

AUDIT REPORT

An Audit of Human Resources - Countywide Payroll Responsibilities

JANUARY 2025



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
Pete Busche, CIA, Senior Internal Auditor
Matthew Cullinen, Internal Auditor
Hao Evans, Internal Auditor
Abigail Dalton, Internal Auditor

Audit Management

Chris Harding, CPA, CFE, CIA, County 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

January 28, 2025

I am pleased to present our audit of the Salt Lake County Human Resources Countywide Payroll Responsibilities, covering the period from September 1, 2021, to August 31, 2022. This audit was performed in conjunction with a Countywide Audit of Payroll Operations, encompassing Mayor's Finance Administration (Payroll Administration), Human Resources, and 12 County Agencies.

The objectives of the audit were to provide reasonable assurance regarding the adequacy and effectiveness of internal controls and to ensure that payroll processes complied with all applicable fiscal ordinances, policies, and procedures, and identify areas where processes can be strengthened.

Audits of Human Resource functions are vital for ensuring the safeguarding of sensitive employee data and promoting operational efficiency. Additionally, audits are important to identify and mitigate risks such as non-compliance, payroll errors, data breaches, fraud, waste, or abuse, while ensuring fair and consistent application of policies.

The Countywide Audit of Payroll Operations identified opportunities for improvement in Human Resource (HR) policies, procedures, and practices affecting onboarding, managing, training, and compensating employees. Audits of 12 County agencies resulted in 74 recommendations that highlighted opportunities for expanded Human Resources policies and staff training. Additional key findings included:

- Inconsistent records regarding positions that require background checks, with some agencies unaware of Human Resources requirements or maintaining conflicting lists.
- Inadequate access controls. Payroll staff in Mayor's Office Financial Administration had unnecessary access to sensitive employee data, resulting in a lack of segregation of duties. Additionally, personnel records lacked proper physical security, as an unsecured cabinet key was left on top of the cabinet.
- Missing employee performance documentation used for merit increases and lump-sum payments. Four employees did not receive owed lump-sum payments. Additionally, service award administration was inadequate, resulting in duplicate payments to 12 employees totaling \$1,650 in excess.

These findings emphasize the importance of reinforcing Human Resources policies, implementing comprehensive training programs, improving access controls, and enhancing oversight to better protect employee data and ensure accurate and fair payroll processing.

We strongly recommend that Human Resources promptly review and implement the detailed recommendations in the attached audit report. Addressing these issues is crucial to safeguarding the operational and financial integrity of the county.

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

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.

A handwritten signature in black ink that reads "Chris Harding". The signature is written in a cursive, flowing style.

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

CONTENTS

RISK CLASSIFICATIONS.....	3
BACKGROUND.....	4
OBJECTIVES AND SCOPE.....	4
AUDIT CRITERIA	5
METHODOLOGY	6
CONCLUSIONS	7
FINDING 1: INSUFFICIENT HUMAN RESOURCE POLICIES AND PROCEDURES	8
FINDING 2: INCONSISTENT RECORDS OF POSITIONS REQUIRING A BACKGROUND CHECK	14
FINDING 3: INADEQUATE ACCESS CONTROLS OVER EMPLOYEE PROFILE DATA	17
FINDING 4: PERSONNEL RECORDS NOT ADEQUATELY SAFEGUARDED	19
FINDING 5: MISSING LUMP SUM PAYMENTS, INADEQUATE MERIT INCREASE DOCUMENTATION, AND NO INDEPENDENT REVIEW AND APPROVAL	21
FINDING 6: INADEQUATE CONTROLS OVER SERVICE AWARD PAYMENTS RESULTED IN DUPLICATE PAYMENTS	26
FINDING 7: LACK OF INDEPENDENT REVIEW AND APPROVAL FOR POSITION CHANGES AND VOLUNTARY TERMINATION ENTRIES	28
FINDING 8: INADEQUATE RETENTION OF EMPLOYMENT APPLICATIONS	32
COMPLETE LIST OF AUDIT RECOMMENDATIONS	34
AGENCY RESPONSE	38



HUMAN RESOURCES PAYROLL AUDIT

JANUARY 2025

Objectives

The audit objectives were to provide reasonable assurance that the internal controls in place are adequate and effective and that the payroll processes comply with all applicable fiscal ordinances, policies, and procedures. Areas of audit focus included the processes and procedures for the following:

- Onboarding of new employees
- Employee file maintenance
- System access privileges
- Position data changes
- Tuition Reimbursements
- Merit Increases
- Service Awards

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

REPORT HIGHLIGHTS

Insufficient Human Resource policies and procedures

Over 40 Human Resource Policies govern recruitment and employment, employee relations, training and development, compensation and benefits, and employee development. In the Countywide Audit of Payroll Operations, we conducted more than 264 tests related to the 12 County Agencies included in the audit scope. We found that weaknesses in Human Resources policies and procedures, and lack of training for agency payroll staff, were contributing factors in 74 out of the 192 (38.5%) agency-level findings.

Inconsistent records of positions requiring a background check

County ordinance and policy requires Human Resources to maintain a list of county positions that require background checks. During the countywide audit, we found that ten of the 12 agencies had background check requirements. We found that four out of the 10 (40%) agencies used the Human Resources list of positions when conducting employee background checks. For the remaining six agencies we found that:

- Three (30%) agencies maintained a separate list of positions requiring a background check that did not match positions listed by Human Resources.
- One (10%) agency had internal requirements for background checks but none of the agencies' positions were included on the Human Resources list.
- One (10%) agency conducted background checks required by the State but did not conduct those required per the Human Resources list.
- One (10%) agency was not aware of the Human Resources list and therefore, no background checks were conducted.

Additional findings resulted from agencies failing to conduct one or more background checks or not conducting them prior to the employee starting work.

Inadequate access controls over employee profile data

Payroll administrators have unnecessary access to sensitive employee data maintained by Human Resources, including Social Security Numbers, employee name, birth dates, and bank account information.



HUMAN RESOURCES PAYROLL AUDIT JANUARY 2025

Objectives

The audit objectives were to provide reasonable assurance that the internal controls in place are adequate and effective and that the payroll processes comply with all applicable fiscal ordinances, policies, and procedures. Areas of audit focus included the processes and procedures for the following:

- Onboarding of new employees
- Employee file maintenance
- System access privileges
- Position data changes
- Tuition Reimbursements
- Merit Increases
- Service Awards

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

REPORT HIGHLIGHTS

Personnel records not adequately safeguarded

Human Resources maintains a variety of confidential employee information including job applications, proof of identity and eligibility to work, performance appraisals, and benefit information. We observed physical security over personnel files to determine whether adequate safeguards were in place. During a visit to the records management room, we observed that the key to the filing cabinets containing personnel records was on top of one of the cabinets.

Missing lump sum payments, inadequate merit increase records, and no independent review and approval

The Salt Lake County Council's 2022 approved budget included both a 2% pay structure salary increase, and a 2.75% merit increase for employees with an end of year 2021 PDP score of 3.0 or higher. Both increases were to be implemented effective January 1, 2022.

From a population of 2,723 employees reported to have received the January 1, 2022, 2.75% merit increase, 100 employees were Elected, Appointed or Time Limited employees that were not required to receive a PDP. However, we noted that 31 of the remaining 2,623 (1%) employees did not have a PDP score on the reports provided by the Compensation Analyst. Documentation was not maintained to ascertain whether the PDP was omitted because the agency did not submit one, one was submitted later in 2022, or the PDP was not entered by Human Resources due to an oversight. We also noted that four employees did not receive lump sum payments they were due.

Inadequate controls over service award payments resulted in duplicate payments

During the scope of the audit, Human Resources Benefits team issued 345 cash and gift service awards to 316 Salt Lake County employees. From a judgmental sample of 38 employees, we found that 12 (32%) employees received duplicate cash awards, over two pay periods. Overall, we found that \$1,650 in excess payments were detected.



Finding Risk Classifications

Classification	Description
<p>1 – Low Risk Finding</p>	<p>Low risk findings may have an effect on providing reasonable assurance that County funds and assets were protected from fraud, waste, and abuse.</p> <p>Recommendations may or may not be given to address the issues identified in the final audit report. If recommendations are given, management should try to implement the recommendations within one year of the final audit report date if possible. Follow-up audits may or may not focus on the status of implementation.</p>
<p>2 – Moderate Risk Finding</p>	<p>Moderate risk findings may have an effect on whether there is reasonable assurance that County funds and assets were protected from fraud, waste, and abuse.</p> <p>Recommendations will be given to address the issues identified in the final audit report. Management should implement the recommendations within one year of the final audit report date if possible. Follow-up audits will focus on the status of implementation.</p>
<p>3 – Significant Risk Finding</p>	<p>Significant risks are the result of one or more findings that may have an effect on whether there is reasonable assurance that County funds and assets were protected from fraud, waste, and abuse.</p> <p>Recommendations will include necessary corrective actions that address the significant risks identified in the final audit report. Management should implement the recommendations within six months of the final audit report date if possible. Follow-up audits will focus on the status of implementation.</p>
<p>4 – Critical Risk Finding</p>	<p>Critical risks are the result of one or more findings that would have an effect on whether there is reasonable assurance that County funds and assets were protected from fraud, waste, and abuse.</p> <p>Recommendations will include necessary corrective actions that address the critical risks identified in the final audit report. Management should implement the recommendations as soon as possible. Follow-up audits will focus on the status of implementation.</p>

BACKGROUND

The Salt Lake County Auditor's Audit Services Division completed an audit of the Salt Lake County Human Resources Division for the period of September 1, 2021, to August 31, 2022. The audit was performed in conjunction with a Countywide Audit of Payroll Operations, focusing on Mayor's Finance Administration (Payroll Administration), Human Resources, and 12 County Agencies.

