



Annual Report

2024

Auditor's Office

Our mission is to provide the residents of Salt Lake County independent and objective audit and property tax services.

It's not about
ideas, **It's about**
making ideas
happen.

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Table of Contents

Audit Division	06
2024 Audit Reports	07
2024 Audit Follow-Up	18
Property Tax Division	19
Clerk of the BOE	20
Tax Rates	20
Taxes Charged	21
Community Reinvestment	21
eNOV Enhancement	22
Tax Sale	22
CRE Exemptions	22
Tax Roll Changes	23

A **Message** from The Auditor



Chris Harding
Salt Lake County Auditor
CPA, CFE, CIA

I am pleased to present the annual report for the Salt Lake County Auditor's Office. The Auditor's Office consists of two divisions: Audit and Property Tax, both responsible for fulfilling the County Auditor's statutory duties.

Since my election as County Auditor, I have been committed to enhancing the office and the services we provide to residents. In 2024, the Auditor's Office conducted several comprehensive audits across County operations, focusing on financial integrity, internal controls, and compliance with relevant standards. These audits not only identified critical areas for improvement but also showcased the County's commitment to enhancing accountability and safeguarding public resources. Below are highlights from our most impactful audits this year:

The Salt Lake County Council Financial Audit uncovered gaps in asset tracking and management, including unreported theft. In the audit of the Clerk's Office and their Interlocal Agreements, we identified the need for clearer cost calculations in

election agreements with municipalities and special districts.

Our Fraud Hotline is working as intended, as tips received led to audits that identified weaknesses in remote work supervision, county vehicle use, and timecard tracking. The affected agencies have begun implementing policies to improve oversight and reduce risks of fraud, waste, and abuse.

The audits in 2024 reflect the County's proactive approach to identifying and addressing risks, fostering operational transparency, and upholding public trust. Implementing recommendations identified will result in stronger controls, improved efficiency, and better alignment with best practices.

Additionally, all our audits are conducted in accordance

Empowering accountability, safeguarding integrity, and championing transparency.

with Generally Accepted Government Auditing Standards (GAGAS), which ensure the highest level of professionalism and rigor. This year, we achieved a significant milestone by completing our first-ever peer review, receiving the highest possible rating.

This accomplishment validates the quality and reliability of our audit processes and underscores the dedication of our team to delivering work that meets and exceeds national standards.

The Property Tax Division remains committed to delivering the statutory tax services entrusted to the Auditor's Office. Significant strides have been made to modernize and enhance the administration of Charitable, Religious, and Educational Exemptions. By implementing a digital application platform and developing a robust database for tracking

exemptions, we have created a more transparent and user-friendly system. Applicants now benefit from real-time updates on their application status, while the streamlined renewal system ensures greater efficiency and accuracy.

Noteworthy advancements have also been made to the electronic Notice of Valuation (eNOV). This year, we introduced updates that make it easier for taxpayers to locate key information about hearings, improving accessibility and user experience. These enhancements have garnered recognition at multiple state conferences, underscoring our commitment to innovation and excellence in service delivery.



Chris Harding
County Auditor

Audit Division

Mission Statement

We are a team of Internal Audit professionals that provides independent and objective assessments designed to add value and improve the County's operations. From our assessments, we make recommendations or suggestions to improve the protection of County assets, compliance with County policies, strength of internal controls and efficiency and effectiveness of the operation of County programs.

Keys to our Auditing success.

- » **Offering reliable and timely solutions**
- » **Provide high quality service and support**
- » **Collaborate to achieve a common goal**
- » **Commit to future innovations**

2024 Audit Reports



Shawna Ahlborn
Division Administrator

Financial Audit of the Salt Lake County Council

Objective: The objective of our audit was to evaluate the financial activities of the Salt Lake County Council for the period from January 1, 2021, to August 31, 2023, and provide reasonable assurance that financial transactions and business practices complied with relevant standards, ordinances, policies, statutes, and laws, that County assets were adequately safeguarded against fraud, waste, and abuse. Additionally, evaluating the County Council's internal controls to ensure that financial transactions were recorded accurately, completely and free from significant errors. Key areas of focus included tracking controlled and capital assets, retaining sufficient documentation for expenditures, and reconciling purchasing card (PCard) transactions.

Results: The audit highlighted areas where improvements were needed to strengthen accountability and safeguard County resources. We found an instance of a stolen County-issued laptop that was not promptly reported to the supervisor or IT department, emphasizing the need for greater awareness of reporting procedures for lost or stolen equipment. Additionally, deficiencies in the tracking and management of controlled assets revealed gaps in inventory records and employee accountability, increasing the risk of fraud, waste or abuse. The review also identified the absence of required Meal Approval Forms, which limited the ability to validate meal expenditures and posed a risk of unauthorized or excessive spending.

