

Preliminary FOLLOW-UP REPORT

An Audit of Salt Lake County Behavioral Health Payroll

MARCH 2025



PAYROLL

SALARIES



Chris Harding, CPA, CFE, CIA
County Auditor

Office of the Auditor
Salt Lake County

Audit Team

Brenda Nelson, CISA, Audit Manager
Tammy Brakey, Senior Internal Auditor
Abigail Dalton, Internal Auditor

Audit Management

Chris Harding, CPA, CFE, CIA, Auditor
Richard Jaussi, MBA, Chief Deputy Auditor
Roswell Rogers, Senior Advisor
Shawna Ahlborn, Audit Division Director

Audit Committee

Marty Van Wagoner, CPA, MBA



Office of the Auditor
Salt Lake County
2001 S State Street, Ste N3-300
Salt Lake City, UT 84190-1100
Phone: (385) 468-7200

www.saltlakecounty.gov/auditor/

Salt Lake County Auditor



Chris Harding, CPA, CFE, CIA
County Auditor

2001 S State Street, Ste N3-300, Salt Lake City, UT 84190
Phone: (385) 468-7200 www.saltlakecounty.gov/auditor/

AUDITOR'S LETTER

March 24, 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, which is also instrumental in shaping future audits.

This communication serves as the preliminary follow-up report for *An Audit of Salt Lake County Behavioral Health Payroll*, following the original audit report issued in December 2023. The original audit identified five findings with 11 recommendations. The purpose of this review was to evaluate the progress made in addressing the findings and recommendations aimed at enhancing operational efficiency and compliance.

Our follow-up indicates that Behavioral Health Services Management has fully implemented eight of the 11 recommendations, one was closed, and two remain in progress.

One recommendation was closed because the underlying risk was addressed by implementing a policy requiring background checks for all employees.

Two recommendations remain in progress. For one recommendation, Management agreed to create an internal policy regarding retroactive payments but has not done so yet. For the other recommendation, there were no applicable transactions available for testing during the follow-up audit period. A second follow-up will be conducted to ensure the recommendations are implemented.

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.

We extend our appreciation to Behavioral Health Services Management 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

Action Since Audit Report

An Audit of Salt Lake County Behavioral Health Payroll

Original Audit: Report Issued December 2023

5 findings with 11 recommendations reported in December 2023.

Preliminary Follow-up

Behavioral Health Services fully implemented eight recommendations, two are in progress, and one was closed.



FULLY IMPLEMENTED 8



IMPLEMENTATION IN PROGRESS 2



NOT IMPLEMENTED 0



CLOSED 1

Remaining Risks

A second follow-up audit will be conducted by the Auditor's Office no sooner than October 2025.

FINDING 1. BACKGROUND CHECKS NOT CONDUCTED OR NOT CONDUCTED BEFORE THE START OF EMPLOYMENT



Recommendation 1.1 - We recommend that Behavioral Health Services Management work with their attorney to establish a clear internal policy outlining the UDHHS background check requirements. This policy should specify the permissible job functions that an employee can perform, if any, before receiving clearance.

Agency Action – Implemented our recommendation.



Recommendation 1.2 - We recommend that Behavioral Health Services Management work with Human Resources and the District Attorney's Office to review, validate, and update the list of positions requiring a BCI background check.

Agency Action – Implemented our recommendation.



Recommendation 1.3 - We recommend that Behavioral Health Services Management work with Human Resources and the District Attorney's Office to establish and conduct reviews of Behavioral Health Department positions and the list of positions requiring background checks at periodic intervals, such as annually, to ensure the list remains up to date.

Recommendation Closed – Behavioral Health Services Management established a policy requiring background checks for all employees. As a result, reviewing a specific list of positions requiring background checks was not required and the underlying risk was addressed.



Recommendation 1.4 - We recommend that Behavioral Health Services Management review existing employee records and obtain BCI background checks for any employees that do not have one file.

Agency Action – Implemented our recommendation.

FINDING 2. TIMECARDS NOT APPROVED BY A SUPERVISOR



Recommendation 2.1 - We recommend that Behavioral Health Services Management establish and implement written procedures that include:

- Clear guidelines outlining the review and approval process for employee time by their direct supervisors or managers.
- Procedures for situations when the direct supervisor is unavailable to approve time, specifying necessary documentation required to ensure proper oversight and

accountability.

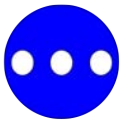
Agency Action - Implemented our recommendation.



Recommendation 2.2 - We recommend documentation be retained on file whenever a supervisor does not approve the employee's timecard, using PeopleSoft's delegation and comments feature, using the comments section available during timecard approval, or other documentation.

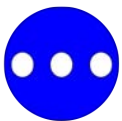
Agency Action - Implemented our recommendation.

FINDING 3. AGENCY DID NOT UNDERSTAND RETRO PAY RESPONSIBILITIES



Recommendation 3.1 - We recommend that Behavioral Health Services Management establish and implement clear written policies and procedures for calculating and verifying retroactive payments.

Agency Action – Implementation in progress. Behavioral Health Services Management has not established or implemented written policies and procedures for calculating and verifying retroactive payments. Management explained that they intend to write a policy regarding retroactive payments. Follow-up will be required to verify implementation of this recommendation.



Recommendation 3.2 - We recommend that Behavioral Health Services Management work with Payroll Administration to establish a documentation retention system to ensure that documentation supporting retro payments is maintained on file.

Agency Action – Implementation in progress. During the audit period, Behavioral Health Services employees did not receive retroactive payments for testing. Follow-up will be required to verify the implementation of this recommendation.

FINDING 4. OVERTIME COMPENSATION AGREEMENT FORMS NOT ON FILE



Recommendation 4.1 - We recommend that Behavioral Health Services Management establish a procedure to ensure the completion of an Overtime Compensation Agreement form for every employee during the hiring process and whenever there is a decision to make changes in the selection.

Agency Action – Implemented our recommendation.



Recommendation 4.2 - We recommend that Behavioral Health Services Management implement controls to ensure that overtime and compensatory time earned during each pay period are consistent with each employee's election.

Agency Action – Implemented our recommendation.





FINDING 5. INACCURATE ENTRIES OF W-4 DATA



Recommendation 5.1 - We recommend that Behavioral Health Services Management establish and document procedures for obtaining, storing, and entering W-4 forms. These procedures should include a secondary review and approval to ensure the accuracy of the inputted data.

Agency Action – Implemented our recommendation.

APPENDIX A: AUDIT RECOMMENDATION IMPLEMENTATION STATUS

Audit Recommendation Implementation Status			
 Fully Implemented	 Implementation In Progress	 Not Implemented	 Closed
<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 at this time.</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>