During the audit period, Countywide payroll covered a workforce of 10,000 employees, with total earnings amounting to \$270 million. This figure includes turnover associated with seasonal and temporary COVID-19 workers, meaning the actual number of employees on staff at any given time was significantly lower.

The Salt Lake County Human Resource Division is entrusted with the responsibilities of employee hiring, rehiring, promotions, and terminations, as well as protection of sensitive employee data and implementation of all related policies and forms.

OBJECTIVES AND SCOPE

The audit objectives were 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 the processes and procedures for the following:

- Onboarding of new employees
- Employee file maintenance
- System access privileges
- Position data changes
- Tuition Reimbursements
- Merit Increases
- Service Awards

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

AUDIT CRITERIA

Salt Lake County, Utah Code of Ordinances, Title 2 Administration and Personnel, Chapter 2.80 Personnel Management, Section .060 Rules and regulations which states that “the administration of merit system and human resource functions within the county shall be governed by such specific rules, regulations, policies and procedures as are, from time to time, prepared by the human resource agency and the various county agencies and departments and adopted by resolution of the council.”

Salt Lake County Human Resources Policy 5-300: Payroll Outlines the frequency of payroll payments, how payroll is certified, guidelines for off-cycle checks, termination pay, overtime and compensatory time guidelines, on call pay and Sheriff’s Office court compensation.

Salt Lake County Human Resources Policy 5-100: Pay and Employment Practices outlines policy and procedures of employee pay and employment. Key areas of the policy include:

- Pay Differentials
- Bonus Awards
- Incentive Plans

Salt Lake County Human Resources Policy 2-1100: Personnel Records provides guidance on how the Human Resources Division and county agencies maintain personnel records for county employees and applicants. Key area of the policy included:

- Part II Procedures, Section D.2, states, “Access to these files is limited to the hiring authority and individuals involved in the hiring process.”

Salt Lake County Human Resources Retention Schedule: Provides a description of records and their retention schedules. Key areas of the schedule included:

- Schedule HR-002 describes which items are to be retained as part of an employee’s personnel file as “Record copy: These files are the official employment files for all county employees and usually include the original employment application.”
- Schedule HR-039 states that time sheet records (electronic or hard copy) should be retained for three years, to “verify hours worked, sick leave, vacation, overtime, and holidays earned and taken by county employees.”

Salt Lake County Human Resources Policy 4-800: Service Awards outlines procedures for proper recognition of benefit eligible

employees for commendable performance and for their years of service with Salt Lake County.

Salt Lake County Human Resources Policy 6-100: Performance Development and Improvement Plans implements and manages employee performance development and improvement within Salt Lake County. Key area of the policy included:

- Part II Procedures, Section D.5, states, "The Human Resources Division will authorize any merit increase approved by the County Council for that year if the appraisal is not received within a 75-day period."

Salt Lake County Countywide Policy 1060: Financial Goals and Policies formalizes the County's commitment to financial best practice and compliance with relevant statutory and ordinance requirements. Key area of the policy included:

- Part 8. Internal Control Policy, Section 8.3, states, "Adequate documents and records shall be designed and used to ensure the proper recording of events; the development of adequate safeguards over access to and use of assets and resources; and the use of independent checks on performance and on the proper valuation of recorded amounts."

Salt Lake County Countywide Policy 1220: Management of Accounts Receivable and Bad Debt Collections is intended to establish fair and consistently applied procedures and practices for extending credit and collecting the monies owed to the County. Key areas of the policy included:

- Agency/Department Billing and Collections Efforts, including terms and due dates.
- Transfer and Reclassification of Delinquent Accounts Receivable, including collection efforts and transfer of delinquent accounts to the District Attorney's Office.

METHODOLOGY

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

1. Auditors met with agency personnel to gain an understanding of employment related procedures and agency controls in place. Processes were observed, documented, and agreed upon.
2. Controls were observed in operation, such as safeguarding of sensitive documents, and system access controls.

3. Documents were examined, such as emails or memos authorizing changes, reimbursements, awards, and merit increases.
4. Payroll data was analyzed to identify transactions for further review.
5. Where appropriate statistical or judgmental sampling was used to select transactions for review.

CONCLUSIONS

During the COVID-19 pandemic, payroll operations throughout the County were more vulnerable to deviations from existing internal controls derived from established policies and procedures. While we did not find evidence of wrongdoing, we did note eight specific areas of control weakness or deficiency in which the Human Resources Division needs significant improvement, such as:

1. Insufficient Human Resource policies and procedures.
2. Inconsistent records of positions requiring a background check.
3. Inadequate access controls over employee profile data.
4. Personnel records not adequately safeguarded.
5. Missing lump sum payments, inadequate merit increase records, and no independent review and approval.
6. Inadequate controls over service award payments resulted in duplicate payments.
7. Lack of independent review and approval for position changes and voluntary termination entries.
8. Inadequate retention of employment applications.

As a result, there is an increased risk of undetected errors and omissions, potential fraud, waste, or abuse related to timekeeping and payroll processing. To mitigate these risks and improve operational effectiveness, it is crucial for the Human Resource Division to collaborate with Mayors Finance Administration ("MFA") Payroll administration, and individual County agencies to expand and reinforce Human Resources policies and procedures related to payroll.

FINDING 1 AND RECOMMENDATIONS

Insufficient Human Resource Policies and Procedures

Risk Rating: **Significant Risk Finding**

83% of agencies audited had delays in removing departing employees' network or payroll system access due to the lack of clear policies and procedures.

Within Salt Lake County, Human Resources has developed over 40 Human Resource Policies and Procedures regarding County employment, employee relations, benefits, compensation, employee training and development. In the Countywide Audit of Payroll Operations, we audited Payroll Operations at 12 County agencies, conducting more than 264 payroll tests. We found that weaknesses in Human Resources policies and procedures, and lack of training for agency payroll staff, were contributing factors in 74 out of the 192 (38.5%) agency-level recommendations. See Table 1 below.

Table 1: Insufficient Human Resource policies and procedures and lack of related training contributed to agency-level findings. We found that that 74 (38.5%) finding recommendations were contributed to weaknesses in Salt Lake County Human Resource policies and procedures as well as a lack of understanding of policy requirements.

Subject of Findings Noted	Related Gap in Policies and Procedures	Number of Finding Recommendations	Percent of Agencies with Related Findings*
Access Terminations	There were no policies or procedures on network and/or payroll systems access terminations and required timing.	22	83%
Background Checks	The list of Countywide positions requiring a background check was out-of-date. There was no policy or procedure on the required timeframe for background checks to be performed.	22	70%
Bonus Awards & Gift Cards	Documentation not retained and no-standardized form for bonus awards.	7	27%
Lack of Agency Level Policies	Agency payroll coordinators and fiscal staff were not trained on the need for internal on-call and exempt employee comp time procedures.	10	73%

*Percent of agencies for which the test was applicable. Not all tests applied to all 12 agencies.

Access Terminations

When an employee departs from Salt Lake County, the agency must complete certain offboarding procedures. These include terminating the employee's access to the County network, PeopleSoft, and any external timekeeping software.

We found that 83% of agencies audited had delays in removing employee network or payroll system access. Human Resources maintained and published an "Offboarding Checklist" for supervisors.

This checklist outlines that, while supervisors may not be directly responsible for every task mentioned, they are accountable for ensuring that all tasks are completed. Some of the tasks listed on the "Offboarding Checklist" involve deactivating all agency-specific and network access for the departing employee. However, no policy or procedure addressed how to revoke employee access, who was responsible, or when it should be done. No related training on those topics was provided.

Background Checks

Throughout the County specific positions involve handling confidential information and interacting with members of the public. To ensure the safety and confidentiality of taxpayers, employees in these positions were required to undergo a background check. We found that seven out of ten (70%) agencies with positions requiring background checks had audit findings related to failure to obtain these checks or failure to obtain them prior to the employee starting work. In addition, one out of the ten (10%) agencies was not aware of their responsibility to conduct background checks.

Salt Lake County Human Resources Policy 2-500: Background Check Requirements, Part II Procedures, Section A.1, states, "The Human Resources Division, in consultation with the relevant agencies and the District Attorney's office, will identify and maintain a current list of designated positions and volunteer functions that are subject to background checks." However, no guidelines specified how soon a background check must be completed, with the exception of the Sheriff's Office and other criminal justice agencies.

Bonus Awards & Gift Cards

We found that 27% of agencies audited did not retain bonus award documentation or documentation lacked important information such as the name and employee identification number (EIN) of the employee receiving the award, the date the bonus leave was issued, and the pay period ending (PPE) when the award was being redeemed. Agencies do not use a standard form when awarding employee bonuses. Maintaining proper documentation safeguards against potential legal and compliance risks. An official form would help ensure that required information is maintained.