Impact: Management agreed to implement all 12 audit recommendations, demonstrating a commitment to improvement. The audit of the Salt Lake County Council identified areas for improvement in asset management, financial documentation, and compliance with County policies. These areas of concern highlight potential risks to operational efficiency, accountability, and the safeguarding of public resources. Issues such as unreported asset theft, insufficient tracking of controlled assets, and missing documentation for meal expenditures could increase the risk of fraud, waste, and misuse of County funds. Additionally, these gaps expose the County to cybersecurity vulnerabilities and reduce transparency in financial practices. Addressing the audit's recommendations will strengthen internal controls, improve compliance, and enhance overall accountability, ensuring that County operations align with established policies and best practices.

PCI Audit

Objective: The objective of this audit was to determine whether all county entities and outsourced contractors that accept payment cards met the Payment Card Industry Data Security Standards (PCI DSS) compliance validation requirements during 2023. This is required by Countywide Policy 1400-7: Payment Card Industry Data Security Standard Policy. We confirmed that each County and outsourced contractor completed the Self-

Assessment Questionnaire (SAQ) and Attestation of Compliance (AOC) applicable to their unique payment card processing environment. Additionally, we reviewed all submitted forms for completion and accuracy.

Results: We found that of the 21 County and non-County entities required to demonstrate their compliance with PCI DSS, 15 (71%) did so by the September 30th deadline specified in Countywide Policy 1400-7. The remaining six (28%) submitted the required forms after the deadline. Five of those six agencies submitted their forms 4-24 days after the September 30th deadline, while one agency did not submit their forms until January 2024. Late submissions did not impact PCI compliance. Additionally, two agencies had inconsistencies between the SAQ and AOC forms submitted to the Auditor's Office, and one agency submitted the forms without a wet or digital signature. We contacted the agency to correct the error(s) and to resubmit the completed forms. While this process may take additional time to ensure the forms were completed correctly, ultimately all entities submitted complete and accurate forms.

Impact: All agencies and outsourced contractors that process payment card revenue complied with PCI DSS for 2023. Securing cardholder data is a challenge facing all merchants that process payment cards. In 2022, County agencies processed more than 1.2 million payment card transactions, totaling over \$102 million in revenue, a 33% increase in revenue from 2021. Compliance with the PCI DSS is mandatory for any entity, public or private, that stores, processes, or transmits cardholder data. Submitting complete and accurate PCI DSS documentation by the County deadline ensures that agencies and outsourced are compliant with PCI DSS requirements and minimizes potential litigation or reputational risk for the County.

Salt Lake County Clerk - Interlocal Agreements

Objective: We conducted a limited-scope financial audit of the Salt Lake County Clerk's Office interlocal election agreements with municipalities and special districts. The objective of the audit was to provide reasonable assurance that service contract agreements with municipalities and special service districts were properly established with the Clerk's Office to administer elections. Additionally, the audit aimed to ensure that contract payments were billed, collected, and accounted for accurately and completely, in compliance with the terms of the interlocal agreements and County policies.

It is important to note that this audit did not include a review of election results or voter rolls.

Results: We found that, due to the "not-to-exceed" clauses in the interlocal contracts, actual election costs were not billed to the municipalities and special districts. Additionally, we observed that management did not have written internal policies and procedures for calculating election costs, including allocating those costs among the municipalities. The absence of written procedures for calculating and allocating election costs limited our ability to provide reasonable assurance that the estimated costs in the contracts and the actual election costs were accurate, complete, and reasonable.

Impact: We recognize that staff turnover during the audit period may have contributed to gaps in written procedures and knowledge of election cost calculations. Despite these challenges, the Clerk's Office demonstrated a strong commitment to improvement by agreeing to implement all 28 recommendations addressing the 15 findings. Billing municipalities and

special districts for actual costs and removing the “not-to-exceed” clause in contracts will eliminate the financial burden on the County to cover municipal election expenses. Developing clear written internal policies and procedures for election cost calculations will enhance accountability, fiscal responsibility, and transparency. These steps reflect a shared effort to improve the administration of County elections. Additionally, implementing written internal policies and procedures will provide transparency in election cost calculations and help ensure smoother transitions during staff turnover, thereby reducing operational disruptions.

Fraud Hotline Report

Objective: The Fraud Hotline Annual Report provides an overview of reported fraud incidents, investigations conducted, and referrals made to relevant entities during the period January 1, 2023, to December 31, 2023.

