for each employee, listing the controlled assets assigned to them. Each employee must review and sign the form to verify the inventory. The Asset Coordinator also documents any controlled assets that are not directly assigned to an individual employee on their own “Controlled Asset Inventory Form- Employee”.

To assess the accuracy and completeness of controlled asset inventory process, we selected a sample of controlled assets from management’s 2023 asset report for detailed testing.

Strengthening controls over asset tagging, documentation, and completion of annual inventory forms will improve the accuracy and accountability of controlled asset tracking and reduce the risk of mismanagement or loss.

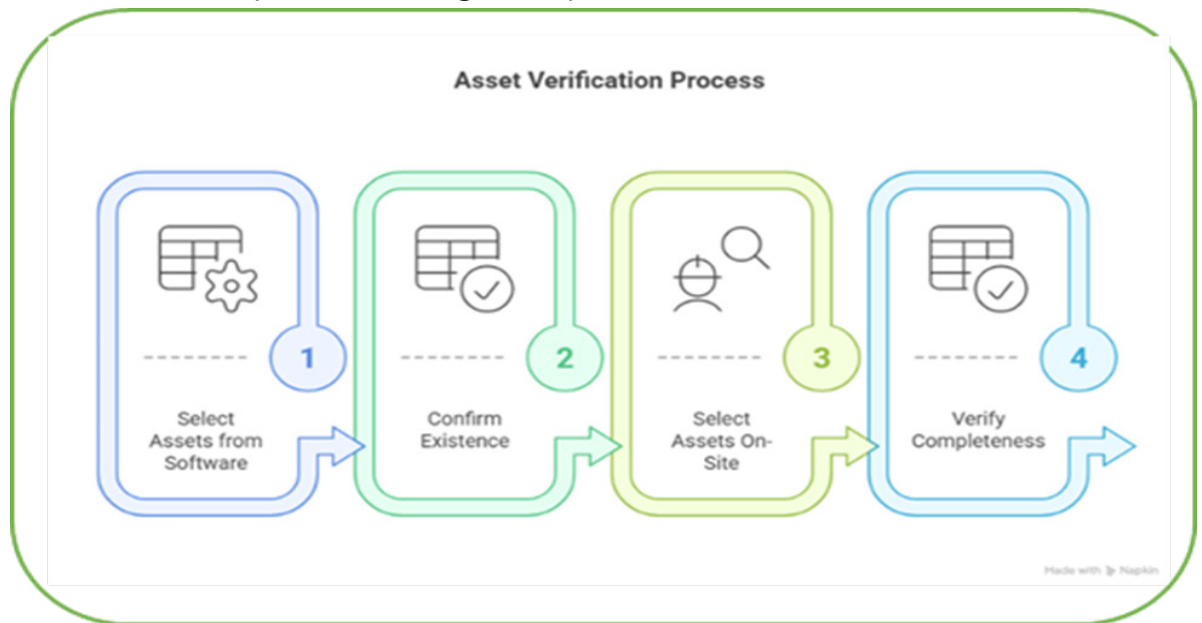


### Sample Size Justification:

Management generated a report of all controlled assets from their asset management software as of 2023. From this list, we initially sampled 42 controlled assets to verify the accuracy and completeness of inventory records through on-site inspection. However, during testing, we found that one asset listed in the inventory management

<sup>3</sup> Salt Lake County Countywide Policy 1125: SAFEGUARDING PROPERTY/ASSETS, Part 2.0 Procedures-General and Administrative.

software report had since been replaced and was not available for inspection, leaving a sample size of 41.



We used the 41 sampled controlled assets to verify the existence and completeness of the controlled asset records. The sample was divided as follows:

- 20 controlled assets selected from the controlled asset list to verify existence.
- 21 controlled assets selected on-site to confirm completeness of documentation.

Additional details about the results of this testing are provided in the subsection below, *Summary of Controlled Asset Testing: Existence, Completeness and Tagging*.

Additionally, we confirmed that each of the 41 sampled controlled assets were included on the appropriate "Controlled Asset Inventory-Employee" form. This form is completed annually to fulfil the requirements of an annual controlled asset inventory.

We excluded seven additional controlled assets from this portion of testing for the following reasons:

- Five did not meet the County's definition of a controlled asset.
- One was purchased after the 2023 controlled asset inventory was completed and therefore did not appear on the "Controlled Asset Inventory Form- Employee" document.
- One was assigned to an employee outside of Mayor's Administration and was not included in the Mayor's Administration controlled asset inventory forms.

This left a sample of 34 controlled assets from management's controlled asset list. We used this sample to verify that:

- Each controlled assets was listed on the assigned 2023 "Controlled

Asset Inventory Form- Employee”.

- The 2023 “Controlled Asset Inventory- Employee” form was signed and dated, indicating the annual inventory was completed.

The results of this testing for the sample size of 34 are discussed in the subsection below, *Verification of Annual Inventory Completion and Asset Listing Accuracy*.

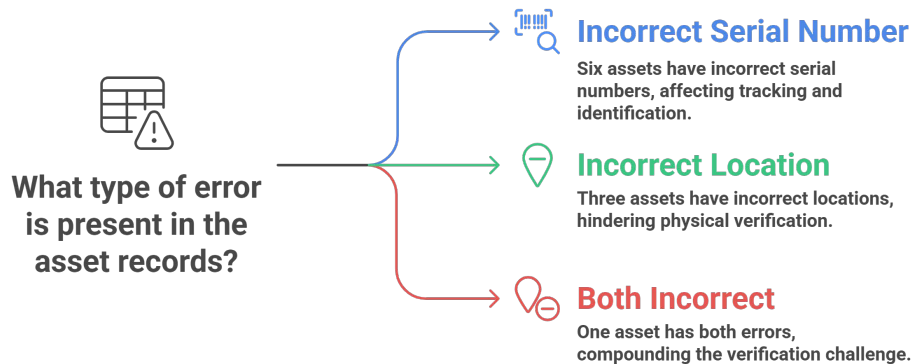
### Summary of Controlled Asset Testing: Existence, Completeness and Tagging

We found that 10 of the 41 (24%) controlled assets had inaccurate information listed on the controlled asset list. These types of error included:

- Six controlled assets with the incorrect serial numbers
- Three controlled assets with incorrect locations
- One controlled asset with both incorrect serial number and location

We also verified if all 41 sampled controlled assets were tagged with an identifying asset tag number. We found that three (7%) assets were not tagged properly:

- One asset had two asset tags
- Two assets had no visible asset tags



Source: Image created by Internal Audit w/ Napkin AI

### Verification of Annual Inventory Completion and Asset Listing Accuracy

We tested the sample of 34 controlled assets from management’s controlled asset list to verify that:

- Controlled assets were listed on the assigned 2023 “Controlled Asset Inventory Form- Employee”.
- The 2023 “Controlled Asset Inventory- Employee” form was signed and dated, indicating the annual inventory was completed.

We found that of the 34 sampled controlled assets:

- 17 (50%) appeared on a “Controlled Asset Inventory Form- Employee” that did not include the date of the annual inventory

or the date it was signed. We could not confirm that the annual inventory was performed in 2023.

- One (3%) controlled asset, an iPad, while physically present was not listed on the employee's "Controlled Asset Inventory Form-Employee".

Management responded during our on-site visit and stated that the information was input into the system incorrectly or the location had not been updated since it was moved. Regarding the asset tags, Management stated that asset tags had fallen off the controlled assets or were mistakenly tagged twice.

Incomplete annual inventory forms and missing asset identification increase the risk of fraud, waste, and abuse of controlled assets. These gaps also hinder our ability to verify whether the inventory was properly conducted and lead to potential asset misidentification and location discrepancies.