Agencies that award gift cards to employees pick up the gift cards from Employee Services Reserve. The individual picking up the cards signs the form on the lower right side of the form. However, the form does not include a designated signature line or require the signer's printed name. Signatures were not always legible. Additionally, the policy did not require that employees be notified that they will be receiving a gift card. Therefore, they may not notice if they never received it.

Additionally, while auditing administration of the gift card program by Mayor's Financial Administration Employee Services Reserve we noted poor segregation of duties over purchasing, receiving, tracking and distributing gift cards. Staff did not periodically reconcile amounts purchased, distributed and on hand, including the beginning and ending balances.

Lack of Agency Level Policies

We found that 73% of agencies audited had findings related to a lack of written internal policies for on-call employees or exempt employee overtime. Agency staff indicated they were not aware of Policy 5-300 requirements as the underlying cause.

Salt Lake County Human Resources Policy 5-300: Payroll mandates that departments establish standard operating procedures (SOP) for employees who are required to be on-call. The policy also requires agencies to adopt written internal policies regarding compensatory time off for Fair Labor Standards Act (FLSA) exempt employees that work more than 40 hours.

Salt Lake County, Utah Code of Ordinances, Title 2 Administration and Personnel, Chapter 2.80 Personnel Management, Section .060 Rules and regulations, states, "The administration of merit system and human resource functions within the county shall be governed by such specific rules, regulations, policies and procedures as are, from time to time, prepared by the human resource agency and the various county agencies and departments and adopted by resolution of the council. Such regulations shall provide for recruitment, hiring, training, advancement and compensation of employees, grievance and appeal procedures, political activities, human resource recordkeeping, and such other matters as are necessary to address the proper functioning of the county's merit system and human resource functions, and as are in accordance with the provisions and intent of the Act [Emphasis added]."

Human Resources Management responded that Human Resources and the District Attorney's office monitor related legislation and best practices, and update policies and procedures as needed. Regarding bonuses, Human Resources Management stated that a standard form was not necessary as there was "great variance between agencies." They explained that agencies could create their own internal forms if desired.

However, a standardized countywide form would help guide agencies and ensure all required information, such as the employee's name, ID, description of outstanding service, and supervisory approval is consistently gathered.

Adequate and up-to-date Human Resources Policies are critical in ensuring legal compliance, equal and fair treatment of employees, transparency, and operational efficiency. Risks related to policy weaknesses discussed above include:

- Former employees with network access engaging in malicious activities.
- Employees inappropriately using confidential information or harming individuals when background checks are not completed or not completed timely.
- Lack of transparency, accountability, and trust within the organization due to insufficient bonus award documentation.
- Lost or stolen gift cards.
- Employee filing statuses may be incorrect.

Ensuring that management and employees involved in processing payroll are trained is critical to help ensure compliance with County policy and legal requirements. When employees are not aware of requirements for an on-call policy and exempt employee overtime policy, ambiguity can lead to inconsistencies in payroll processing and conflicting information being given to employees.

1.1

RECOMMENDATION

Written Procedures

We recommend that Human Resource Management develop written policies and procedures to address employee off-boarding, including network and Payroll system access termination, roles and responsibilities, and required timing.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 3/31/2025

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

1.2

RECOMMENDATION

Policy Updates

We recommend that Human Resource Management update its Human Resource Policy regarding background checks and include how soon a background check must be completed.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 6/30/2025

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

We recommend that Human Resources Management develop a standard form for use when issuing employee bonus awards. The form should include the following:

- Name of the employee receiving the award
- Employee Identification Number (EIN)
- Date the award was granted
- Explanation of outstanding service
- The Pay Period Ending date for when the award was redeemed (for leave bonuses)

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 3/18/2025

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

We recommend that Human Resources Management update its Human Resource Policy to require agencies to use the standard bonus form to document all employee bonus awards.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 3/17/2025

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

FINDING 2 AND RECOMMENDATIONS

Inconsistent Records of Positions Requiring a Background Check

Risk Rating: **Significant Risk Finding**

60% of agencies audited did not fully comply with background check requirements, including instances where unvetted individuals had access to sensitive information, highlighting risks of fraud, waste, or abuse within payroll processing.

Human Resources must maintain a list of county positions that require background checks, as required by County ordinance and policy. During the countywide audit, we found that ten of the 12 agencies had background check requirements. Four out the 10 (40%) agencies used the Human Resources list of positions when conducting employee background checks. For the remaining six agencies we found that:

- Three (30%) agencies maintained a separate list of positions requiring a background check that did not match positions listed by Human Resources.
- One (10%) agency had internal requirements for background checks but none of the agencies' positions were included on the Human Resources list.
- One (10%) agency conducted background checks required by the State but did not conduct those required per the Human Resources list.
- One (10%) agency was not aware of the Human Resources list and therefore, no background checks were conducted.

Additional findings resulted from agencies failing to conduct one or more background checks or not conducting them prior to the employee starting work.

Salt Lake County Code of Ordinances, Title 2 Administration and Personnel, Chapter 2.80 Personnel Management, section 150 Criminal background checks, states, "A. The county shall conduct criminal background checks in accordance with the provisions of this section and of human resource policies and procedures approved and adopted by the county council and in accordance with state statute. B. The human resource agency will identify and maintain a current list of job classifications where there are bona fide occupational qualifications regarding the hiring of individuals with criminal conviction histories. These job classifications may include but not be limited to positions which involve handling or accounting for substantial amounts of money, access to controlled substances, public safety and criminal justice, drug and alcohol services, and working with at-risk clientele, including but not limited to minors and the elderly. Job applicants, current employees, individuals eligible for rehire, or unpaid volunteers

who are being considered for these positions will be subject to a criminal records check through the State Bureau of Criminal Identification. Records check activities shall be centralized in the county human resource agency, except for sheriff's office and/or other criminal justice positions."

Additionally, individuals with access to sensitive information, such as those performing agency level payroll coordinator duties, often had job titles that did not reflect that role. Therefore, the positions were not always listed as needing a background check. During the countywide audit, we identified 20 agency employees with payroll coordinator or human resources duties at the 12 agencies in scope. The individual's job title was not found on the Human Resources list for 13 of the 20 (65%) individuals. We found that Mayor's Finance Administration payroll administrators and Human Resource business partners had access to sensitive information but were not on the list requiring a background check.

Human Resource policy does not specify how often the list of background checks should be updated, and there was no routine, periodic monitoring in place to ensure the list remained current. Additionally, the Human Resource Operations Manager acknowledged that the list of positions requiring a BCI background check was not up to date. Human Resources explained they have been working with agencies to update agency lists since 2020. They further clarified that all Human Resources employees are background checked, even though their titles were not on the list provided.

In the absence of appropriate background checks, unvetted individuals have access to sensitive and confidential information and may interact with vulnerable individuals. Citizen and employee information could be compromised, and the County may be subject to reputational damage and potential lawsuits. Employing individuals to handle tasks involving sensitive payroll information without conducting background checks increases the risk of fraud, waste, or abuse within payroll processing.

We recommend that Human Resource Management update the Human Resources Policy regarding background checks to include requirements for periodic, documented reviews, and updates to the countywide list of positions, as well as procedures to identify positions that may have the potential to interact with sensitive information or individuals, regardless of their job title or agency.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 6/30/2025

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

We recommend that Human Resource Management create an updated list of County positions requiring a BCI background check. The list should account for any positions that may have the potential to interact with sensitive information or individuals, regardless of their job title.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 6/30/2025

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

We recommend that Human Resource Management conduct regular training sessions regarding Human Resource policies and procedures, including requirements for BCI background checks.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 6/30/2025

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

FINDING 3 AND RECOMMENDATIONS

Inadequate Access Controls Over Employee Profile Data

Risk Rating: **Significant Risk Finding**

Payroll administrators' unrestricted access to sensitive employee profile data, including Social Security numbers and bank account details, poses significant risks such as unauthorized changes and payroll fraud, emphasizing the urgent need for stricter access controls.

Human Resources is responsible for maintaining employee information, such as the employee's name, date of birth, and social security number. Payroll is responsible for calculating amounts due to employees based on hours worked, salaries, deductions and other adjustments, in addition to other duties.

Access controls are critical to enforce segregation of duties between Payroll and Human Resources functions. However, we found that Payroll administrators had access to modify Human Resource's employee profile data including Social Security Numbers, employee name, birthdate, and bank account information that is maintained by Human Resources.

Salt Lake County Policy 1060: Financial Goals and Policies, Part 8 Internal Control Policy, Section 8.1, states, "The County shall implement an internal control structure to ensure, on a reasonable basis, all valid financial transactions of the County are identified and recorded accurately and timely." 8.2 states, "The objectives of the internal control shall be to ensure: 8.2.2 the appropriate segregation of: 8.2.2.1 the proper authorization of transactions; 8.2.2.2 the duty to record transactions; and 8.2.2.3 the duty to maintain custody of assets."