Results: In 2023, the Salt Lake County Auditor’s Office Fraud Hotline received 12 tips. Four of these tips led to investigations within the Assessor’s Office and Parks and Recreation, conducted concurrently with the Countywide Payroll Audit in 2023 and 2024. The audit investigations uncovered control weaknesses in several areas. Regarding remote work practices, employees at the Assessor’s Office experienced unsupervised work periods due to gaps in their supervisor’s schedule, increasing the risk of unmonitored absences or inactivity. Additionally, management did not require employees to provide proof of location visits, reducing accountability. For County vehicle use, vehicles at the Assessor’s Office lacked GPS tracking systems, and vehicle mileage was not consistently compared to documented site visits. This lack of tracking increased the risk of unauthorized vehicle use. Concerning timecard entry methods, employees at Parks and Recreation utilized a mobile application to clock in and out. However, the application’s GPS tracking data was unreliable, limiting the ability to ensure employees were present at their required job sites.

Impact: The Fraud Hotline tips and subsequent investigations addressed high-risk areas for potential waste and abuse. As a result of the audit findings, the two agencies agreed to implement nine related recommendations to improve key operational areas. Remote work policies will be enhanced to ensure employees are consistently monitored by managers or administrative staff. County vehicles will be equipped with Geotab tracking devices, allowing for comprehensive monitoring of mileage and location. Timecard entry tracking will be improved, with management collaborating with Information Technology to identify additional reports that enable managers to review time punches effectively.

These changes will help reduce the risk of fraud, waste, and abuse within the County while promoting greater accountability and operational efficiency. Management’s agreement to these recommendations demonstrates a commitment to enhancing oversight and operational practices.

Facilities Services Payroll

Objective: The objective of the audit was to provide reasonable assurance that the internal controls in place were adequate and effective, and that payroll processes complied with all applicable fiscal ordinances, policies, and procedures. The audit focused on key areas of payroll operations, including onboarding new employees, timekeeping, overtime and compensatory time, special allowances, reconciliations of payroll data, and offboarding of terminated employees.

Results: The audit identified opportunities for enhancing payroll processing. Facilities Services did not perform reconciliations to verify the accuracy of time manually entered in the County's payroll system from Facilities Services' system. Discrepancies were found between the two systems in all sampled pay periods, highlighting a need for improved accuracy and oversight. Additionally, timecard approvals in 6.8% of the sampled entries were made by individuals who were not the employees' supervisors, exposing gaps in the approval process and weakening accountability measures.

Impact: Management has agreed to implement all 15 audit recommendations, working collaboratively with Payroll Administration to address identified issues. Documented reconciliation procedures will help ensure payroll data accuracy, reduce the risks of overpayments or underpayments, and foster employee trust and confidence. Enhanced timecard approval processes, supported by clear internal policies, will improve accountability, minimize errors, and reduce the risk of fraud or abuse. By implementing these recommendations, Facilities Services management is demonstrating a proactive commitment to strengthening operational integrity and mitigating risks. The collaboration with Payroll Administration reflects a shared dedication to improving controls and upholding the County's fiscal responsibility.

Council Tax Administration Payroll

Objective: The objective of the audit was to provide reasonable assurance that the internal controls in place were adequate and effective and that the payroll processes complied with all applicable fiscal ordinances, policies, and procedures. Areas of audit focus included onboarding of new employees, timekeeping, special allowances paid through payroll, overtime and compensatory time, reconciliation of payroll time and expenditures, and offboarding of terminated employees.

Results: The audit revealed opportunities for enhancing payroll processing, including timecard approvals. We found that each of the Council-tax employees had time entries that were approved by individuals who were not the employees' supervisor. Additionally, one employee used paper timesheets which were entered in PeopleSoft by the Administrative Assistant, who also approved the entries, resulting in poor segregation of duties. Accurate work dates were not always entered.

Impact: Management agreed to implement all recommendations regarding the approval process as well as additional recommendations related to other findings. These actions include establishing and implementing internal procedures requiring employees to enter

their own time, and for supervisors to review and approve it, as well as procedures addressing situations in which the supervisor is unavailable. These actions will help reduce the risk of timecard errors, fraud, waste, or abuse.

By implementing these and other recommendations, Council Tax management is taking a proactive and collaborative approach to enhance operational integrity and mitigate risk.

Library Services Payroll

Objective: The objective of our audit was to provide reasonable assurance that the internal controls in place were adequate and effective and that payroll processes complied with all applicable fiscal ordinances, policies, and procedures. The audit focused on key areas, including onboarding of new employees, timekeeping, special allowances paid through payroll, overtime and compensatory time, reconciliation of payroll time and expenditures, and offboarding of terminated employees.

Results: The audit identified opportunities for improving payroll processing. We found that Bureau of Criminal Investigation (BCI) background checks were not completed before the start of employment for 45% of sampled Library Services employees. Timecard approvals were conducted by individuals lacking sufficient authority, and the agency did not have clear policies regarding responsibilities for retroactive pay and final payouts. Additionally, documentation for bonus awards was not retained beyond six months, creating gaps in recordkeeping and accountability.