2.1

RECOMMENDATION

Ensure Regular Updates and Annual Verification of Asset Information

We recommend that Management assign the Asset Coordinator to develop and implement a formal reconciliation process for controlled assets. This reconciliation process would include:

- **Regular reviews** of asset records to ensure accuracy of key details, including tag numbers, locations, and responsible employees.
- **Annual verification** by each responsible employee of the assets assigned to them, confirming existence, location and proper tagging.
- **Clear procedures** for reporting discrepancies to the Asset Coordinator.
- **Timely updates** by the Asset Coordinator to correct records and maintain accuracy in the controlled asset list.
- **Annual verification** by the Property Manager confirming that the Asset Coordinator completed the annual inventory reconciliation in accordance with the procedure.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

2.2

RECOMMENDATION

Develop an Internal Policy for Accurate Inventory Management

We recommend that Management develop and implement internal policies and procedures to ensure that all controlled assets assigned to an employee appear on the "Controlled Asset Inventory Form- Employee" and are part of the annual inventory.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

2.3

RECOMMENDATION

Include Date Documentation on Controlled Asset Forms

We recommend that Management require employees to include the date on "Controlled Asset Inventory- Employee" forms documenting when the annual inventory is completed.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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



# FINDING 3 AND RECOMMENDATIONS

## Opportunities to Improve Documentation of Capital Asset Inventory List's Readily Identifiable Information


Risk Rating: **Medium Risk Finding**


Conference room equipment valued at \$9,995 was missing identifying information and was not tagged with a MFA asset tag, indicating an area to improve capital asset tracking.

Assets are separated between controlled and fixed ("capital") assets. The Property Manager is tasked with ensuring all newly acquired fixed property is tagged and a physical inventory of fixed and controlled assets must be completed annually.<sup>4</sup> Fixed property must meet the capitalization criteria. Mayor's Financial Administration Accounting Procedures Manual, Section 4.1.4: Capital Assets Policies & Relevant Countywide Policies capitalization criteria includes:

"...personal property items if it has a cost more than \$5,000 or more, and a useful life expectancy greater than one year."

During on-site testing of capital assets, we were unable to identify a capital asset valued at \$9,995, labeled 'Conference Room Equipment,' because the physical location was not documented. Additionally, the inventory list lacked key identifying information such as the serial number, make, model or asset tag.

 **Missing Asset Tag**  
The equipment did not include an asset tag. This is required for all capital assets.

 **Notification Omission**  
MFA was not informed about the missing tag.

The Conference Room Equipment consists of multiple components, including a control unit, Webex video conferencing device (codec), and wall mounted speaker with camera, that can be moved to different locations. Management collaborated with MFA to confirm the equipment's presence. Furthermore, the equipment was not tagged with an MFA asset tag and MFA was not notified of the missing asset tag.

Made with  Napkin

Management stated that the agency relies on MFA for ownership tracking, inventory reporting, and compliance related documentation, such as asset tags for capital assets, to comply with Salt Lake County Countywide Policy 1125.

Without proper identification, components of the asset may be misplaced or comingled with assets assigned to other agencies or controlled assets of similar design or appearance.

<sup>4</sup> Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.0 Procedures-General & Administration, Section 2.2.

3.1

RECOMMENDATION

Management Obtain MFA Asset Tags for Capital Equipment

We recommend that Management obtain an asset tag from MFA to place on the Conference Room Equipment tablet and update the 'Capital Asset Inventory' list with the new asset tag number.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

3.2

RECOMMENDATION

Update the Capital Asset Inventory List to Include Serial Number, Make, and Model of Capital Assets

We recommend that Management update the capital asset inventory list to include the serial number, make, and model of each component of the Conference Room Equipment asset.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

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## FINDING 4 AND RECOMMENDATIONS

### Opportunities to Improve Purchase Card Documentation, Reconciliation and Approval Processes

Risk Rating: **Medium Risk Finding**

Improving documentation practices and clearly designating cardholder designees will enhance compliance with County policy, increase accountability, and reduce the risk of improper or unsupported Pcard transactions.

Purchasing cardholders are required to upload supporting documentation for each transaction in the County's financial accounting software during the monthly reconciliation.<sup>5</sup> This could be an invoice, itemized receipt, or Missing Receipt/Insufficient Documentation form. This process ensures that each transaction has supporting documentation before the Fiscal Manager or designee approves the transaction.

If documentation was not received the cardholders are required to contact the vendor and retrieve a receipt or other source documentation to corroborate the transaction. If they are unable to retrieve a receipt, then they must complete a Missing Receipt/Insufficient Documentation form for management to sign. Additionally, when the monthly reconciliation is not performed by the reconciliation deadline, a signed transaction statement with the cardholder, or designee and approver signatures must be completed and submitted to the program administrator or designee.

#### Review of Pcard Purchase Transactions and Supporting Documentation

We reviewed 42 randomly sampled Pcard purchase transactions and found that three (7%) did not have either an invoice or itemized invoice uploaded to the financial accounting software. These transactions included:

- Two purchases for employee snacks/meals ranging from \$15 - \$75
- One was for a \$10 parking fee that did not have a receipt or other source document uploaded.

Management provided the following explanations for the three purchases missing supporting documentation:

- One transaction was for a food order that was picked up by a different employee than the cardholder and did not obtain a receipt. Management tried to obtain the receipt the next day, but the vendor was unable to provide. The cardholder notified the Operations Manager verbally.

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<sup>5</sup> Salt Lake County Countywide Policy 7035: Purchasing Cards Authorization and Use, Part 7 Account Reconciliation and Records Retention, Sections 7.1-7.6.

- The second meal transaction, the cardholder was able to produce the receipt, but it was not uploaded to the financial accounting software.
- A receipt for the parking fee was not obtained.

By not uploading and maintaining complete and accurate documentation in the County's financial system, there is reduced transparency and accountability of Pcard purchases and increased risk of fraud, waste, or abuse of funds. Furthermore, incomplete, inconsistent, or lack of documentation can affect the reliability of financial records.

### **Monthly Pcard Reconciliation Review**

We also reviewed the monthly Pcard reconciliation process by sampling two months of transactions for each of the three cardholders, totaling six monthly reconciliations and 136 PCard transactions overall. We found:

- 16 (12%) transactions were not approved by the close of the reconciliation period in the County's financial system for one cardholder. Contracts and Procurement notified Mayor's Administration that a transaction statement signed by the cardholder, or designee, and the approver needed to be submitted. We found that the statement was not signed by the cardholder, instead it was signed by the Operation's Manager. Although County Policy 7035 allows for a designee to sign for the cardholder, there was no supporting documentation that identified the Operation's Manager as the cardholder's designee.

Regarding the monthly reconciliations and missing supporting documentation, management stated that the cardholder was out on extended leave during that time and was unable to complete the monthly reconciliation. The transaction statement missing the cardholder's signature was due to confusion with the policy. Management did not realize that the cardholder was required to sign the statement in addition to the approver.

Implementing written procedures identifying who the cardholder's designee is when the cardholder cannot sign reconciliation documentation decreases the risk of unauthorized signatories and strengthens internal controls over the County's purchasing card program.

We recommend that Management establish procedures requiring the Fiscal Manager to notify the Operations Manager and cardholder when supporting documentation is missing in Pcard Place during the approval process. Whenever feasible, the Fiscal Manager should withhold approval until all documentation is uploaded. If delaying approval risks missing the County's established reconciliation deadline, the Fiscal Manager may proceed in accordance with CWP 7035 to avoid further delay.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS+

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

We recommend that Management implement written procedures to ensure timely monthly reconciliations with supporting documentation for all transactions. Include procedures for contingency plans for employee absences, such as assigning authorized designees to complete reconciliations or sign on the cardholder's behalf.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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



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## FINDING 5 AND RECOMMENDATIONS

### Opportunities to Improve Documentation of Management Approval for Expenditures

Risk Rating: **Medium Risk Finding**

Three AP and 42 PCard purchases had verbal or undocumented approvals, creating an opportunity to strengthen accountability by implementing a standardized pre-approval and documentation process.

In 2023, Mayor's Administration made purchases using two methods: purchasing cards and accounts payable. When purchases are made, agencies are responsible for implementing internal controls, such as proper authorization of transactions and appropriate segregation of duties for authorizing and recording transactions.<sup>6</sup> Additionally, Mayor's Financial Administration Accounting Procedures Manual, Chapter 3 Policies & Procedures Relating to Accounts Payable, Section 3.1: General Accounts Payable Procedures, Paragraph 3.1.3 states:

"Before "Direct Payments" can be processed, Accounts Payable ensures that all invoices are duly authorized. These invoices should have two approvals. The requestor, fiscal manager, department director or designee may approve."