Information Technology and Security: Acceptable Use Policy: 1400-01, Part 3.0, Section 3.12 Access and Control, states, "Salt Lake County reserves and exercises all rights relating to all information assets. County agency management is responsible for granting users' access to County IT resources and systems, which is limited to that which is required to do their work, and for revoking user access in a timely manner..."

Payroll Administrators explained that they were not aware they had access to make changes to employee data. Similarly, Human Resources explained that they were not aware that Payroll staff had access and did not know why that access was not restricted.

When appropriate segregation of duties over employee information are not in place, there is an increased risk of unauthorized changes, diverting payroll payments, or adding fictitious employees using an existing employee profile.

We recommend that Human Resources work with the Information Technology Division to remove Payroll team access to employee profile data, including bank accounts, social security numbers, names and addresses.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 12/20/2024

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

We recommend that Human Resources work with Information Technology Division to implement a periodic review of individuals with access to PeopleSoft tables and information for which they are the business owner to ensure access is restricted based on what is required for the individual's job function and to maintain appropriate segregation of duties.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 1/31/2025

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

FINDING 4 AND RECOMMENDATIONS

Personnel Records Not Adequately Safeguarded

Risk Rating: **Significant Risk Finding**

Leaving keys to personnel records unsecured in a room accessible to multiple staff poses a serious risk to the confidentiality and security of sensitive employee information, increasing the potential for identity theft and legal liabilities. Strict measures are needed to ensure only authorized individuals have access.

Human Resources maintains a variety of confidential employee information including job applications, proof of identity and eligibility to work, performance appraisals, and benefit information. Employee records are stored physically and digitally. To safeguard the confidentiality and security of personal information, Human Resources should limit access to this documentation to individuals who need it to perform their job duties.

We observed physical security over personnel files to determine whether adequate safeguards were in place. During onsite testing in February 2023, we observed that the key to the filing cabinets in the records management room containing personnel records was left on top of one of the filing cabinets.

The Human Resources Operations Manager thought that only he and two other Human Resources employees had access to the records room. Therefore, leaving the key on top of the cabinet was not seen as presenting a risk. However, Facilities confirmed that there are three types of keys that can be used to unlock the records room: one that is used by the three Human Resources employees, one that is used by most of the County Facilities trades people, and one that is used by janitorial staff. Additionally, the County's locksmith has access to the room.

Salt Lake County Human Resources Policy 2-1100: Personnel Records, Part II Procedures, Section D.2, states, "Access to these files is limited to the hiring authority and individuals involved in the hiring process."

Leaving the key available to anyone with access to the room presents a significant risk to the confidentiality, integrity, and availability of sensitive personnel information. This situation could potentially lead to employees falling victim to identity theft, and the County may be subject to legal fines and fees.

We recommend that Human Resource Management implement measures to ensure the secure storage of keys for access to personnel hard copy record files, limiting access to only authorized individuals.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 12/20/2024

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

FINDING 5 AND RECOMMENDATIONS

Missing Lump Sum Payments, Inadequate Merit Increase Documentation, and No Independent Review and Approval

Risk Rating: **Significant Risk Finding**

Inconsistent documentation, missing merit increase data, and the lack of independent review resulted in errors, including four employees not receiving lump sum payments they were owed. Strengthening procedures and implementing standardized processes are essential to ensure accurate and equitable compensation.

Salt Lake County supervisors complete an annual performance appraisal for each merit employee. Except for appointed staff, elected officials, judges, and time limited personnel, the appraisal includes a numerical rating or Performance and Development Plan (PDP) score.

The Salt Lake County Council's approved budget for 2022 included a 2% pay structure salary increase, and a 2.75% merit increase for employees with a 2021 PDP score of 3.0 or higher. Both increases went into effect January 1, 2022. Each merit position within the County has a minimum and maximum pay rate. For employees who would reach or were already at their existing paygrade maximum, the Council provided for a lump sum payment not to exceed 1% of the employee's annual payrate.

Missing PDP Scores

We extracted a record of all merit increases awarded for 2022 from PeopleSoft and obtained two reports containing 2021 PDP scores from the Human Resources Compensation Manager. Overall, 2,723 employees received a merit increase. Of those, 100 employees were Elected, Appointed or Time Limited employees that were not required to receive a PDP. However, we noted that 31 of the remaining 2,623 (1%) employees did not have a PDP score on the reports provided by the Compensation Analyst.

Human Resources policy allowed employees without a PDP score to receive a merit increase. However, Human Resources did not document the reason PDP scores were not entered. Controls were insufficient to determine whether Human Resources failed to record PDP scores or if the agency did not issue a PDP score.

To determine whether PDP scores were submitted to Human Resources for the 31 employees with a merit increase but no PDP score, we reached out to County agencies in scope and inquired about a sample of 10 employees with no score.

- For three of the 10 (30%) employees a PDP score above 3.0 was submitted to Human Resources in a timely manner but the score was not entered into the system.

- The remaining seven (70%) employees did not receive a PDP score from the agency.

Lump Sum Payments Not Issued

We determined there were 157 employees at or near the top of their pay grade. The Human Resources Compensation Manager calculated lump sum payments the employees were due by finding the difference between the employee's existing pay (after the 2% pay structure increase) and their maximum grade pay. Eligible employees received a lump sum payment of 1% of their salary, less the amount of their allowable merit increase (if any).

We noted that over a span of a seven-month period (14 pay periods), the Human Resources Compensation Manager prepared eight spreadsheets for calculating the lump sum payments. While 58 out of the 157 (37%) employees had all relevant information within the spreadsheets, inconsistencies in data and formatting across these spreadsheets were found in the remaining 99 out of 157 (63%) employees. These inconsistencies included:

- 42 out of 157 (27%) employees had no salary maximum rate recorded on the spreadsheet
- 37 out of 157 (24%) employees had no percentage increases recorded on the spreadsheet
- 20 out of 157 (13%) employees had no PDP score recorded on the spreadsheet

We verified that none of the 157 employees received a payment greater than 1%. However, we found that four of the 157 (2.5%) eligible employees never received the payment.

As detailed in the following sections, the Human Resources Compensation Manager stated that the four employees who did not receive lump sum payments were included in the spreadsheets sent to Mayors Finance Administration (MFA) Payroll for processing. However, these payments were not processed.

Salt Lake County Human Resources Policy 6-100: Performance Development and Improvement Plans, Part II Procedures, Section D.5, states, "The Human Resources Division will authorize any merit increase approved by the County Council for that year if the appraisal is not received within a 75 day period."

Salt Lake County Countywide Policy 1060: Financial Goals and Policies, Part 8. Internal Control Policy, Section 8.3, states, "Adequate documents and records shall be designed and used to ensure the proper recording of events; the development of adequate safeguards over access to and

use of assets and resources; and the use of independent checks on performance and on the proper valuation of recorded amounts.”

The Compensation Manager stated that it was the first year she was responsible for processing merit increases and lump sum payments. Standardized spreadsheets for calculating lump sum payments were not yet developed. In addition, as mentioned previously, employees receive a merit increase regardless of whether a PDP score is submitted by the agency.

Regarding the four employees that did not receive their lump sum payment, the MFA Payroll Applications Manager was unable to determine why three of the employees’ payments were not processed, stating that no system errors indicated an issue. The fourth employee was on leave of absence when the payments were processed, and since payroll is not processed during a leave of absence, and the employee did not return to active work, they were never paid.

The manual nature of processing merit increases and lump sum payments, coupled with inconsistent and missing data, and the lack of independent review and approval, increases the risk errors of errors and omissions in salary increases and lump sum payments. For example, individuals that receive a PDP score less than 3.0 may not be entered into the system, resulting in merit increases that were not earned. Individuals may be undercompensated as well, as noted in four lump sum payments due that were not paid.

We recommend that Human Resource Management documentation for merit increases, and lump sum payments include:

- Employee performance development plan (PDP) scores for all active employees during the performance period, for agencies that submit a PDP.
- The specific date when the PDP scores were received by Human Resource Management.
- A list of employees who did not receive a PDP score from the reporting agency.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 1/31/2026

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

We recommend that Human Resource Management develop and utilize a standardized format for gathering data used for calculating lump sum payments, ensuring completeness and consistency in the information.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 3/24/2025

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

We recommend that Human Resource Management establish and implement written procedures regarding the merit increase and lump sum payments that include:

- Requirements for independent review and approval of all merit increase and lump sum payment calculations.
- Assignment of responsibilities for the individual performing calculations.
- Assignment of responsibilities for the individual reviewing and approving calculations.
- Ensuring the date calculations were prepared and the date they were reviewed are recorded.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 3/24/2025

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

We recommend that Human Resource Management establish and implement written procedures to verify that all employees have been accurately and completely compensated based on the data prepared by Human Resources and sent to Payroll for processing.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 3/24/2025

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

We recommend that Human Resource Management work with Payroll Administration to ensure employees receive the missing lump sum payments due.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 1/1/2025

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

FINDING 6 AND RECOMMENDATIONS

Inadequate Controls Over Service Award Payments Resulted in Duplicate Payments

Risk Rating: **Significant Risk Finding**

Upon meeting specific years of service at Salt Lake County, merit employees receive service awards, employees can select additional pay or an item from a list of gifts available. During the audit period, the Human Resources Benefits team issued 345 service awards (totaling \$57,550) to 316 employees, indicating that some employees received multiple awards.