Impact: Management has agreed to implement all 20 recommendations across nine findings, demonstrating a commitment to strengthening payroll processes. Collaborating with Human Resources and the District Attorney's Office to annually update the list of positions requiring background checks and developing written policies regarding the timing of these checks will help safeguard sensitive information and protect vulnerable individuals. Requiring employees to enter their own time and mandating approval by a designated supervisor will enhance accountability, reduce noncompliance risks, and minimize payroll inaccuracies or potential timecard fraud. Establishing clear written policies for calculating and verifying retroactive payments and leave payouts, along with implementing a robust documentation retention system, will ensure payroll accuracy while fostering transparency, accountability, and trust within the organization.

Assessor Office Payroll

Objective: The audit aimed to provide reasonable assurance that the internal controls in place were adequate and effective, ensuring payroll processes complied with all applicable fiscal ordinances, policies, and procedures. The review focused on critical areas of payroll operations, including onboarding new employees, timekeeping, overtime and compensatory time, special allowances, reconciliations of payroll data, and offboarding terminated employees. These areas are fundamental to maintaining financial integrity, fostering employee trust, and minimizing risks of errors or non-compliance.

Results: The audit identified opportunities for enhancing payroll processing to improve operational efficiency and accountability. Delays in processing employee terminations

resulted in payroll overpayments, including one instance where a terminated employee received \$2,163 in pay despite not recording any time worked. Additionally, a temporary employee retained access to the timekeeping system for over a year after their termination. Background checks were another area of concern, with instances of employees beginning work before their checks were completed or, in some cases, checks never being finalized, potentially exposing sensitive taxpayer information to unvetted individuals. Remote work and County vehicle usage presented further areas for improvement. Supervisors' schedules often did not align with employees' work hours, creating gaps in monitoring productivity and attendance. Appraisers self-reported their appraisal work without verification mechanisms, such as timestamped photos or signed records. The absence of tracking systems for County vehicles and inadequate key storage and usage logs hindered the ability to ensure vehicles were used solely for County business. Additionally, timecard entries were not always approved by the appropriate supervisor, with some approvals conducted by the same individual in both the Assessor's timekeeping and County payroll systems, raising concerns about segregation of duties.

Impact: Management has agreed to implement all 20 audit recommendations, underscoring a commitment to strengthening internal controls and enhancing County operations. Addressing issues such as delays in offboarding processes, gaps in background check protocols, remote work oversight, vehicle accountability, and timecard approval practices will bolster operational integrity and compliance. The audit recommendations focus on developing formal policies, implementing robust oversight mechanisms, and establishing verification processes to safeguard County resources and build public trust. Through collaborative efforts between the Assessor's Office, Human Resources, and Payroll Administration, these improvements will create more effective systems that enhance accountability, promote transparency, and ensure alignment with fiscal responsibilities.

Parks and Recreation Payroll

Objective: The audit objectives were to provide reasonable assurance that the internal controls in place were adequate and effective and that payroll processes complied with all applicable fiscal ordinances, policies, and procedures. The review focused on critical aspects of payroll operations, including onboarding new employees, timekeeping, overtime and compensatory time, special allowances, reconciliations of payroll data, and offboarding terminated employees. These processes are essential to maintaining financial integrity, fostering employee trust, and minimizing risks of errors or non-compliance.

Results: The audit identified opportunities to enhance hiring practices and payroll processing within Parks & Recreation. Background checks were not consistently completed before the start of employment for all newly hired or rehired employees reviewed, creating potential risks to sensitive information and public safety. In addition, documentation for certain bonus award transactions was incomplete or missing entirely. For documented bonus awards, key details such as the employee's name, employee identification number (EIN), issuance date, or pay period ending (PPE) date for redemption were often omitted, leading to gaps in recordkeeping and potential vulnerabilities in oversight.

Impact: Management has agreed to implement all 22 audit recommendations, emphasizing a commitment to strengthening internal controls through collaboration with key stakeholders,

including Human Resources, the District Attorney's Office, and the Mayor's Office. By periodically reviewing positions requiring background checks and updating internal policies to define requirements, timing, and renewal procedures, Parks & Recreation is helping to mitigate risks to sensitive information and enhance public and employee safety. Establishing comprehensive internal retention policies for bonus award documentation and ensuring that all bonus leave certificates include essential details will reduce the risk of errors, fraud, and misuse. Through these improvements and the implementation of robust internal controls, Parks & Recreation demonstrates a proactive approach to safeguarding resources and ensuring operational transparency. This collaborative effort reflects the County's dedication to accountability, employee safety, and public trust.

Arts and Culture Payroll

Objective: The audit objectives were to provide reasonable assurance that the internal controls in place were adequate and effective and that payroll processes complied with all applicable fiscal ordinances, policies, and procedures. Areas of focus included onboarding of new employees, timekeeping, special allowances paid through payroll, overtime and compensatory time, reconciliation of payroll time and expenditures, and offboarding of terminated employees. These areas are essential for ensuring accurate payroll processing, mitigating risks, and maintaining operational efficiency.