#### Accounts Payable

We created a statistical sample of 30 small expenditure vouchers from accounts payable, which we defined as purchases of less than \$5,000. Payroll related transactions were also excluded. We reviewed the 30 transactions for:

- Management approval of the transactions before the purchase was made
- Proper documentation and approvals included in the County's financial software
- Purchase order approvals

We found that three (10%) transactions had only verbal approval prior to the purchase being made, with no written documentation to support the approval. The transactions related to the same photography vendor and ranged from in price of \$600 - \$1,900. These transactions are listed in **Table 1** below:

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<sup>6</sup> Salt Lake County Countywide Policy 1060: Financial Goals and Policies, Part 8 Internal Control Policy.

<b>Table 1: Pcard Transactions with Verbal Approvals</b>		
<b>Date</b>	<b>Amount</b>	<b>Category</b>
January 28, 2023	\$650	Photography
June 13, 2023	\$600	Photography
October 22, 2023	\$1,900	Photography

### Purchasing Cards

Additionally, management’s procedures were that cardholders obtain management approval before making PCard purchases. While reviewing the same random sample of 42 PCard transactions mentioned in Finding 4, we found that the documentation of approvals was not retained for all 42 PCard purchases.

Management clarified there was only verbal approval of the purchase and invoice. Documentation for prior approval was not retained.

Comprehensive documentation of purchase approvals and invoices provides a clear audit trail and strengthens accountability over expenditures. Documenting management’s approval also reinforces the segregation of duties in the processing of Pcard transactions, contributing to a more controlled environment and mitigating the risk of fraud, waste and abuse.

<b>5.1</b>	<b>RECOMMENDATION</b>	<b>Establish Written Pre-Approval for Transactions</b>
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We recommend that Management develop and implement a standardized process for obtaining, documenting, and retaining approval prior to the purchases being made.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - ALREADY IMPLEMENTED

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

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## FINDING 6 AND RECOMMENDATIONS

### Opportunities to Improve Complete and Accurate Purchase Cardholder Forms and Completion of Purchase Cardholder Training for Fiscal Manager

Risk Rating: **Medium Risk Finding**

#### Cardholder Authorization Forms and Agreements

To issue a Pcard, a county agency must authorize the position or employee, complete a Purchasing Card Authorization Form (Authorization Form) with the cardholder's legal name and submit it to Contracts and Procurement.<sup>7</sup> A preferred name/alias may be printed on the issued card. Cardholders must also complete a Cardholder Agreement, which is reviewed and signed annually.<sup>8</sup> Contracts and Procurement retain all Cardholder Agreements, while Mayor's Administration retained the Authorization Forms.

We reviewed Authorization Forms and Cardholder Agreements for all three cardholders within Mayor's Administration and compared their submitted names to the County's record of employee names. We found the following issues for two of the three (66%) cardholders:

- One cardholder did not use their full legal name on the Authorization Form.
- One cardholder did not complete the annual Cardholder Agreement.

#### Purchasing Card Training for Fiscal Manager

Furthermore, Contracts and Procurement provides biennial PCard training to cardholders, their supervisors and agency fiscal managers.<sup>9</sup> We requested training records of these employees from both the agency and Contracts and Procurement. Documentation confirmed training completion for cardholders and their supervisor; however, there was no record of the fiscal manager's attendance.

Management stated that there are no documented procedures verifying the use of legal names on the Authorization Form. Also, management relies on Contracts and Procurement to monitor and retain annual Cardholder Agreements and ensure completion of Purchasing Card Trainings. As a result, management was unaware that a cardholder had not completed their agreement in 2023.

Addressing gaps in cardholder forms, agreements and training records presents an opportunity to strengthen Pcard controls by verifying legal names, implementing annual agreement renewals, and tracking training to strengthen PCard controls.

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7 Salt Lake County Countywide Policy 7035: Purchasing Cards Authorization and Use, Part 1.0 Obtaining a Pcard, Section 1.2.

8 Salt Lake County Countywide Policy 7035: Purchasing Cards Authorization and Use, Part 1.0 Obtaining a Pcard, Section 1.7.

9 Salt Lake County Countywide Policy 7035: Purchasing Cards Authorization and Use, Part 1.0 Obtaining a Pcard, Section 1.5.

These gaps in documentation and oversight may compromise the integrity of the County's Pcard program. Inaccurate Authorization Forms, missing Cardholder Agreements or training increase the risk of non-compliance, misuse, or fraud. While Countywide Policy 7035 states that Contracts and Procurement will retain employee agreements, it does not clearly assign responsibility for ensuring completion of the annual agreements. Without annual trainings and reminders, cardholders may lack awareness of responsible use, increasing the potential for overspending or errors. The timely completion of training and agreements is essential to reduce financial risk and ensure proper oversight of Pcard activity.

6.1	RECOMMENDATION	Implement Procedure for Verifying Cardholder Identity on Authorization Forms
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We recommend that Management implement a documented procedure for verifying the Cardholder information submitted on Purchasing Card Authorization Forms, including validating that the cardholder's name is their complete legal name. This could include comparing the name entered to their driver's license or other legal document.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

6.2	RECOMMENDATION	Establish Annual Cardholder Agreement Validation Procedure
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We recommend that Management assign a staff member to perform an annual review to ensure that a Cardholder Agreement is completed by each cardholder.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

6.3	RECOMMENDATION	Implement Annual Review Process for PCard Training Compliance
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We recommend that Management assign a staff member to perform an annual review to verify PCard Training was completed by all applicable individuals, as specified in Salt Lake Countywide Policy 7035, and ensure accurate records are on file with the Division of Contracts and Procurement.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

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## FINDING 7 AND RECOMMENDATIONS

### Opportunities to Improve GRAMA Request Segregation of Duties by Maintaining a Check Log and Retaining Documentation of GRAMA Fee Waiver Determinations

Risk Rating: **Medium Risk Finding**

Improving documentation for GRAMA fee waivers and check receipt offers an opportunity to enhance accountability and transparency by implementing a dual-entry check log and documenting waiver decisions.

Utah law allows the public to request government records through the Government Records Access and Management Act (GRAMA). Individuals can submit a GRAMA request on the County website using the public records software, Next Request. When Mayor's Administration receives a request, they estimate the associated fees. This is one small revenue source for the agency.

Management may also choose to waive fees when appropriate.<sup>10</sup> Establishing internal controls, such as documenting why and when fees are waived and approval of waiver, helps to align with Salt Lake Countywide Policy 1062, which outlines that internal controls be tailored to the agency's operational requirements to prevent payments from being lost, stolen, or diverted for personal use.<sup>11</sup> This policy acts in conjunction with Salt Lake County Countywide Policy 1060, which requires adequate documentation and records to be maintained to ensure the proper recording of events.<sup>12</sup>

#### Retaining Documentation of GRAMA Fee Waiver Determinations

We judgmentally sampled 13 of the 18 GRAMA requests assigned to Mayor's Administration. We found that one (8%) GRAMA request totaled seven and half hours of work. The requestor was charged \$125 for five hours of work to complete the request, and the remaining two and half hours, \$62, were waived. However, Management did not retain documentation to support the decision to approve waiving those fees.

#### Check Log Not Maintained When Receiving Mailed Checks

GRAMA payments can be made by check or through Electronic Fund Transfer/ Automated Clearing House (EFT/ACH). Mayor's Finance Administration (MFA) processes electronic payments, while Mayor's Administration receives check payments by mail. However, checks are rarely received; Mayor's Administration received one GRAMA check during 2023.

During the walkthrough of the check-receiving process, we found that Management does not maintain a dual-entry check log to ensure accountability for receiving, opening, and transferring of checks to

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10 Salt Lake County Countywide Policy 2010: Public Records Access - GRAMA, Part 4.0 Fees and Guidelines, Section 4.1.