We selected service awards issued to employees at the 12 agencies in scope, as well as Human Resources employees, resulting in a population of 229 service awards. We reviewed a judgmental sample of 38 employees to verify that adequate supporting documentation was on file, and that employees received awards consistent with their years of service or retirement date. We found that 12 of the 38 (32%) employees sampled received duplicate cash awards, over two different pay periods. It is important to note that our testing was limited to the selected sample and did not include the full population of service awards, and there may be additional duplicate payments that may have occurred outside the audit period or at agencies not in scope for the audit.

Salt Lake County Countywide Policy 1060: Financial Goals and Policies, Part 8. Internal Control Policy, Section 8.3, states, "Adequate documents and records shall be designed and used to ensure the proper recording of events; the development of adequate safeguards over access to and use of assets and resources; and the use of independent checks on performance and on the proper valuation of recorded amounts."

The Human Resources benefits team ran a service award report every two weeks to determine which employees were eligible. The Human Resources Benefits Specialist stated that the duplications occurred due to overlaps in the effective dates used when pulling reports, essentially the same dates were included on two reports. She explained that although the benefits team does review service award tracking spreadsheets to ensure the award was not paid previously, these duplicate payments were overlooked. In total, the Human Resources benefits team provided \$1,650 in duplicate cash payments.

Insufficient controls over service award payments led to duplicate cash awards, with \$1,650 identified in errors. Strengthening monitoring, reporting, and independent reviews is essential to prevent future duplications and safeguard County resources.

We recommend that the Human Resource Management Benefits team conduct a comprehensive review of service award payments to identify and attempt to recover any additional instances of duplicate cash awards, in addition to the duplicate payments noted during the audit.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 3/24/2025

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

We recommend that Human Resource Management establish regular, documented, monitoring and reporting to prevent and detect future duplicate awards. Documentation should include individual performing the review, the date it was performed, and independent review and approval.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 3/24/2025

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

FINDING 7 AND RECOMMENDATIONS

Lack of Independent Review and Approval for Position Changes and Voluntary Termination Entries

Risk Rating: **Moderate Risk Finding**

Salt Lake County Human Resources Policy 5-100 mandates that Human Resources review and approve all pay changes. Accordingly, this includes changes to an employee's pay group or job code, as well as retirements, new hires, and promotions. Agencies initiate these changes, and Human Resources provides final approval.

However, for specific types of position changes – such as FLSA status changes, full-time equivalency (FTE) Changes, Job Reclassifications, Creation of New Positions, Re-Organization/Restructure of Positions, Job Title Changes or Ladder Collapse, and Vacant Classification changes - Human Resources both enters and approves the change. We identified a population of 205 position changes made during the audit period. We selected a haphazard sample of 45 changes to verify supporting documentation and authorization for the changes made in PeopleSoft. We also verified that changes authorized were entered accurately.

We found that all position changes had supporting documentation on file, such as authorization from the Salt Lake County Council for all FTE changes, and agency requests for changes that did not require Council approval, such as position reclassifications. Supporting documentation reviewed ranged from an email request from the agency to a combination of Human Resources forms such as the Position Description Questionnaire (PDQ), Condensed Position Description Questionnaire (CPDQ), and Job Review Report, depending on the change. We also noted that there was variation in documentation on file for the same type of position changes.

While all changes were entered into PeopleSoft, we found a lack of a subsequent documented review and approval against what was authorized by the requesting agency or County Council. Human Resources employees entered position changes into PeopleSoft using the following methods:

- **Direct Entry:** For 38 of 45 (84%) changes, Human Resources employees directly entered changes into PeopleSoft.
- **Employee Personnel Action Request (ePAR) Approval:** For seven of 45 (16%) changes, the same Human Resources employee used an

Lack of independent review and approval for position changes increased the risk of errors and unauthorized modifications.

ePAR to enter and approve changes.

The lack of subsequent review and approval also applied to voluntary terminations. Agency payroll or Human Resources coordinators entered and processed terminations through ePARs for employees who voluntarily resigned from Salt Lake County, without requiring independent review and approval.

Salt Lake County Countywide Policy 1060: Financial Goals and Policies, Part 8. Internal Control Policy, Section 8.3, states, "Adequate documents and records shall be designed and used to ensure the proper recording of events; the development of adequate safeguards over access to and use of assets and resources; and the use of independent checks on performance and on the proper valuation of recorded amounts."

Utah code, Title 17 Counties, Chapter 33 County Personnel Management Act, Section 6 Certification of eligibility by director – Power of director to examine payrolls, states, "No new employee shall be hired in a position covered by this chapter, and no employee shall be changed in pay, title, or status, nor shall any employee be paid, unless certified by the director [of Human Resources] as eligible under the provisions of, or regulations promulgated under, this chapter. The director of personnel management [Director of Human Resources] may examine payrolls at any time to determine conformity with this chapter and the county rules.

For voluntary terminations Human Resources management stated that the designated reviewers and approvers may not have the knowledge necessary to grant approval. Additionally, they pointed out that other actions would alert people to the change, including the employee, at which point it could be corrected. However, we noted that ePARs could include supporting documentation, such as resignation notices, or copies of emails from a supervisor, which reviewers could use to verify the termination.

The Human Resources Business Partner Manager also confirmed that review and approval of changes entered by Human Resources business partners in the system are not required. If the position being changed has an incumbent, the change is made through an ePAR, otherwise the change is made directly to the position information in PeopleSoft.

Human Resources has not considered review and approval to be necessary, stating that supporting documentation is sufficient for the Human Resources business partners to make the change. However, lack of segregation of duties and lack of independent reviews and approvals increases the likelihood of errors, omissions, and potential wrongdoing.

We noted discrepancies between authorized changes and those entered into the system. Specifically:

- One of the 45 (2%) new position changes was created in error, with no supporting documentation on file.
- One of the 45 (2%) position changes could not be verified as being accurately processed due to insufficient detail in the supporting documentation.
- Two of the 45 (4%) changes had incorrect department entries or effective dates.

We recommend that Human Resource Management collaborate with County IT to identify any changes to position data and to implement an independent review and approval process for those modifications.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE -

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

We recommend that Human Resource Management establish and document standardized procedures for position change requests, including forms and supporting documentation requirements for each type of change to ensure consistency, proper oversight, and accountability.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 3/31/2025

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

FINDING 8 AND RECOMMENDATIONS

Inadequate Retention of Employment Applications

Risk Rating: **Moderate Risk Finding**

Failure to consistently retain employment applications for all hires and rehires puts the County at risk of non-compliance with retention policies and weakens its defense in potential legal matters.

During the audit period, all new hire or rehire applications were processed through Automatic Data Processing (ADP). Once the employee was hired, a copy of the application submitted by the employee in ADP was saved in the employee's Human Resources file. During the audit period Salt Lake County hired or rehired 794 regular employees (excluding temporary staff). We reviewed a judgmental sample of 43 employee hires and rehires to verify the applications submitted were on file with HR. Applications were missing for three of the 43 (7%) employees.

Human Resources Retention Policy, Section Payroll, Schedule #HR-002, states that Personnel Files include "...official employment files for all county employees and usually include the original employment application." The retention schedule for these "Record copy" files was listed as 65 years from the date of employment.

The Human Resources Operations Manager explained that all three employees with missing applications were rehires. He mentioned that no new files were generated for these employees and that the applications were accidentally overlooked by the person assembling the file.

Not preserving application files may result in a failure to adhere to regulatory requirements. In addition, the County may be less protected in the event of lawsuits or complaints by unsuccessful candidates. When applications are not retained it may be difficult to demonstrate that decisions were based on merit and qualifications.

We recommend that Human Resource Management establish and adhere to robust document retention policies, ensuring the secure and consistent storage of employee applications.

AGENCY RESPONSE: AGREE

IMPLEMENTATION DATE - 3/31/2025

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

COMPLETE LIST OF AUDIT RECOMMENDATIONS

This report made the following 20 recommendations.

1.1 RECOMMENDATION

We recommend that Human Resource Management develop written policies and procedures to address employee off-boarding, including network and Payroll system access termination, roles and responsibilities, and required timing.

1.2 RECOMMENDATION

We recommend that Human Resource Management update its Human Resource Policy regarding background checks and include how soon a background check must be completed.

1.3 RECOMMENDATION

We recommend that Human Resources Management develop a standard form for use when issuing employee bonus awards. The form should include the following:

- Name of the employee receiving the award
- Employee Identification Number (EIN)
- Date the award was granted
- Explanation of outstanding service
- The Pay Period Ending date for when the award was redeemed (for leave bonuses)

1.4 RECOMMENDATION

We recommend that Human Resources Management update its Human Resource Policy to require agencies to use the standard bonus form to document all employee bonus awards.

2.1 RECOMMENDATION

We recommend that Human Resource Management update the Human Resources Policy regarding background checks to include requirements for periodic, documented reviews, and updates to the countywide list of positions, as well as procedures to identify positions that may have the potential to interact with sensitive information or individuals, regardless of their job title or agency.