Results: The audit identified opportunities for improving payroll processing within Arts and Culture. Reconciliations between external timekeeping software and the County's payroll system were not performed, resulting in unexplained variances for five employees over four pay periods. Timecards were sometimes not approved by supervisors, and instances of inadequate segregation of duties in timesheet entries were noted. Cell phone allowances were supported by outdated and inadequate documentation, raising concerns about reimbursement accuracy. Additionally, termination requests were submitted after employees' last working dates, creating delays in access removal for the County network and timekeeping software, which could increase risks related to data security and payroll inaccuracies.

Impact: Management has agreed to implement all 26 audit recommendations, reflecting a commitment to strengthening internal controls and enhancing operational integrity. Performing reconciliations of time entries transferred between systems each pay period will improve the accuracy and completeness of payroll, reducing the potential for discrepancies. Developing clear internal policies for timecard review and approval, including procedures for situations when supervisors are unavailable, will enhance accountability and minimize risks of errors or fraud. Updating documentation requirements for cell phone allowances and obtaining annual statements with business-use numbers will ensure accurate reimbursements aligned with actual costs. Furthermore, documenting and streamlining the timing of offboarding tasks, such as access termination requests, will mitigate risks of timesheet manipulation, data breaches, and operational disruptions. By adopting these improvements, Arts and Culture demonstrates a proactive approach to resource management, fostering trust, accountability, and operational transparency.

Public Works Operations Payroll

Objective: The objective of the audit was to provide reasonable assurance that the internal controls in place were adequate and effective and that the payroll processes complied with all applicable fiscal ordinances, policies, and procedures. The audit focused on key areas of payroll operations, including onboarding new employees, timekeeping, overtime and compensatory time, special allowances, reconciliations of payroll data, and offboarding of terminated employees.

Results: The audit identified opportunities for improved payroll processing. We found that the termination of employees' network access was either not requested or was requested significantly after the employee's last day of work. Additionally, for over three months staff used a former employee's login credentials to generate reports. Additionally, we found that background checks required by policy were not completed. Additionally, several employees required to pass a drug test started work before that was completed.

Impact: Public Works Operations management agreed to all 15 recommendations for each of the 6 findings. These actions include discontinuing the practice of sharing log in credentials, which will enhance employee accountability and the overall security of County systems. Another action is ensuring that the network access of terminating employees is revoked promptly to prevent unauthorized access to County systems. Additionally, ensuring that background checks and drug tests are completed before employees begin work will better protect vulnerable individuals and sensitive information. By implementing these recommendations, Public Works Operations is taking a proactive approach to mitigating risks and reinforcing internal controls.

Solid Waste Management Payroll

Objective: The objective of our audit was to provide reasonable assurance that the internal controls in place were adequate and effective and that the payroll processes complied with all applicable fiscal ordinances, policies, and procedures. Areas of audit focus included onboarding of new employees, timekeeping, special allowances paid through payroll, overtime and compensatory time, reconciliation of payroll time and expenditures, and offboarding of terminated employees.

Results: Our audit of Solid Waste Management payroll processes identified opportunities for improvement. We reviewed a sample of employees to assess whether Solid Waste Management employee time was reviewed and approved by the employee's supervisor. We found that employees had time entries approved by an individual who was not their supervisor or manager. Additionally, there were employees with time entries approved by the same person in both timekeeping application systems. Additionally, we found overtime entries that were not approved by the person's supervisor or manager. We also found that there was inadequate documentation supporting employee cell phone allowances and it was unknown if the costs of the cell phones exceeded the allowance due to the lack of documentation.

Impact: Solid Waste Management has agreed to implement all 15 recommendations for the eight findings in this audit. By establishing internal policies and procedures for documenting, reviewing and approving employees' timecards, the agency will enhance employee accountability and reduce risks of payroll inaccuracies or fraud. Strengthening documentation and review processes for cell phone allowances will mitigate the risk of misuse and ensure the responsible management of county funds.

Sheriff Office Payroll

Objective: The objective of the audit was to provide reasonable assurance that the internal controls in place were adequate and effective and that payroll processes complied with all applicable fiscal ordinances, policies, and procedures. The audit focused on critical areas of payroll operations, including onboarding new employees, timekeeping, overtime and compensatory time, special allowances, reconciliations of payroll data, and offboarding of terminated employees. These processes are crucial for maintaining financial integrity, fostering employee trust, and minimizing the risks of errors or non-compliance.

Results: The audit revealed several opportunities to improve payroll processing within the Sheriff's Office. A background check was missing for one civilian employee, highlighting a gap in compliance with security protocols. In more than half of the sampled cases, timecard adjustments that affected employee hours, pay, or leave balances were made without proper documentation or communication with the affected employees. Additionally, personal identifiers, such as social security numbers, were not adequately secured, with physical files containing sensitive information stored in a manner that allowed unauthorized access. Finally, delays and omissions in terminating system access for former employees were identified as a significant risk. In several cases, requests for access termination were either not submitted or delayed by months, leaving County systems vulnerable to unauthorized use.