11 Salt Lake County Countywide Policy 1062: Management of Public Funds, Part III Collections, Section III.A.5.

12 Salt Lake County Countywide Policy 1060: Financial Goals and Policies, Part 8 Internal Control Policy, Section 8.3.



Mayor's Finance Administration. Additionally, because the Operations Manager handles receiving, opening and transferring checks to MFA for deposit, the check handling process risks inadequate segregation of duties.

Management explained that there is no internal policy regarding documentation of check receipt to ensure more than one person is present. Management also does not have a written procedure for the GRAMA Request process specifying what documentation should be retained, such as fee waivers.

The absence of adequate segregation of duties due to a singular individual coordinating and overseeing all segments of GRAMA request fee collections increases the risk of fraud, waste, or abuse in the check handling process. Additionally, a lack of documentation of who receives and processes the checks decreases accountability in the check handling process. Furthermore, GRAMA Request Fees could be waived without proper authorization or knowledge, leading to potential fraud, waste, or abuse of funds. Without documentation of who authorized the waiver, the date, and the amount, the County lacks transparency, consistency, and a record to support fee decisions in the event of a dispute.

7.1

RECOMMENDATION

Establish Internal Policy for Check Log Documentation and Dual-Person Verification

We recommend that Management establish and implement a written internal policy to retain documentation of a check log, including documenting that at least two people are present when checks are opened to ensure segregation of duties.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - COMPLETED

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

7.2

RECOMMENDATION

Implement Check Log for Tracking Receipt and Transfer of Funds

We recommend that Management implement a check log or similar documentation that records key details, including the date received, who opened the check, and who transferred it to Mayor's Finance Administration for processing.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - COMPLETED

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

7.3

RECOMMENDATION

Develop Written Procedures for GRAMA Requests and Fee Waivers

We recommend that Management develop written procedures for completing GRAMA Requests that include documentation requirements for fee waiver decisions, and approval responsibilities for who approves each waiver.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - COMPLETED

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

7.4

RECOMMENDATION

Retain Documentation of GRAMA Fee Waivers

We recommend that Management have the Operations Manager or designee retain electronic documentation in a shared drive documenting fee waiver decision, the amount waived, and who approved the waiver.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - COMPLETED

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

# FINDING 8 AND RECOMMENDATIONS

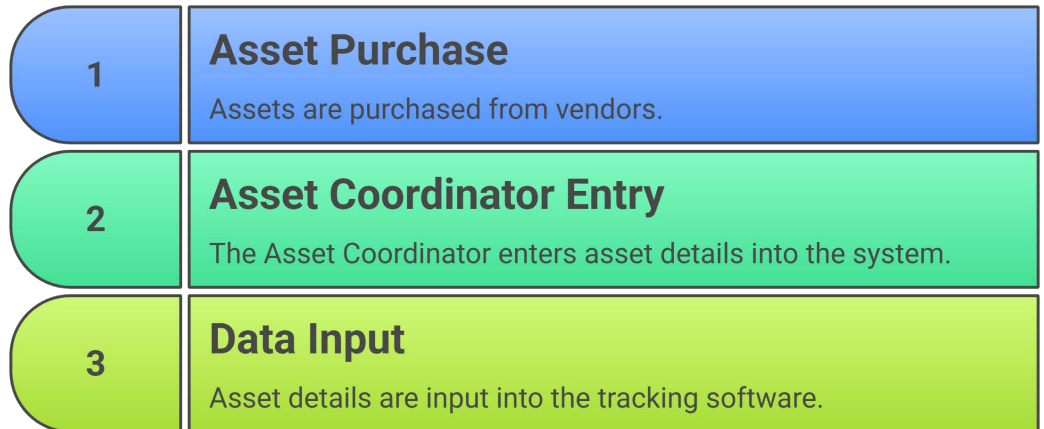
## Opportunities to Improve Documentation of Disposed Controlled Assets Using a PM-2 Form and the Acquisition of Controlled Assets in the Asset Management System

Risk Rating: **Medium Risk Finding**

Three controlled assets were disposed without PM-2 forms, and six acquired assets lacked invoice details to match them to the physical asset- highlighting an opportunity to require PM-2 forms for similar disposals and to record invoice and asset information at receipt to ensure accurate reconciliation and inventory completeness.

Property Managers, or their delegates, are responsible for accounting for, maintaining records of and safeguarding the County’s capital and controlled assets.<sup>13</sup> This includes ensuring that assets are properly tracked throughout their lifecycle, from acquisition to disposal. When assets are newly acquired, the Property Manager or delegate must coordinate with the organization’s Purchasing Clerk to verify that all newly acquired property is identified and that accountability is appropriately established.<sup>14</sup> As part of this process, management uses asset management software to track controlled assets. When assets are purchased from vendors, the Asset Coordinator enters identifying information, such as serial number, make, and model, into the system for record keeping.

### Asset Purchase and Tracking Process



Source: Image created by Internal Audit w/ Napkin AI

For controlled assets that are transferred, sold internally, or disposed of, Property Managers may use “Salt Lake County Personal Property Transfer/Disposal/Internal Sale” (PM-2) Form to document the transaction.<sup>15</sup> While the PM-2 form is mandatory for fixed assets, their consistent use for controlled assets, though not required, can

13 Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.0 Procedures – General Administrative, Section 2.2: Property Manager’s Duties.

14 Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 2.0 Procedures – General Administrative.

15 Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 4.0 Procedures Controlled Assets, Section 4.2.4.

significantly improve documentation practices and asset trackability.

### **Asset Management System Lacked Sufficient Invoice Detail for Recently Acquired Controlled Assets**

To test controlled asset purchases, we generated an expenditure report for the audit scope and filtered transactions greater than \$100. \$100 is the County's cost requirement for determining a controlled asset.<sup>16</sup> We then reviewed the remaining transactions greater than \$100 and included descriptions pertaining to assets, such as laptops, office supplies, and portable battery. We identified 14 controlled asset purchases and randomly sampled 11 for review.

We reviewed the 11 controlled asset purchases and found that six (55%) of them were missing from the asset inventory report, even though they were processed through either a Pcard or Accounts Payable. These six sampled purchases contained a total of eight acquired controlled assets. The eight controlled assets were not listed on the asset inventory report included:

- One battery
- Five docking stations
- Two laptops

The costs of these controlled assets ranged from \$224 to \$1,779.

Management stated that there is no documented procedure for invoice information to be recorded in the asset software at the time assets are purchased and received by Mayor's Administration.

### **Inconsistent Use of PM-2 Form in Controlled Asset Disposal**

To test controlled asset disposals, we reviewed a sample of 25 disposed controlled assets in 2023 and found the following inconsistencies:

- Three (12%) phones that were tracked by the agency and disposed of by Information Technology (IT) were not documented using a PM-2 form.
- One (4%) HP Desktop monitor was reported on two separate PM-2 forms.

Our testing revealed that other phones of similar types were documented as disposed of using a PM-2 form, highlighting inconsistent application across controlled asset disposals. Consistently using the PM-2 form for similar controlled asset types would improve documentation practices and reduce tracking discrepancies.

Management clarified that IT disposed of the phones. IT initially informed Management that they did not need to fill out a PM-2 form for them. Furthermore, the reporting of the monitor on two PM-2 forms was an oversight.

Accurate documentation of transferred and received controlled assets, along with the consistent use of PM-2 forms for similar controlled asset

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<sup>16</sup> Salt Lake County Countywide Policy 1125: Safeguarding Property/Assets, Part 1.0 Definition, 1.2 Controlled Asset.

types, is essential for maintaining strong accountability and reducing the risk of misidentification or inadequate tracking, thereby reducing potential fraud, waste, or abuse. Conversely, incomplete information on the controlled asset list weakens overall control and increases the risk of assets being misidentified, their location being unknown, or newly acquired assets not being properly recorded.