2.2 RECOMMENDATION

We recommend that Human Resource Management create an updated list of County positions requiring a BCI background check. The list should account for any positions that may have the potential to interact with sensitive information or individuals, regardless of their job title.

2.3 RECOMMENDATION

We recommend that Human Resource Management conduct regular training sessions regarding Human Resource policies and procedures, including requirements for BCI background checks.

3.1 RECOMMENDATION

We recommend that Human Resources work with the Information Technology Division to remove Payroll team access to employee profile data, including bank accounts, social security numbers, names and addresses.

3.2 RECOMMENDATION

We recommend that Human Resources work with Information Technology Division to implement a periodic review of individuals with access to PeopleSoft tables and information for which they are the business owner to ensure access is restricted based on what is required for the individual's job function and to maintain appropriate segregation of duties.

4.1 RECOMMENDATION

We recommend that Human Resource Management implement measures to ensure the secure storage of keys for access to personnel hard copy record files, limiting access to only authorized individuals.

5.1 RECOMMENDATION

We recommend that Human Resource Management documentation for merit increases, and lump sum payments include:

- Employee performance development plan (PDP) scores for all active employees during the performance period, for agencies that submit a PDP.
- The specific date when PDP scores were received by Human Resource Management.
- A list of employees who did not receive a PDP score from the reporting agency.

5.2 RECOMMENDATION

We recommend that Human Resource Management develop and utilize a standardized format for gathering data used for calculating lump sum payments, ensuring completeness and consistency in the information.

5.3 RECOMMENDATION

We recommend that Human Resource Management establish and implement written procedures regarding the merit increase and lump sum payments that include:

- Requirements for independent review and approval of all merit increase and lump sum payment calculations.
- Assignment of responsibilities for the individual performing calculations.
- Assignment of responsibilities for the individual reviewing and approving calculations.
- Ensuring the date calculations were prepared and the date they were reviewed are recorded.

5.4 RECOMMENDATION

We recommend that Human Resource Management establish and implement written procedures to verify that all employees have been accurately and completely compensated based on the data prepared by Human Resources and sent to Payroll for processing.

5.5 RECOMMENDATION

We recommend that Human Resource Management work with Payroll Administration to ensure employees receive the missing lump sum payments due.

6.1 RECOMMENDATION

We recommend that the Human Resource Management Benefits team conduct a comprehensive review of service award payments to identify and attempt to recover any additional instances of duplicate cash awards, in addition to the duplicate payments noted during the audit.

6.2 RECOMMENDATION

We recommend that Human Resource Management establish regular, documented, monitoring and reporting to prevent and detect future duplicate awards. Documentation should include individual performing the review, the date it was performed, and independent review and approval.

7.1 RECOMMENDATION

We recommend that Human Resource Management collaborate with County IT to identify any changes to position data and to implement an independent review and approval process for those modifications.

7.2 RECOMMENDATION

We recommend that Human Resource Management establish and document standardized procedures for position change requests, including forms and supporting documentation requirements for each type of change to ensure consistency, proper oversight, and accountability.

8.1 RECOMMENDATION

We recommend that Human Resource Management establish and adhere to robust document retention policies, ensuring the secure and consistent storage of employee applications.

AGENCY RESPONSE



Jennifer Wilson
Salt Lake County Mayor

Darrin Casper
Deputy Mayor

**HUMAN
RESOURCES
DIVISION**

Sharon Roux, MPA
Division Director
Human Resources

Salt Lake County
Government Center
2001 South State Street
Suite N4-700
PO Box 144575
Salt Lake City, UT 84114-4575

385 / 468-0570
385 / 468-0571 fax

TTY: 7-1-1

January 7, 2025
Auditor Chris Harding, CPA
Office of the Auditor
Salt Lake County
2001 S State Street
Salt Lake City, UT 84121

Auditor Harding,

We appreciate the hard work and dedication of you and your team to the audit of the Human Resources Division's Countywide Payroll Responsibilities. This audit and its findings help my division's focus on continuous improvement of HR policies and procedures.

I respectfully request that results from all areas audited, whether there are findings or not, are included in the final report, notably the tuition reimbursement audit.

Please find our response below to each of the recommendations made in your report.

Regards,

Sharon Roux Digitally signed by Sharon Roux
Date: 2025.01.07 14:45:20 -07'00'

Sharon Roux, MPA
Division Director, Human Resources

AUDIT FINDING 1: Insufficient Human Resource Policies and Procedures

RECOMMENDATION 1.1: We recommend that Human Resource Management develop written policies and procedures to address employee off-boarding, including network and Payroll system access termination, roles and responsibilities, and required timing.		
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	March 31, 2025	Nilsa Carter, Associate HR Director

Human Resources will develop policies in coordination with IT, Mayor’s Finance Payroll and the District Attorney’s office. Policy language will include required steps to notify IT to revoke employee access to the County network and PeopleSoft as well as a required completion date. It will also include language requiring agencies to revoke access to any agency-specific systems by a certain date.

Policy language will be reviewed with the Executive Coordinating Committee and once approval is received, will be presented to the County Council for approval. Following County Council approval, the new policy will be uploaded to the HR website. Communication to agencies will be via eConnect, HR Business Partners and the HR Information Forum. Additionally, annual agency training will be conducted in the HR Information Forum. Recordings of each HR Information Forum are available on the HR Learning Launchpad for review.

Human Resources will also update the Termination Checklist currently posted on the HR website which will aid those responsible for this task in the agencies.

RECOMMENDATION 1.2: We recommend that Human Resource Management update its Human Resource Policy regarding background checks and include how soon a background check must be completed.		
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	June 30, 2025	Nilsa Carter, Associate HR Director

Human Resources updated policy 2-500: Background Checks on August 4, 2024, which significantly changed the background process across county agencies. The policy includes a deadline for implementation of June 30, 2025. HR will update policy language to include a required timeframe for background checks to be completed by June 30, 2025, which coincides with the policy compliance deadline.

Policy language will be reviewed with the Executive Coordinating Committee and once approval is received, will be presented to the County Council for approval. Following County Council approval, the new policy will be uploaded to the HR website. Communication to agencies will be via eConnect, HR Business Partners and the HR Information Forum. Recordings of each HR Information Forum are available on the HR Learning Launchpad for review.

<p>RECOMMENDATION 1.3 We recommend that Human Resources Management develop a standard form for use when issuing employee bonus awards. The form should include the following:</p> <ul style="list-style-type: none"> • Name of the employee receiving the award • Employee Identification Number (EIN) • Date the award was granted • Explanation of outstanding service • The Pay Period Ending date for when the award was redeemed (for leave bonuses) 		
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	March 18, 2025	Sharon Roux, HR Director

Human Resources will develop a fillable PDF form with the following fields:

- Name of the employee receiving the award
- Employee Identification Number (EIN)
- Date the award was granted
- Signature of awarding official
- Explanation of outstanding service

The form *will not* include the Pay Period End Date for when the award was redeemed (for leave bonuses) as it is unknown at the time of the award when the leave will be taken (redeemed). Since bonus leave can be taken throughout the year, as full or partial days, it is not feasible to use the award letter as a way to track redemption date(s).

Human Resources will notify agencies the form is available and provide training during the March 11, 2025, HR Information Forum for Managers. HR will include a notice that the form is required and available in the eConnect announcement on March 18, 2025. The form will be

uploaded to the HR website in the HR Forms section by March 17, 2025. HR will also coordinate with the MFA Payroll team to ensure they are aware of the new form prior to March 11, 2025.

RECOMMENDATION 1.4: We recommend that Human Resources Management update its Human Resource Policy to require agencies to use the standard bonus form to document all employee bonus awards.		
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	March 17, 2025	Nilsa Carter, Associate HR Director

Human Resources will draft updated language for Policy 5-100: Pay and Employment Practices II.I.1 to include a requirement to use the standard bonus form to document all employee bonus awards. Human Resources will coordinate with the District Attorney’s office to approve the language and present the policy change to the Executive Coordinating Committee (ECC) during the February 24, 2025, meeting. Upon approval from the ECC, Human Resources will present the policy change to the Council at the March 4, 2025, meeting.

Policy changes will be shared with agencies during the HR Information Forum on March 11, 2025, and will be updated on the HR website by March 17, 2025.

AUDIT FINDING 2: Inconsistent Records of Positions Requiring a Background Check

RECOMMENDATION 2.1: We recommend that Human Resource Management update the Human Resources Policy regarding background checks to include requirements for periodic, documented reviews, and updates to the countywide list of positions, as well as procedures to identify positions that may have the potential to interact with sensitive information or individuals, regardless of their job title or agency.		
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	June 30, 2025	Stephanie Ross, HR Business Partner Manager

With the change in statute and policy regarding background checks, the HR Business Partners are finalizing the Background Check SOP which will include information on how positions will be reviewed against statute for background check requirements, how often, and how the list of positions will be updated. As this detail is specific HR procedural information, it should be included in an SOP rather than policy. The policy change approved by Council in August 2024, created a grace period to be compliant with the changes, giving HR until June 30, 2025, to finalize the list of classifications/positions identified to require background checks and to communicate the final list to each respective agency; to inform their employees and ensure those incumbents enroll in the RAP Back program by completing their fingerprints no later than June 30, 2025.

