

Preliminary FOLLOW-UP REPORT

A SPECIAL AUDIT OF SALT LAKE COUNTY SOLID WASTE MANAGEMENT

JANUARY 2025



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AUDITOR'S LETTER

January 2025

In line with generally accepted government auditing standards and the established policies of the Auditor's Office, as authorized by Utah Code Title 17, Chapter 19a, "County Auditor", Part 2, "Powers and Duties", we maintain our responsibility to monitor and ensure that audit recommendations are addressed by county agencies through appropriate corrective action. This is also instrumental in forming our future audits.

This communication serves as the preliminary follow-up report for the Special Audit of Solid Waste Management subsequent to the original audit report issued in January 2023. The original audit report identified six findings with 15 recommendations.

The details of our follow-up indicate that Solid Waste management has fully implemented 14 of the 15 recommendations and one was in progress.

We appreciate the significant progress made so far and recognize the effort involved in reaching this point. Fully implementing all recommendations is a crucial step, and we are confident in the continued commitment to this goal. To ensure the completion of the remaining recommendation, a secondary follow-up audit is planned for 2025. Thank you for your ongoing dedication and collaboration.

We performed this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). 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 based on our audit objectives.

We extend our appreciation to Solid Waste management and all county stakeholders for their cooperation during this process. The enclosed follow-up audit report summarizes the current status of the recommendations. Should you have any questions or require further discussion, please do not hesitate to contact me at 385-468-7200.

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

January 2025

Action Since Audit Report

A Special Audit of Salt Lake County Solid Waste Management

Original Audit: Report Issued January 2023

6 findings with 15 recommendations.

Preliminary Follow-up:

14 recommendations were fully implemented.

1 recommendation was in progress



FULLY
IMPLEMENTED 14



IMPLEMENTATION
IN PROGRESS 1

Remaining Risks

The Salt Lake County Auditor's Office will conduct an additional follow-up around June 2025..

FINDING 1. ACCOUNTS RECEIVABLE RECONCILIATIONS WERE NOT SUFFICIENT AND WERE NOT PERFORMED DURING APRIL THROUGH JULY



Recommendation 1.1 - We recommend that management ensure that the accountant receives training in Accounts Receivable management, including AR reconciliations.

Agency Action – Implemented our recommendation.



Recommendation 1.2 - We recommend that each month management ensure that the AR ending balance reconciles with the beginning balance by adding amounts billed, adding or subtracting adjustments and write-offs, and subtracting payments..

Agency Action – Implemented our recommendation.



Recommendation 1.3 - We recommend that the reconciliation be documented and signed by the employee who performed it and reviewed against supporting documentation and signed off on by a supervisor or manager..

Agency Action – Implemented our recommendation.

FINDING 2. A CUSTOMER BALANCE OF ALMOST \$35,000 WAS WRITTEN OFF WITHOUT CONSULTATION WITH THE DISTRICT ATTORNEY'S OFFICE



Recommendation 2.1 - We recommend that management transfer uncollectible/delinquent AR balances to the District Attorney's Office in accordance with Countywide policy.

Agency Action – In Progress. Solid Waste Management agreed to implement the recommendation. However, no uncollectible amounts required collections from the District Attorney's Office or being written during Audit Period.

FINDING 3. INSUFFICIENT SEGREGATION OF DUTIES



Recommendation 3.1 - We recommend that management implement clear separation of duties over ordering and receiving change funds.

Agency Action – Implemented our recommendation.



Recommendation 3.2 - We recommend that mail containing checks be retrieved, opened, and logged under dual control.

Agency Action – Implemented our recommendation.

FINDING 4. VIDEO SURVEILLANCE SYSTEM WAS NOT RELIABLE



Recommendation 4.1 - We recommend that management periodically check the video surveillance footage system to ensure that it is functioning as expected and to review staff activity.

Agency Action – Implemented our recommendation.



Recommendation 4.2 - We recommend that management develop written policies and procedures on video surveillance management and retention..

Agency Action – Implemented our recommendation.

FINDING 5. MAIN VAULT AUDIT TRAIL NOT FUNCTIONING



Recommendation 5.1 - We recommend that management ensure that the Vault Audit Trail Report is properly configured to show individual users, dates, and times whenever the vault is opened and closed.

Agency Action – Implemented our recommendation.



Recommendation 5.2 - We recommend that management engage the software providers and IT Division, as needed, to ensure users are enabled and properly trained to generate and review the Vault Audit Trail reports.

Agency Action – Implemented our recommendation.



Recommendation 5.3 - We recommend that management periodically review Vault Audit Trail Reports to monitor activities of users and prevent/detect misuse.

Agency Action – Implemented our recommendation.

FINDING 6. INSUFFICIENT OVERSIGHT OF CREDIT/DEBIT CARD VARIANCES



Recommendation 6.1 - We recommend that management ensure all differences between the credit card system and Waste Works are investigated and documented and that appropriate action is taken to resolve the overage or shortage, where possible.

Agency Action – Implemented our recommendation.



Recommendation 6.2 - We recommend that reviews and approvals of reconciliation documentation include review of credit card variances to ensure they were noted and investigated during the reconciliation process.

Agency Action – Implemented our recommendation.







Recommendation 6.3 - We recommend that management train cashiers on proper handling of credit card transactions, including waiting at least five minutes before running another transaction for the same amount on the same card.

Agency Action – Implemented our recommendation.



Recommendation 6.4 - We recommend that management introduce annual training for employees with cash handling responsibilities.

Agency Action – Implemented our recommendation.

Audit Recommendation Implementation Status			
 <p>Fully Implemented</p>	 <p>Implementation In Progress</p>	 <p>Not Implemented</p>	 <p>Closed</p>
<p>The audit recommendation has been implemented, and the corrective actions effectively address the original issue or finding, as verified by the follow-up audit. No further action is required <u>at this time</u>.</p>	<p>The agency has begun taking corrective actions to address the audit recommendation. However, full implementation has not yet been achieved.</p>	<p>The agency has not taken corrective action to address the audit recommendation.</p>	<p>Circumstances have changed surrounding the original finding or recommendation that make it no longer applicable, or the agency will only implement a portion of the recommendation as verified by the follow-up audit. No further follow-up is required.</p>