8.1	RECOMMENDATION	Enforce Regular Use of PM-2 Form for Controlled Asset Disposal
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We recommend that Management develop a written policy and procedure that specifies the types of controlled assets that require a PM-2 form when transferred or disposed of to ensure consistent and accurate record keeping.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS+

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

8.2	RECOMMENDATION	Require Property Manager Review of PM-2 Forms for Accuracy
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We recommend that Management have the Asset Coordinator or designee review each PM-2 form for accuracy.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

8.3	RECOMMENDATION	Include Invoice Information on the Controlled Asset List
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We recommend that Management assign the Asset Coordinator to develop and implement written procedures for entering invoice and asset details into the asset management software, at the time of possession. These procedures include:

- Specifying required data fields (e.g. serial number, make, model, invoice number)
- Clear roles for data entry and verification
- Reconciliation process to verify controlled assets purchased via Pcard or Accounts Payable are entered in the system.
- Establish timelines for entering data fields and frequency of reconciliation.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS+

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

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## FINDING 9 AND RECOMMENDATIONS

### Misclassification of Restricted Contribution Revenue as Grant Revenue

Risk Rating: **Medium Risk Finding**

Bank of America internship funds were recorded as grant revenue without a contract and later determined to be a restricted contribution, indicating an opportunity to consult MFA to determine the appropriate accounting requirements.

Salt Lake County Code of Ordinances Chapter 3.28 requires contracts for all grants and contributions, as outlined in relevant countywide policies.<sup>17</sup> Salt Lake Countywide Policy 1006 further specifies requirements for processing donations. For monetary donations exceeding \$5,000 the County must obtain a signed Declaration of Donation from the donor.<sup>18</sup> This declaration must outline the donor's intent and any restrictions on the use of the donation. While the format of the declaration may be adjusted, its content must remain substantively unchanged. Any donor-imposed financial restrictions must be reviewed by MFA to ensure appropriate accounting procedures are established to comply with the terms.

In 2023, Mayor's Administration submitted a grant proposal to Bank of America (BOA) for an internship program. The proposal outlined the program's purpose, the requested funding amount of \$67,820, and the intended use of the funds. Although BOA approved the proposal, it required a 501(c)(3) organization to act as the charitable intermediary on the County's behalf.

United Way submitted the 2023 application on the County's behalf and received the funds in the amount of \$68,000 from BOA. In 2023, the Salt Lake County Foundation (Foundation) was created to receive contributions and distribute the funds to County agencies. United Way transferred the BOA funds to the Foundation, which then distributed funds in the amount of \$54,800 to the County. On December 5, 2023, the County Council formally accepted the funds via a declaration of donation from the Foundation.<sup>19</sup>

We reviewed the grant documentation and found no formal approval or contractual agreement outlining the terms of the grant. Initially, the funds were classified as local/private grant revenue, but in the absence of a contract, that classification was uncertain. We consulted with the MFA, who determined the funds should be classified as "contribution with restrictions" due to how the funds were received and the absence of a formal contract. MFA confirmed this revenue reclassification would

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<sup>17</sup> Salt Lake County Code of Ordinances Chapter 3.28: Contract Processing and Payments.

<sup>18</sup> Salt Lake County Countywide Policy 1006: Donation of Property or Funds to Salt Lake County, Part 4.0 Processing All Donations, paragraph 4.5.

<sup>19</sup> *An Audit of Salt Lake County Foundation*, Published July 2025. Note: Refer to Finding 7 of *An Audit of Salt Lake County Foundation* on improving transparency in disclosing the fund usage. In contrast, Finding 9 of *A Limited Scope Performance Audit of Mayor's Office Administration* examines how the entity that received the distributed funds accounted for them.



not impact the financial statements.

Management stated that they used the most appropriate classification for the funds at the time and were unaware of the consequences of recording it as a grant.

Misclassifying revenue can make it harder to apply the correct policies for managing the funds, which may result in incorrect financial records and less clarity about how the money is used.

9.1

RECOMMENDATION

Consult Mayor's Finance for Proper Accounting of  
Foundation Funds

We recommend that Management consult with Mayor's Finance Administration to determine the appropriate accounting requirements for funds received by the Salt Lake County Foundation.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

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# FINDING 10 AND RECOMMENDATIONS

## Documentation for Delegated Timecard Approver Not Retained

Risk Rating: **Medium Risk Finding**

71% of intern timecards were approved by an executive assistant without retained delegation documentation, creating an opportunity to formalize timecard approval procedures and maintain written delegations to strengthen oversight and accountability.

Bank of America contributed \$58,400 to support the Mayor's Administration Intern Program for the period of May 15, 2023, to August 4, 2023. Since Management received the Bank of America grant, we wanted to ensure grant expenditures were appropriately reviewed and approved by management with grant requirements, if applicable. Maintaining adequate documentation and records ensures proper financial controls, including segregation of duties and authorization of transactions.<sup>20</sup> These controls are important when managing program expenditures to minimize the risk of fraud, waste or abuse of program funds.

We identified one expenditure related to these funds, which covered salary and wages. We reviewed time approvals associated with this expenditure to confirm that the timecards were approved by the intern's supervisor for appropriate approval. Of the 542 timecard transactions, 383 (71%) timecard transactions were approved by one of the Mayor's Administration's Executive Assistants rather than the intern's direct supervisor.

We requested documentation showing that this responsibility was assigned to the Executive Assistant. Although management confirmed this delegation, they could not provide supporting documentation.

Management stated that the delegation of authority is often done verbally and is not documented within procedures.

The lack of written documented delegations of authority reduces clarity around roles and responsibilities, which can lead to confusion over who is authorized to approve transactions. The increased risk of errors, unauthorized approvals, and reduced transparency in how program funds are managed also increases potential fraud, waste, and abuse of program funds.

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<sup>20</sup> Salt Lake County Countywide Policy 1060: Financial Goals and Policies, Part 8 Internal Control Policy. Section 8.1.

10.1

RECOMMENDATION

Establish Written Procedures for Intern Timecard Approvals

We recommend that Management establish a written procedure for intern timecard approvals. The procedure should:

- Clearly identify authorized approvers
- Specify how and when delegated authority may be assigned.
- Address retaining written documentation of all delegations to maintain accountability.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

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

10.2

RECOMMENDATION

Include Invoice Information on the Controlled Asset List

We recommend that Management formalize its delegation of authority practices by maintaining written records of all delegated responsibilities, such as a delegation log or register that outlines:

- Name and title of delegator
- Name and title of delegate
- Scope of delegated authority (e.g. time card approvals, purchasing, etc)
- Effectives delegation dates
- Delegations are reviewed annually or when personnel change.
- Require delegations to be documented in PeopleSoft application, email confirmation, or other applicable source.
- Require the employee's direct supervisor to review and document time approvals made by any delegated approver, ensuring supporting documentation is maintained when delegations occur.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 90 DAYS

SEE PAGE 52 FOR THE AGENCY'S FULL RESPONSE TO OUR RECOMMENDATION

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# COMPLETE LIST OF AUDIT RECOMMENDATIONS

This report made the following 24 recommendations.

## RECOMMENDATION 1.1:

We recommend that Management develop a written internal policy in alignment with HR Policy 4-800: Service Awards for the safeguarding, tracking, and distribution of all gift cards including but not limited to:

- Proper authorization by two or more individuals for the purchase of gift cards for customers or clients or the request to ESR.
- Storage of gifts cards before distribution
- Acknowledgement from individuals receiving the gift card upon receipt.
- Retaining supporting documentation according to document retention schedule.

## RECOMMENDATION 1.2:

We recommend that Management have employees sign or initial the Gift Card Request Form or alternative documentation to document the date and acknowledgement of gift card receipt to comply with the updated Salt Lake County HR Policy 4-800: Service Awards.

## RECOMMENDATION 1.3:

We recommend that Management establish a formal internal training and certification process to ensure that all cardholders, as well as individuals with PCard Place access who approve cardholder transactions, annually review and acknowledge Salt Lake County Countywide Policy 7035. After training is complete, management is advised to implement documented confirmation of policy understanding, reinforce expectations for compliant purchasing practices, and promote accountability across all levels of PCard usage and oversight.