The SOP will include the procedure on how a classification is evaluated to determine if it meets the requirement under statute/policy to require a background check. Classifications are identified by their essential functions, not by job title or agency. These essential functions are reviewed to see if they would cause the incumbent to be involved in any of the areas defined by statute and policy. If they fit into one of those areas it will be deemed required to have a background check.

RECOMMENDATION 2.2: We recommend that Human Resource Management create an updated list of County positions requiring a BCI background check. The list should account for any positions that may have the potential to interact with sensitive information or individuals, regardless of their job title.		
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	June 30, 2025	Stephanie Ross HR Business Partner Manager

With the change in statute and policy, HR Business Partners have been working with agencies/elected offices to confirm the list of positions required to have a background check. Classifications are identified by their essential functions, not by job title or agency, and whether they meet the areas identified in statute.

HR will have the finalized list of county positions/classifications requiring a background check and communicate the BCI list and the policy expectation for agencies' employees to enroll in the RAP Back program by June 30, 2025 - the grace period established by Council to be compliant with the policy changes.

RECOMMENDATION 2.3: We recommend that Human Resource Management conduct regular training sessions regarding Human Resource policies and procedures, including requirements for BCI background checks.		
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	June 30, 2025	Stephanie Ross, HR Business Partner Manager

HR Business Partners regularly work with agencies/elected offices when policies or procedures are updated and will continue to meet as policies change. Specifically, for background checks, each HR Business Partner is currently working to get every agency/elected office into compliance with the new policy and process by June 30, 2025.

As new Directors, Leadership and/or HR contacts are hired or transferred in agencies/elected offices, HR Business Partners will include training on the process in place for background checks to ensure understanding of their role and responsibility at each level.

AUDIT FINDING 3: Inadequate Access Controls Over Employee Profile Data

RECOMMENDATION 3.1: We recommend that Human Resources work with the Information Technology Division to remove Payroll team access to employee profile data, including bank accounts, social security numbers, names and addresses.		
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	December 20, 2024	Ryan Speer, HRIS Business Analyst

After a review of the data elements noted in the recommendation, HR, in consultation with Mayor's Finance Payroll, has determined the Payroll team needs access to view those fields to perform their essential functions. As such, security access was updated for the Mayor's Finance Payroll team to ensure they have view-only access to name, address and social security numbers. HR has confirmed

with the Payroll Applications Manager that only individual employees (through employee self-service) and the Mayor's Finance Payroll team have access to bank account information.

RECOMMENDATION 3.2: We recommend that Human Resources work with Information Technology Division to implement a periodic review of individuals with access to PeopleSoft tables and information for which they are the business owner to ensure access is restricted based on what is required for the individual's job function and to maintain appropriate segregation of duties.		
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	January 31, 2025	Ryan Speer, HRIS Business Analyst

Human Resources has started discussions with IT and has determined an ongoing approach that will ensure access is restricted/granted to the users who need the roles in PeopleSoft to perform the essential functions of their positions.

An audit of users and their access will be performed every 3 months using queries built for this purpose. Each user will be reviewed to verify their security access still appropriate for their position. Should there be a discrepancy, the user's security access will be updated to match the access needs of their current position. The first audit will be completed by January 31, 2025, and will be repeated every three months thereafter. Discrepancies will be documented with the date of the update of their access.

AUDIT FINDING 4: Personnel Records Not Adequately Safeguarded

RECOMMENDATION 4.1: We recommend that Human Resource Management implement measures to ensure the secure storage of keys for access to personnel hard copy record files, limiting access to only authorized individuals.		
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	December 20, 2024	Nilsa Carter, Associate HR Director

Human Resources reviewed the finding and created an internal division policy regarding the secure storage of keys for access to personnel hard copy record files, limiting access to only individuals holding authorized positions. See attached internal division policy.

AUDIT FINDING 5: Missing Lump Sum Payments, Inadequate Merit Increase Documentation, and No Independent Review and Approval

<p>RECOMMENDATION 5.1: We recommend that Human Resource Management documentation for merit increases, and lump sum payments include:</p> <ul style="list-style-type: none"> • Employee performance development plan (PDP) scores for all active employees during the performance period, for agencies that submit a PDP. • The specific date when the PDP scores were received by Human Resource Management. • A list of employees who did not receive a PDP score from the reporting agency. 		
<p>Agree or Disagree with Recommendation</p>	<p>Target date to complete implementation activities (Generally expected within 60 to 90 days)</p>	<p>Name and Title of specific point of contact for implementation</p>
<p>Agree</p>	<p>Jan 31, 2026</p>	<p>Julene Elgueta, Compensation Manager</p>

Performance Development Plans were an integral part of merit increases in previous years, last utilized with the January 2022 pay increase processing. As Council has approved legislative intent that no merit increases be approved until a pay-for-performance system is in place, merit increases have not been recommended by Human Resources since that time. With the implementation of the EPIC Performance Management system on January 1, 2025, it is anticipated that future approved merit increases will be based on performance. The methodology for how pay-for-performance will be applied has not yet been approved. An SOP for the prior process using PDP scores would not be applicable to any future processes.

HR agrees that documentation for merit increases, and lump sum payments should contain pertinent data as recommended. When the new process for merit increases is established, an SOP will be created to document the process for accurately receiving and recording performance data and applying it to individual employee pay rates.

The EPIC Performance Management system includes the use of new technology called NEOGOV. This software will record performance data, notes, and dates of submissions. The system also tracks employees who do have a completed Performance Appraisal. This will enable accurate information to be used throughout the process, and downloads from the NEOGOV software will

be utilized to determine pay-for-performance rates, upon approval of the Pay-for-Performance system.

RECOMMENDATION 5.2: We recommend that Human Resource Management develop and utilize a standardized format for gathering data used for calculating lump sum payments, ensuring completeness and consistency in the information.		
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	March 24, 2025	Julene Elgueta Compensation Manager

Pay increases effective January 1, 2022, were based on the approval of County Council, including the provisions that merit increases require a PDP score of 3 or higher. As not all PDP scores were submitted in a timely manner, a review of which PDP scores had been received was conducted with each subsequent payroll run, and a report generated which referenced spreadsheets for previously completed payroll runs.

Further, in 2022, the HR Compensation team was not allowed access to the queries which would enable validation of lump sums after payroll processing, and all auditing of those payments were expected to be done by Mayor’s Finance Payroll. Upon discovery of the missing lump sum payments from 2022, the HR Compensation team was granted access to the queries required for validating payments after payroll processing, and this will be included in the SOP for lump sum payments.

As merit increases and lump sums were not approved for 2023 and 2024, this process has not been repeated since the 2022 pay increases. For January 1, 2025, a grade progression increase was approved which includes lump sum payments of up to 1% for those without sufficient room in the grade to award at least 1% to base pay. Since no performance score is required, all payments will be processed and validated in the same pay period, thus eliminating the need for multiple calculation and submission spreadsheets.

RECOMMENDATION 5.3: We recommend that Human Resource Management establish and implement written procedures regarding the merit increase and lump sum payments that include:
<ul style="list-style-type: none"> • Requirements for independent review and approval of all merit increase and lump sum payment calculations.

<ul style="list-style-type: none"> • Assignment of responsibilities for the individual performing calculations. • Assignment of responsibilities for the individual reviewing and approving calculations. • Ensuring the date calculations were prepared and the date they were reviewed are recorded. 		
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	March 24, 2025	Julene Elgueta Compensation Manager

Merit increases have not been approved since January 2022, and the overall process for merit increases is undetermined due to the legislative intent of County Council that no merit increase would be approved until it is based on a pay-for-performance system. The system is currently being developed and when completed, an SOP will be created outlining the process and including all recommended items noted in 5.1 above.

The 2025 approved pay increases include lump sum payments in conjunction with a grade progression increase. An SOP is currently being developed which will address the lump sum payment recommendations outlined in this audit including documentation of data sources, calculations with assignments for responsible persons, and appropriate independent reviews.

<p>RECOMMENDATION 5.4: We recommend that Human Resource Management establish and implement written procedures to verify that all employees have been accurately and completely compensated based on the data prepared by Human Resources and sent to Payroll for processing.</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	March 24, 2025	Julene Elgueta Compensation Manager

After lump sum payments were identified as missing during the process of conducting this audit, the HR Compensation team was granted the access needed to run queries to audit lump sum payments after the payroll run and will incorporate this internal check into the SOP for lump sum payment validation.

RECOMMENDATION 5.5: We recommend that Human Resource Management work with Payroll Administration to ensure employees receive the missing lump sum payments due.		
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	January 1, 2025	Julene Elgueta, Compensation Manager

Three of the employees who missed lump sums had the payments processed on the payroll run with a pay date of December 27, 2024. The fourth employee never returned from a leave of absence to active work, and thus was not eligible for the merit increase, nor the lump sum which is paid in lieu of a merit increase.