Impact: Management has agreed to implement all 10 audit recommendations, reflecting a commitment to strengthening internal controls and improving operational security. Ensuring all employee background checks are completed will help protect sensitive information and safeguard vulnerable individuals. Establishing clear, documented procedures for timecard adjustments and ensuring consistent communication with employees will enhance payroll accuracy, foster transparency, and build trust. Strengthening physical security measures to restrict access to sensitive personal identifiers is essential for mitigating the risk of unauthorized access and potential data breaches. Additionally, timely removal of network access for departing employees will maintain operational security and reduce vulnerabilities. By collaborating with the IT department and Payroll Administration, the Sheriff's Office is taking proactive steps to enforce these policies and strengthen overall system integrity. These efforts underscore a commitment to enhancing efficiency, compliance, and the protection of County resources.

Library Services Travel

Objective: The objective of our audit was to evaluate the travel expenditures and booking processes of Salt Lake County Library Services and provide reasonable assurance that County employees comply with applicable travel policies when booking travel.

Results: As part of the Countywide Travel Expenditure audit, we found that Salt Lake County Library Services is effectively using the Community Services Travel Request Addendum to assess virtual options and justify in-person attendance based on agency benefits. However, we identified one area for improvement where the Travel Coordinator did not obtain secondary approval from the Department Travel Coordinator when an airfare booking exceeded the approved cost by \$200.

Impact: Management agreed to implement all three recommendations associated with the one finding, demonstrating a commitment to complying with established travel approval processes and documentation controls. By adhering to established procedures, it reduces the risk of unanticipated travel budget costs and enhances fiscal accountability. It reflects Management's effort to maintain proper oversight, cost predictability, and uphold transparency in the approval and processing of employee travel expenses.

Aging and Adult Services Travel

Objective: The objective of our audit was to evaluate travel expenditures and booking processes of Salt Lake County Aging and Adult Services and provide reasonable assurance that County employees comply with applicable travel policies when booking travel.

Results: As part of the Countywide Travel Expenditures audit, we reviewed the travel practices of Salt Lake County Aging and Adult Services and identified several areas where improvements could be made in alignment with Countywide policies. These included travel expense payment processes, travel form completion, mileage reimbursements, and documentation retention. We also observed that the Countywide Travel Policy currently lacks specific guidance on justifying in-person attendance versus virtual participation prior to travel. While this specific guidance is not currently outlined in the Countywide Travel Policy, the department has proactively implemented a Travel Request Addendum to document these considerations at the department level. Some specific areas for improvement included improper use of County PCards for hotel bookings and conference registrations, airfare purchases made less than 14 days before travel without emergency justification, incomplete approval signatures on travel forms, incorrect mileage reimbursement calculations, and unrecorded airfare charges on required forms prior to management review.

Impact: Aging and Adult Services Management agreed to implement all 13 recommendations associated with the six findings and stated that they are confident that they will be fully compliant moving forward. This audit is important because ensuring compliance with established travel controls helps mitigate the risk of fraud, waste, and abuse, ultimately supporting the integrity and fiscal accountability of travel management processes. Adhering to policies, such as properly completing and documenting all required travel forms,

strengthens oversight, reduces the likelihood of budget overruns, and prevents unauthorized expenditures. It is essential to ensure adherence to Countywide Travel Policy and related procedures, which play a key role in promoting transparency, accountability, and the proper use of resources.

Proprietary Cards and Amazon Business Account

Objective: The objective of this audit was to evaluate internal controls over purchasing processes to ensure they are adequate, effective, and compliant with applicable fiscal ordinances, policies, and procedures. The review focused on oversight provided by Contracts and Procurement, the use of proprietary cards, and purchasing through the countywide Amazon Business Account. These areas are vital to promoting fiscal responsibility, operational transparency, and adherence to standards across Salt Lake County agencies.

Results: The audit highlighted opportunities to improve oversight and training, which would help enhance purchasing processes and mitigate risks to the County's financial and operational integrity. Oversight of proprietary cards revealed gaps in centralized monitoring, as some County agencies were using these cards without Contracts and Procurement's awareness, unlike the more structured oversight applied to Countywide Purchasing Cards. Additionally, limited training and the absence of formalized policies for the Amazon Business Account created challenges. These included excess inventories of client and customer gift cards, instances of purchases made with non-County payment methods, and shipments sent to non-County locations without documented justification or approval. Addressing these challenges provides a foundation for improving oversight and ensuring more consistent practices Countywide.