## RECOMMENDATION 2.1:

We recommend that Management assign the Asset Coordinator to develop and implement a formal reconciliation process for controlled assets. This reconciliation process would include:

- **Regular reviews** of asset records to ensure accuracy of key details, including tag numbers, locations, and responsible employees.
- **Annual verification** by each responsible employee of the assets assigned to them, confirming existence, location and proper tagging.
- **Clear procedures** for reporting discrepancies to the Asset Coordinator.
- **Timely updates** by the Asset Coordinator to correct records and maintain accuracy in the controlled asset list.

- **Annual verification** by the Property Manager confirming that the Asset Coordinator completed the annual inventory reconciliation in accordance with the procedure.

**RECOMMENDATION 2.2:**

We recommend that Management develop and implement internal policies and procedures to ensure that all controlled assets assigned to an employee appear on the "Controlled Asset Inventory Form- Employee" and are part of the annual inventory.

**RECOMMENDATION 2.3:**

We recommend that Management require employees to include the date on "Controlled Asset Inventory- Employee" forms documenting when the annual inventory is completed.

**RECOMMENDATION 3.1:**

We recommend that Management obtain an asset tag from MFA to place on the Conference Room Equipment tablet and update the 'Capital Asset Inventory' list with the new asset tag number.

**RECOMMENDATION 3.2:**

We recommend that Management update the capital asset inventory list to include the serial number, make, and model of each component of the Conference Room Equipment asset.

**RECOMMENDATION 4.1:**

We recommend that Management establish procedures requiring the Fiscal Manager to notify the Operations Manager and cardholder when supporting documentation is missing in Pcard Place during the approval process. Whenever feasible, the Fiscal Manager should withhold approval until all documentation is uploaded. If delaying approval risks missing the County's established reconciliation deadline, the Fiscal Manager may proceed in accordance with CWP 7035 to avoid further delay.

**RECOMMENDATION 4.2:**

We recommend that Management implement written procedures to ensure timely monthly reconciliations with supporting documentation for all transactions. Include procedures for contingency plans for employee absences, such as designating authorized designees to complete reconciliations or sign on the cardholder's behalf.

**RECOMMENDATION 5.1:**

We recommend that Management develop and implement a standardized process for obtaining, documenting, and retaining approval prior to the purchases being made.

**RECOMMENDATION 6.1:**

We recommend that Management implement a documented procedure for verifying the Cardholder information submitted on Purchasing Card Authorization Forms, including validating that the cardholder's name

is their complete legal name. This could include comparing the name entered to their driver's license or other legal document.

**RECOMMENDATION 6.2:**

We recommend that Management assign a staff member to perform an annual review to ensure that a Cardholder Agreement is completed by each cardholder.

**RECOMMENDATION 6.3:**

We recommend that Management assign a staff member to perform an annual review to verify PCard Training was completed by all applicable individuals, as specified in Salt Lake Countywide Policy 7035, and ensure accurate records are on file with the Division of Contracts and Procurement.

**RECOMMENDATION 7.1:**

We recommend that Management establish and implement a written internal policy to retain documentation of a check log, including documenting that at least two people are present when checks are opened to ensure segregation of duties.

**RECOMMENDATION 7.2:**

We recommend that Management implement a check log or similar documentation that records key details, including the date received, who opened the check, and who transferred it to Mayor's Finance Administration for processing.

**RECOMMENDATION 7.3:**

We recommend that Management develop written procedures for completing GRAMA Requests that include documentation requirements for fee waiver decisions, and approval responsibilities for who approves each waiver.

**RECOMMENDATION 7.4:**

We recommend that Management have the Operations Manager or designee retain electronic documentation in a shared drive documenting fee waiver decision, the amount waived, and who approved the waiver.

**RECOMMENDATION 8.1:**

We recommend that Management develop a written policy and procedure that specifies the types of controlled assets that require a PM-2 form when transferred or disposed of to ensure consistent and accurate record keeping.

**RECOMMENDATION 8.2:**

We recommend that Management have the Asset Coordinator or designee review each PM-2 form for accuracy.

**RECOMMENDATION 8.3:**

We recommend that Management assign the Asset Coordinator to



develop and implement written procedures for entering invoice and asset details into the asset management software, at the time of possession. These procedures include:

- Specifying required data fields (e.g. serial number, make, model, invoice number)
- Clear roles for data entry and verification
- Reconciliation process to verify controlled assets purchased via Pcard or Accounts Payable are entered in the system.
- Establish timelines for entering data fields and frequency of reconciliation.

#### **RECOMMENDATIONS 9.1:**

We recommend that Management consult with Mayor's Finance Administration to determine the appropriate accounting requirements for funds received by the Salt Lake County Foundation.

#### **RECOMMENDATION 10.1:**

We recommend that Management establish a written procedure for intern timecard approvals. The procedure should:

- Clearly identify authorized approvers
- Specify how and when delegated authority may be assigned.
- Address retaining written documentation of all delegations to maintain accountability.

#### **RECOMMENDATION 10.2:**

We recommend that Management formalize its delegation of authority practices by maintaining written records of all delegated responsibilities, such as a delegation log or register that outlines:

- Name and title of delegator
- Name and title of delegate
- Scope of delegated authority (e.g. time card approvals, purchasing, etc)
- Effectives delegation dates
- Delegations are reviewed annually or when personnel change.
- Require delegations to be documented in PeopleSoft application, email confirmation, or other applicable source.
- Require the employee's direct supervisor to review and document time approvals made by any delegated approver, ensuring supporting documentation is maintained when delegations occur.

# AGENCY RESPONSE



**Jennifer Wilson**  
Mayor

**Erin Litvack**  
Deputy Mayor, County Services

**Darrin Casper**  
Deputy Mayor, Finance and  
Administration

**Catherine Kanter**  
Deputy Mayor, Regional  
Operations

**Andrew Roberts**  
Chief of Staff

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August 26, 2025

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

Auditor Harding,

Thank you for the recent audit of purchasing, asset, and records management practices for the Mayor's Office Administration. We appreciate the time and effort your office dedicated to this review, as well as the clear recommendations provided to help us improve our internal processes.

We'd like to specifically acknowledge the work of your audit team. Their communication throughout the process was professional and clear, and we appreciated their collaboration during the review. We are committed to addressing each recommendation and have included our responses and implementation plans in the attached document.

Sincerely,

Andrew Roberts  
Chief of Staff

## AUDIT FINDING 1: Opportunities to Enhance Compliance of County Policy When Purchasing, Tracking and Distributing Gift Cards

<p><b>RECOMMENDATION 1.1:</b> We recommend that Management develop a written internal policy in alignment with HR Policy 4-800: Service Awards for the safeguarding, tracking, and distribution of all gift cards including but not limited to:</p> <ul style="list-style-type: none"> <li>• Proper authorization by two or more individuals for the purchase of gift cards for customers or clients or the request to ESR.</li> <li>• Storage of gifts cards before distribution</li> <li>• Acknowledgement from individuals receiving the gift card upon receipt.</li> <li>• Retaining supporting documentation according to document retention schedule.</li> </ul>		
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	90 Days	Andrew Roberts, Chief of Staff

### Management Response to Recommendation 1.1

We agree with the audit finding and recommendation. While we do not anticipate developing a separate policy document, we will create an internal procedure outlining the process for purchasing, storing, distributing, and documenting gift cards. This procedure will align with HR Policy 4-800: *Service Awards* and will address:

- Authorization by two or more individuals for gift card purchases or ESR requests.
- Secure storage of gift cards prior to distribution.
- Written acknowledgment from recipients upon receipt.
- Retention of supporting documentation in accordance with the County's document retention schedule.

The procedure will be implemented to ensure consistent practices, proper oversight, and compliance with existing policy requirements.

<p><b>RECOMMENDATION 1.2:</b> We recommend that Management have employees sign or initial the Gift Card Request Form or alternative documentation to document the date and acknowledgement of gift card receipt to comply with the updated Salt Lake County HR Policy 4-800: Service Awards.</p>
--

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	90 Days	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 1.2**

We agree with the audit finding and recommendation. As part of the internal procedure, we will develop in alignment with HR Policy 4-800: *Service Awards*, we will include a process to ensure employees sign or initial the Gift Card Request Form, or alternative documentation, to confirm the date and acknowledgment of gift card receipt. This documentation will be retained in accordance with the County’s document retention schedule.