AUDIT FINDING 6: Inadequate Controls Over Service Award Payments Resulted in Duplicate Payments

RECOMMENDATION 6.1: We recommend that the Human Resource Management Benefits team conduct a comprehensive review of service award payments to identify and attempt to recover any additional instances of duplicate cash awards, in addition to the duplicate payments noted during the audit.		
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	March 24, 2025	Elaine Schurter-Sullivan, Benefits Manager

The Benefits team has completed an internal audit of all Employee Service Award (ESA) payments made during the audit period. That internal audit was extended to also review all payments made from that period through December 2024. Our review found twenty-three (23) individuals with a duplicate payment between September 2021 – December 2024 (excluding those where the secondary payment was a retirement award). Of the twenty-three:

- Twelve (12) had already been identified by the audit
- Four (4) were identified at the time of the duplication and the overage was retracted from the following payroll
- Seven (7) individuals have been added to the list of audit findings

The seven additional employees represent an additional \$1150 in duplicate payments for a total overpayment by the County of \$2800.

After careful consideration of the direct and indirect costs to recoup the over-payments made in 2021, 2022 and 2024, HR recommends we do not attempt to recover the money. It is likely that costs to collect would exceed the reimbursement we would receive. This is due to the amount of time that has passed since the payments were made and potential cost to morale this action would create among the identified employees and their coworkers. Corrective action would incur a greater financial cost when we consider the time and effort for all involved to retroactively adjust payroll and tax records for individually small amounts of money.

RECOMMENDATION 6.2: We recommend that Human Resource Management establish regular, documented, monitoring and reporting to prevent and detect future duplicate awards. Documentation should include individual performing the review, the date it was performed, and independent review and approval.		
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	March 24, 2025	Elaine Schurter-Sullivan, Benefits Manager

In our internal audit the HR Benefits team found seven duplicate payments in addition to the twelve that this audit identified. The timing of these payments was:

- 2021: 5
- 2022: 1
- 2023: 0
- 2024: 1

The decrease of duplicates over time is the result of a process change implemented in 2022. When management of the Employee Service Awards (ESA) was assigned to a new team member, they recognized the process for running the MTM (County’s service award vendor) service award reports allowed the potential for award eligibility to overlap. They implemented a process change of running the reports to align with the dates of each pay period. The numbers from 2023 and 2024 indicate that this process change has had a positive impact. The duplicate paid in August 2024 has been tied back to a tracking oversight in 2022.

The HR Benefits team will update our SOP for the ESA process to document the changes implemented in 2022 and add language regarding the steps and timing of performing semi-annual audits of this benefit.

AUDIT FINDING 7: Lack of Independent Review and Approval for Position Changes and Voluntary Termination Entries

RECOMMENDATION 7.1: We recommend that Human Resource Management collaborate with County IT to identify any changes to position data and to implement an independent review and approval process for those modifications.		
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		Stephanie Ross HR Business Partner Manager

Hundreds of position changes occur each year. Some changes are initiated through ePAR (electronic personnel action request) and approved by HR. Other changes are initiated directly into PeopleSoft by HR Business Partners. During the 2018 implementation of the current ePAR process, transaction types were evaluated in conjunction with the District Attorney's office following the requirements of the Personnel Management Act. Accordingly, a defined list of ePAR transactions and corresponding approval requirements were established.

Requiring independent review of each position change would be overly burdensome to HR and agency staff, time consuming and costly, especially given the low error rates discovered in the audit. Without knowledge of PeopleSoft, the position table, and related processes, it would be very challenging for someone outside of the process to review. Additionally, in order to create the necessary workflow approval processes in PeopleSoft, we would have to create new custom programming.

HR has done a high-level evaluation of what would be needed to implement these new custom program changes in the system.

There were approximately 588 transactions completed by the HR Business Partners during the time period (1/1/24 to 12/8/24). Fifty-two (or 12%) position changes were completed via ePAR (12%). The remaining transactions were direct entry.

Reason	# of changes entered	Type of entry
FLSA Change (FLS)	3	Direct
FTE Change (FTE)	10	ePAR
Job Reclassification (JRC)	29	ePAR
Market Grade Change (MGC)	3	Direct
New Position (NEW)	37	Direct
Reorganization (REO)	13	ePAR

Status Change (STA)	245	Direct
Title Change (TTL)	8	Direct
Position Update (UPD)	190	Direct
Vacant Classification Change (VCC)	50	Direct
	Total 588	

To have all HR Business Partner initiated position changes managed via ePAR, we would need an additional 7 brand new ePAR types. We would also need to modify the existing 3 Position ePARs to include an approval level. We estimate it would take approximately 90 hours to complete this work dispersed among the HR Business Analyst, HR Business Partners and IT staff:

- 10 hours: project plan development/maintenance
- 20 hours: requirements development/modifications
- 40 hours: coding/recoding
- 20 hours: testing

This does not include training and documentation requirements. Although we have listed 90 hours (or 2+ business weeks), an actual implementation timeline would depend on the completion of project plan, other projects and deadlines already in the queue, staffing availability, other IT projects, etc.

Furthermore, there is already oversight and transparency as position changes, including reclassifications, FTE changes etc., are sent to Agency, Council, Mayor's Finance, CFO, HR Director and all HR Business Partners. These groups review the action that has taken place and ensure it is completed appropriately. Additionally, there is a regular review of the FTEs and the position details done yearly as we prepare for the budget. The Mayor's Finance team works with agencies to ensure SHERPA (budget system) and PeopleSoft (Human Capital Management system) match and notify HR of any discrepancies. If there are discrepancies found, HR works with the Agency/Elected Office and Mayor's Finance to rectify as needed. As noted in the audit findings, all transactions had supporting documentation.

HR recognizes the importance of keeping adequate records and properly recording events and so proposes an alternate process to decrease the likelihood of errors, omissions, and potential wrongdoing. HR will institute a quarterly internal audit of position changes. We will randomly sample 10% of the position changes each quarter and validate the accuracy and documentation on file. We will record the number and type of errors. This will allow us to see trends over time and address any common issues with additional training, procedure changes, etc. We will also be able to track the error rate over time and manage to a set goal.

RECOMMENDATION 7.2: We recommend that Human Resource Management establish and document standardized procedures for position change requests, including forms and supporting documentation requirements for each type of change to ensure consistency, proper oversight, and accountability.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	March 31, 2025	Stephanie Ross HR Business Partner Manager

HR currently has documentation requirements established for reclassification types. HR Business Partners are currently reviewing the existing documentation requirements and reclassification process to ensure consistency. HR Business Partners will finalize this review and update SOPs as required, and communicate through the HR Information Forum, meetings with agencies and email.

Potential changes to documentation may include creation of different documentation requirements depending on the type of change request, new forms created to ensure consistency in position change processing outside of Reclassifications.

AUDIT FINDING 8: Inadequate Retention of Employment Applications

RECOMMENDATION 8.1: We recommend that Human Resource Management establish and adhere to robust document retention policies, ensuring the secure and consistent storage of employee applications.		
Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and Title of specific point of contact for implementation
Agree	March 31, 2025	Nilsa Carter, Associate HR Director

The HR Applicant Tracking System (ATS) has changed since the audit period. HR Talent Acquisition implemented a new ATS called iCIMS in September 2022. New processes were established as a result of the new software capabilities and data requirements. Currently, applications are securely digitally stored within the iCIMS system. As a result, the HR Data team no longer prints and files employment applications.

As noted in the audit finding, Human Resources Retention Policy, Section Payroll, Schedule #HR-002 states that Personnel Files include "...official employment files for all county employees and **usually** include the original employment application." (emphasis added). While the language does not require inclusion of the application, HR does maintain applications for all applicants and employees. In an effort to provide clarity, HR will work with the Records & Archives Manager to update this language to reflect the digital storage of the document by the end of March 2025.

POLICY NAME:	Secure Access & Storage of Keys to Personnel Files	
PREPARED BY:	Sharon Roux	DATE
REVIEWED BY:	Nilsa Carter	12/23/2024
APPROVED BY:		
POLICY REFERENCE:	2-1100: Personnel Records	
PURPOSE STATEMENT:	To ensure only individuals who have been granted access based on their position have access to the keys for access to personnel hard copy record files.	
OWNER:	Human Resources	

POLICY

Access to Personnel Hard Copy Files

Access to personnel hard copy files is limited to certain positions within the HR division. The Records Room is protected by multiple layers of physical security, including keys to the outer door; badge access to the interior of the room where files are stored, and keys to filing cabinets within the interior of the room.

- **WHO:** Only individuals filling the following positions will be granted access to the physical files in the Records Room.
 - HR Director
 - Associate HR Director
 - HR Operations and Technology Manager
 - HRIS Data Specialist
 - Should records be needed by others who may have access, such as hiring authorities, records will be retrieved by an authorized individual.
 - Individuals with a business need to enter the Records Room will be accompanied by an authorized individual.
- **HOW:**
 - Keys to the outer door of the Records Room are issued to individuals filling the following positions:
 - HR Director
 - Associate HR Director
 - HR Operations and Technology Manager
 - HRIS Data Specialist
 - Badge access to the Records Room is the same as badge access to the HR division suite. All employees of the HR division have badge access to the Records Room.

- Keys to the filing cabinets containing personnel files are at no time to be left out in the open anywhere in the Records Room. Keys will be stored in a concealed location agreed upon by the Associate HR Director, HR Operations and Technology Manager and HRIS Data Specialists.