Impact: Management across 20 agencies has committed to implementing all 29 recommendations, reflecting a unified effort to strengthen purchasing practices and address areas of concern. By enhancing training programs, formalizing policies, and establishing robust oversight for purchasing activities—including proprietary cards and Amazon Business Account usage—the County will improve resource allocation and accountability while fostering greater public trust. These proactive measures are critical for mitigating financial vulnerabilities, ensuring compliance with policies, and supporting the ethical and responsible management of taxpayer funds. Through collaboration and a shared commitment to improvement, Salt Lake County can continue to uphold transparency, efficiency, and integrity in its operations.

2024 Follow-up Audits

Audit Services diligently tracks recommendations that an audited agency has accepted to ensure they adequately address our findings and mitigate identified risks. We share our follow-up progress through official online reports, detailing the status of each recommendation’s implementation and providing explanations for any instances where agencies did not follow through with agreed-upon recommendations. This approach allows us to gauge the effectiveness of our audit efforts in shaping positive outcomes for the County.

Follow-up Report Name	Month Issued	Original Report	# of Recommendations	Recommendations Implemented			
				Fully	In progress	Not Implemented	Closed
Preliminary Follow-ups							
An Audit of the Countywide Policies	July 2024	August 2023	6	1	5	0	0
An Audit of the Salt Lake County West Jordan Library and Viridian Event Center	October 2024	June 2023	1	1	0	0	0
Secondary Follow-ups	Month Report Published	Original Report	# of Recommendations	Fully	In progress	Not Implemented	Closed
An Audit of the Countywide Petty Cash and Imprest Accounts	May 2024	October 2022	50	25	4	10	11
Audit of Salt Lake County Golf Courses	May 2024	July 2022	30	27	0	3	0
An Audit of Salt Lake County Justice Court	July 2024	April 2022	46	35	4	3	4
An Audit of the Salt Lake County Engineering & Flood Control	October 2024	January 2023	5	5	0	0	0

Property Tax Division

Mission Statement

Our mission at the Salt Lake County Property Tax Division is to provide reliable and efficient property tax administration services to the citizens and taxpayers of the county. We are dedicated to upholding the highest standards of integrity, accuracy, and accountability, while ensuring that all property taxes are fairly and equitably assessed and collected. Through collaboration and innovation, we will strive to continuously enhance our services, and provide accessible and informative resources to help taxpayers understand and comply with the property tax system.

Keys to our Division success.

- » **Timely and Accurate Notice of Valuations**
- » **Process Valuation Appeals Accurately**
- » **Collaborate with Other Tax Offices**
- » **Improve Tax Processes**

2023 Property Tax Division



Stuart Tsai
Division Administrator

Clerk of the Board of Equalization

The Auditor serves as the Clerk of The Board of Equalization (BOE). The statistics mentioned here are for the 2023 BOE Year, which ended in the summer of 2024.

Seventeen percent (17%) of all appeals resulted in adjustments; however, the average adjustment rate per appeal of 0.6% is a ten-year low.

2023 marks the sixth year eNOVs were sent to property owners. Our office was able to track whether the email was opened and whether the attachment was clicked. If neither of those actions occurred three days after the email was sent, a paper copy of the NOV was mailed to the owner of record.

2023 was also the sixth year since we launched our online appeal filing. Of the 2,744 appeals we received, 803 were submitted online. This is one of the few initiatives we have implemented that allows an appeal to be processed electronically from beginning to end.

The 2023 Board of Equalization received 2,744 appeals, representing less than 1% of the 385,778 parcels assessed by the County Assessor. This year's appeals resulted in 2,058 Hearing Officer recommendations. Fifty-nine percent (59%) of the appeals were filed directly by taxpayers, while forty-one percent (41%) were filed with the help of a representative.

Most appeals are filed electronically, either online (29%) or by email (45%). Appeals initiated by the Assessor accounted for 6% of the appeals in 2023.

The appeal count for the 2024 BOE year exceeds 4,100, requiring increased resources from the Auditor's Office to effectively fulfill our statutory responsibilities.

Tax Rates

The County Auditor works closely with other government offices to set property tax rates. We work with the Utah State Tax Commission (USTC) to set the certified tax rate for each entity. Using data from the USTC, the County Assessor, and the taxing entities (county, municipalities, school districts, special districts), we set a rate that will provide each entity the same amount of revenue they received the prior year, with an adjustment for new growth.

Each entity then decides whether to accept the certified rate or propose a different rate. With certain exceptions, if a higher rate is proposed, the entity must provide notice to those affected and hold public hearings. If more than one taxing entity proposes a tax increase, our

office coordinates with these entities to avoid conflicts with public hearing dates, ensuring taxpayers can attend. We also publish a combined notice of the proposed tax increases in a newspaper of general interest and readership. Between May and September, there is a series of statutory deadlines and requirements that must be complied with before rates are finalized in mid-September.