<p><b>RECOMMENDATION 1.3:</b> We recommend that Management establish a formal internal training and certification process to ensure that all cardholders, as well as individuals with PCard Place access who approve cardholder transactions, annually review and acknowledge Salt Lake County Countywide Policy 7035. After training is complete, management is advised to implement documented confirmation of policy understanding, reinforce expectations for compliant purchasing practices, and promote accountability across all levels of PCard usage and oversight.</p>		
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	We will work with C&P  Already Implemented, although there are some additions we will make.	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 1.3**

We agree with the audit finding and recommendation. While Contracts & Procurement (C&P) currently provides a formal training and certification process for PCard holders and approvers, a designated staff member in the Mayor’s Administration will now oversee this process to ensure completion, track acknowledgments, and coordinate with C&P for annual updates and compliance verification.

Additionally, we have an established annual email process for staff to acknowledge both our internal procedures and the Countywide policy. This communication will be updated to align with the auditor’s recommendation and ensure full compliance.

## **AUDIT FINDING 2: Opportunities to Improve Accuracy and Completeness of Asset Lists and Completion of Annual Inventory**

<p><b>RECOMMENDATION 2.1:</b> We recommend that Management assign the Asset Coordinator to develop and implement a formal reconciliation process for controlled assets. This reconciliation process would include:</p> <ul style="list-style-type: none"> <li>• <b>Regular reviews</b> of asset records to ensure accuracy of key details, including tag numbers, locations, and responsible employees.</li> <li>• <b>Annual verification</b> by each responsible employee of the assets assigned to them, confirming existence, location and proper tagging.</li> <li>• <b>Clear procedures</b> for reporting discrepancies to the Asset Coordinator.</li> <li>• <b>Timely updates</b> by the Asset Coordinator to correct records and maintain accuracy in the controlled asset list.</li> <li>• <b>Annual verification</b> by the Property Manager confirming that the Asset Coordinator completed the annual inventory reconciliation in accordance with the procedure.</li> </ul>		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Andrew Roberts, Chief of Staff

### **Management Response to Recommendation 2.1**

We agree with the audit finding and will establish a formal process for reconciling controlled assets. The Asset Coordinator will be responsible for maintaining accurate asset records, coordinating annual verifications with assigned employees, and ensuring that any discrepancies are promptly addressed. The Property Manager will confirm completion of the reconciliation each year, providing an additional layer of oversight. This process will be documented, communicated to relevant staff, and reviewed annually to ensure continued compliance and accuracy.

<b>RECOMMENDATION 2.2:</b> We recommend that Management develop and implement internal policies and procedures to ensure that all controlled assets assigned to an employee appear on the “Controlled Asset Inventory Form-Employee” and are part of the annual inventory.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Andrew Roberts, Chief of Staff

**Management Response**

We agree with the audit finding and recommendation. Work has already begun to ensure that all controlled assets assigned to an employee are properly documented on the “Controlled Asset Inventory Form–Employee” and included in the annual inventory. Due to recent staff turnover, this process will likely be reviewed and updated once the new Controlled Asset Coordinator and Property Manager are hired to ensure consistency and accuracy going forward.

<b>RECOMMENDATION 2.3:</b> We recommend that Management require employees to include the date on “Controlled Asset Inventory-Employee” forms documenting when the annual inventory is completed.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 2.3**

We agree with the audit finding and recommendation. Going forward, employees will be required to include the date on the “Controlled Asset Inventory–Employee” form to document when the annual inventory is completed. This requirement will be incorporated into our controlled asset procedures and communicated to all staff during the next inventory cycle.

**AUDIT FINDING 3: Opportunities to Improve Documentation of Capital Asset Inventory List’s Readily Identifiable Information**

<b>RECOMMENDATION 3.1:</b> We recommend that Management obtain an asset tag from MFA to place on the Conference Room Equipment tablet and update the 'Capital Asset Inventory' list with the new asset tag number.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 3.1**

We agree with the audit finding and recommendation. An asset tag will be requested from MFA for the Conference Room Equipment tablet, and the 'Capital Asset Inventory' list will be updated to reflect the new tag number once it is affixed.

<b>RECOMMENDATION 3.2:</b> We recommend that Management update the capital asset inventory list to include the serial number, make, and model of each component of the Conference Room Equipment asset.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 3.2**

We agree with the audit finding and recommendation. We will work with MFA, which manages capital assets, to update the capital asset inventory list to include the serial number, make, and model of each component of the Conference Room Equipment asset.

**AUDIT FINDING 4: Opportunities to Improve Purchase Card Documentation, Reconciliation and Approval Processes**

<b>RECOMMENDATION 4.1:</b> We recommend that Management establish procedures requiring the Fiscal Manager to notify the Operations Manager and cardholder when supporting documentation is missing in Pcard Place during the approval process.
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Whenever feasible, the Fiscal Manager should withhold approval until all documentation is uploaded. If delaying approval risks missing the County’s established reconciliation deadline, the Fiscal Manager may proceed in accordance with CWP 7035 to avoid further delay.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days+	Andrew Roberts

**Management Response to Recommendation 4.1**

We agree with the audit finding and recommendation. We will work with MFA to establish procedures requiring the Fiscal Manager to notify the Operations Manager and cardholder when supporting documentation is missing in PCard Place during the approval process. Whenever possible, approval will be withheld until all documentation is uploaded, with exceptions made only as outlined in CWP 7035 to meet reconciliation deadlines.

Implementation of this process will begin once a Fiscal Manager has been hired. Given the current budget season and the vacancy in the Operations Manager role, completion may take longer than 90 days.

<b>RECOMMENDATION 4.2:</b> We recommend that Management implement written procedures to ensure timely monthly reconciliations with supporting documentation for all transactions. Include procedures for contingency plans for employee absences, such as designating authorized designees to complete reconciliations or sign on the cardholder’s behalf.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 4.2**

We agree with the audit finding and recommendation. Since the audit period, the individuals involved are no longer with the County, and the same issues have not occurred with current PCard holders. We are in the process of developing internal procedure documents to ensure timely monthly reconciliations with supporting documentation for all transactions. These

procedures will also outline contingency plans for employee absences, including the designation of authorized designees to complete reconciliations or sign on the cardholder's behalf.

## **AUDIT FINDING 5: Opportunities to Improve Documentation of Management Approval for Expenditures**

<b>RECOMMENDATION 5.1:</b> We recommend that Management develop and implement a standardized process for obtaining, documenting and retaining approval prior to the purchases being made.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	Already implemented	Andrew Roberts, Chief of Staff

### **Management Response to Recommendation 5.1**

We agree with the audit finding and recommendation. We have already implemented measures to address this by establishing a Webex chat for purchase requests and creating an annual email/letter outlining pre-approved expenditure for the year. This communication, signed by both the Chief of Staff and the Operations Manager, provides clear guidance on allowable purchases.

For any other purchases, staff must submit the request in the Webex chat for review and receive approval prior to making the purchase. This process ensures requests are documented, approved in advance, and retained for reference. There is even work being done on improving the Webex Chat and how requests are made – that work should be completed in 90 days.

## **AUDIT FINDING 6: Opportunities to Improve Complete and Accurate Purchase Cardholder Forms and Completion of Purchase Cardholder Training for Fiscal Manager**

<b>RECOMMENDATION 6.1:</b> We recommend that Management implement a documented procedure for verifying the Cardholder information submitted on Purchasing Card Authorization Forms, including validating that the cardholder's name is their complete legal name. This could include comparing the name entered to their driver's license or other legal document.
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<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 6.1**

We agree with the audit finding and recommendation. The situation that prompted this finding occurred when an email address was misinterpreted as including a middle initial (e.g., "SAKramer" was assumed to mean "Sara A. Kramer," when it was simply the first name "Sara").

To prevent this in the future, we will incorporate verification steps into our purchasing card process document to ensure the cardholder's complete legal name is confirmed against official records before the authorization form is submitted.