There are currently 77 taxing entities, 390 tax areas, and 169 distinct tax rates. The 2024 legislative session changed five metro townships into municipalities, but none levied property tax rates. In 2024, 19 taxing entities proposed tax increases.

Taxes Charged

After tax rates are approved by the State Tax Commission, the Auditor calculates taxes charged and delivers the tax roll to the County Treasurer, who sends out bills and collects property taxes. We report adjustments to the tax roll for the previous year in March, prior to final settlement. After the County Auditor and Treasurer complete the final settlement, remaining tax revenues are distributed to taxing entities to close the tax year. The final settlement numbers are also reported to the State and used to calculate the next year's certified tax rates in June.

The preliminary taxes charged in 2024 were \$2.113 billion, a \$109 million increase from 2023, when the taxes charged were \$2.004 billion.

Community Reinvestment

Salt Lake County and its municipalities have committed to revitalizing blighted areas, adding to their tax base, and providing more affordable housing. Among the mechanisms authorized by Utah law for these efforts are the Community Reinvestment Act (CRA), Utah Inland Port Act (UIPA), Economic Opportunity Act, Housing and Transit Reinvestment Zone Act (HTRZ), Point of the Mountain State Land Authority Act (POMSLA), and Utah State Fairpark Area Investment and Restoration (UFAIR). These programs are mostly funded by property tax revenues.

The Auditor's office is responsible for reviewing property tax distribution sharing agreements, calculating TIF funds, ensuring that recipients receive only what they are entitled to for each project, and publishing reports. Preliminary calculations are completed in November, with an initial distribution sent to the agencies in December. Final calculations are conducted in February or March, and the finalized numbers are provided to the County Treasurer for distribution in April. Annual reports are prepared and published in March and sent to the appropriate agencies, affected taxing entities, the Utah State Tax Commission, the State Board of Education, and the County Mayor's Office.

During tax year 2024, there were 17 CRA Agencies and 91 active project areas, with a total initial TIF amount of \$150.7 million. Preliminary funds for the Inland Port were \$33.2 million, and \$1.7 million for the convention center hotel. In 2024, we experienced a moderately busy year with four projects expiring and three HTRZ projects underway. Groundbreaking has occurred at the Draper Point project, and the paperwork for including parcels in the new Fairpark area is in progress.

eNOV Enhancements

Each year, the Auditor sends a Notice of Valuation (NOV) to every property owner in the county, providing the assessed market value as well as the proposed taxes for the year. We send this either by email (eNOV) or regular mail. This is the second year we have taken advantage of the unique benefits offered by the eNOV and added enhancements to make information more accessible to property owners. Specifically, we provided a hyperlink to each taxing entity so property owners can see more information about who is taxing them and how their taxes are being used. Additionally, for entities proposing tax increases, we included the ability to add public hearing dates directly to a digital calendar at the click of a button and linked to Google Maps for the location of the public hearings.

We continue to look for ways to enhance the eNOV to make full use of available technology. Currently, only about 10% of property owners receive the NOV electronically, but we hope that number will increase as the eNOV becomes increasingly more useful than the paper copy version.

Tax Sale

Any property with delinquent taxes not paid in full by March 15th following four years from the date the property became delinquent may be included in the tax sale held in May. The Auditor conducts this sale in accordance with state statute and county ordinance. Tax relief programs are available under certain circumstances, and the Auditor must balance the need to collect taxes to fund government services with the rights of property owners.

2024 Tax Sale statistics:

- The Treasurer certified 183 properties to go to tax sale in May 2024.
- The Auditor had 50 properties to auction on the day of the sale.
- Forty-two properties were sold, and eight properties were deeded to the County.

Charitable, Religious, and Educational Exemptions

Under the Utah Constitution, property owned by a nonprofit entity and used exclusively for charitable, religious, or educational purposes is exempt from property tax. The Auditor processes all charitable exemption applications, and the Board of Equalization decides whether they qualify. Once qualified, each organization must file an annual statement with the Auditor to maintain its exemption. The Auditor currently manages exemptions for over 400 organizations and over 2,500 properties.

In 2024, all renewals and new applications were submitted through the new online portal, including 73 new applications. Processing applications through this system has enhanced tracking and reconciliation of approved accounts within the tax system. We have collaborated with Information Services to implement further enhancements, ensuring the process is even more efficient in 2025.

Tax Roll Changes

In addition to the Auditor's role as Clerk of the Board of Equalization, we also process appeals to the Utah State Tax Commission (USTC) and implement orders from the USTC and the courts. Essentially, any adjustment to the tax roll after values are delivered by the County Assessor is the responsibility of the Auditor. These orders can sometimes be sent to us more than a year after the original tax year or cover multiple years and require the Auditor to go back to prior tax years to calculate adjustments.

During 2024, 814 parcels were appealed to the USTC. The tax rolls were adjusted by \$101.1 million in taxable value due to USTC and court orders.

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