<b>RECOMMENDATION 6.2:</b> We recommend that Management assign a staff member to perform an annual review to ensure that a Cardholder Agreement is completed by each cardholder.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 6.2**

We agree with the audit finding and recommendation. This requirement will be incorporated into our PCard process document, similar to the approach outlined in Recommendation 1.3. A designated staff member in the Mayor's Administration will oversee the annual review to ensure a current Cardholder Agreement is on file for each cardholder.

<b>RECOMMENDATION 6.3:</b> We recommend that Management assign a staff member to perform an annual review to verify PCard Training was completed by all applicable individuals, as specified in Salt Lake Countywide Policy 7035, and ensure accurate records are on file with the Division of Contracts and Procurement.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>

Agree	90 Days	Andrew Roberts, Chief of Staff
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**Management Response to Recommendation 6.3**

We agree with the audit finding and recommendation. This requirement will be added to our PCard process document, consistent with the approach outlined in Recommendation 1.3. A designated staff member in the Mayor’s Administration will oversee the annual review to verify that all applicable individuals have completed PCard training as required by Countywide Policy 7035, and to ensure accurate records are on file with the Division of Contracts and Procurement.

**AUDIT FINDING 7: Opportunities to Improve GRAMA Request Segregation of Duties by Maintaining a Check Log and Retaining Documentation of GRAMA Fee Waiver Determinations**

<b>RECOMMENDATION 7.1:</b> We recommend that Management establish and implement a written internal policy to retain documentation of a check log, including documenting that at least two people are present when checks are opened to ensure segregation of duties.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	Completed	Michelle Hicks, Operations Manager

**Management Response to Recommendation 7.1**

We agree with the audit finding and recommendation. This procedure has already been implemented, and documentation of the check log now includes confirmation that at least two people are present when checks are opened to ensure segregation of duties. I will attach the document to this response.

<b>RECOMMENDATION 7.2:</b> We recommend that Management implement a check log or similar documentation that records key details, including the date received, who opened the check, and who transferred it to Mayor’s Finance Administration for processing.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities</b>	<b>Name and Title of specific point of contact for implementation</b>

	<b>(Generally expected within 60 to 90 days)</b>	
Agree	Completed	Michelle Hicks, Operations Manager

**Management Response to Recommendation 7.2**

We agree with the audit finding and recommendation. This process has already been completed, and our check log now records the date received, who opened the check, and who transferred it to Mayor’s Finance Administration for processing.

<b>RECOMMENDATION 7.3:</b> We recommend that Management develop written procedures for completing GRAMA Requests that include documentation requirements for fee waiver decisions, and approval responsibilities for who approves each waiver.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	Completed	Michelle Hicks, Operations Manager

**Management Response to Recommendation 7.3**

We agree with the audit finding and recommendation. Written procedures for completing GRAMA Requests, including documentation requirements for fee waiver decisions and approval responsibilities, have been developed and implemented.

<b>RECOMMENDATION 7.4:</b> We recommend that Management have the Operations Manager or designee retain electronic documentation in a shared drive documenting fee waiver decision, the amount waived, and who approved the waiver.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	Completed	Michelle Hicks, Operations Manager

**Management Response**

We agree with the audit finding and recommendation. Electronic documentation of fee waiver

decisions, including the amount waived and the approving individual, is now retained in a shared drive by the Operations Manager or designee. This process has been implemented.

### **AUDIT FINDING 8: Opportunities to Improve Documentation of Disposed Controlled Assets Using a PM-2 Form and the Acquisition of Controlled Assets in the Asset Management System**

<b>RECOMMENDATION 8.1:</b> We recommend that Management develop a written policy and procedure that specifies the types of controlled assets that require a PM-2 form when transferred or disposed of to ensure consistent and accurate record keeping.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days+	Michelle Hicks, Operations Manager

**Management Response to Recommendation 8.1**

We agree with the audit finding and recommendation. Work has already begun on developing a written policy and procedure that specifies the types of controlled assets requiring a PM-2 form when transferred or disposed of, to ensure consistent and accurate recordkeeping. While we anticipated being further along in this process, recent staff turnover in the position responsible for this work may extend completion beyond the 90-day timeframe.

<b>RECOMMENDATION 8.2:</b> We recommend that Management have the Asset Coordinator or designee review each PM-2 form for accuracy.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 8.2**

We agree with the audit finding and recommendation. This requirement will be incorporated

into the policy and procedure document currently in development. The Asset Coordinator or designee will review each PM-2 form for accuracy, and will sign or initial the form along with the date to verify completion.

<p><b>RECOMMENDATION 8.3:</b> We recommend that Management assign the Asset Coordinator to develop and implement written procedures for entering invoice and asset details into the asset management software, at the time of possession. These procedures include:</p> <ul style="list-style-type: none"> <li>• Specifying required data fields (e.g. serial number, make, model, invoice number)</li> <li>• Clear roles for data entry and verification</li> <li>• Reconciliation process to verify controlled assets purchased via Pcard or Accounts Payable are entered in the system.</li> <li>• Establish timelines for entering data fields and frequency of reconciliation.</li> </ul>		
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	90 Days+	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 8.3**

We agree with the audit finding and recommendation. This will be incorporated into the controlled assets policy and procedure currently in development, as referenced in our response to Recommendation 8.1. The Asset Coordinator will develop and implement written procedures for entering invoice and asset details into the asset management software at the time of possession, including:

- Specifying required data fields (e.g., serial number, make, model, invoice number)
- Defining clear roles for data entry and verification
- Establishing a reconciliation process to ensure controlled assets purchased via PCard or Accounts Payable are entered into the system
- Setting timelines for data entry and the frequency of reconciliation

**AUDIT FINDING 9: Misclassification of Restricted Contribution Revenue as Grant Revenue**



<b>RECOMMENDATION 9.1:</b> We recommend that Management consult with Mayor’s Finance Administration to determine the appropriate accounting requirements for funds received by the Salt Lake County Foundation.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 9.1**

We agree with the audit finding and recommendation. We will consult with Mayor’s Finance Administration and the Salt Lake County Foundation to determine the appropriate accounting requirements for funds received, including identifying any actions that should occur outside of the budget adjustment process.

**AUDIT FINDING 10: Documentation for Delegated Timecard Approver Not Retained**

<b>RECOMMENDATION 10.1:</b> We recommend that Management establish a written procedure for intern timecard approvals. The procedure should: <ul style="list-style-type: none"> <li>Clearly identify authorized approvers</li> <li>Specify how and when delegated authority may be assigned.</li> <li>Address retaining written documentation of all delegations to maintain accountability.</li> </ul>		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Ashley Perry, Executive Assistant

**Management Response to Recommendation 10.1**

We agree with the audit finding and recommendation. Over the past several years, we have tested different approaches to intern timecard approvals and believe we achieved an effective process this year. We will document this process in a written procedure, incorporating the auditor’s recommendations to clearly identify authorized approvers, specify how and when delegated authority may be assigned, and require retaining written documentation of all delegations to maintain accountability.

**RECOMMENDATION 10.2:** We recommend that Management formalize its delegation of authority practices by maintaining written records of all delegated responsibilities, such as a delegation log or register that outlines:

- Name and title of delegator
- Name and title of delegate
- Scope of delegated authority (e.g. time card approvals, purchasing, etc)
- Effectives delegation dates
- Delegations are reviewed annually or when personnel change.
- Require delegations to be documented in PeopleSoft application, email confirmation, or other applicable source.
- Require the employee’s direct supervisor to review and document time approvals made by any delegated approver, ensuring supporting documentation is maintained when delegations occur.

<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 60 to 90 days)</b>	<b>Name and Title of specific point of contact for implementation</b>
Agree	90 Days	Andrew Roberts, Chief of Staff

**Management Response to Recommendation 10.2**

We agree with the audit finding and recommendation. While our office operates uniquely, with most staff being appointed or elected and only a small number submitting timecards (primarily temporary staff or interns), we recognize the value of formalizing delegation of authority practices. We will work through this recommendation and may modify elements to best fit our office’s structure. In general, we agree that maintaining written records—such as a delegation log or register—would strengthen accountability and ensure clarity in delegated responsibilities.