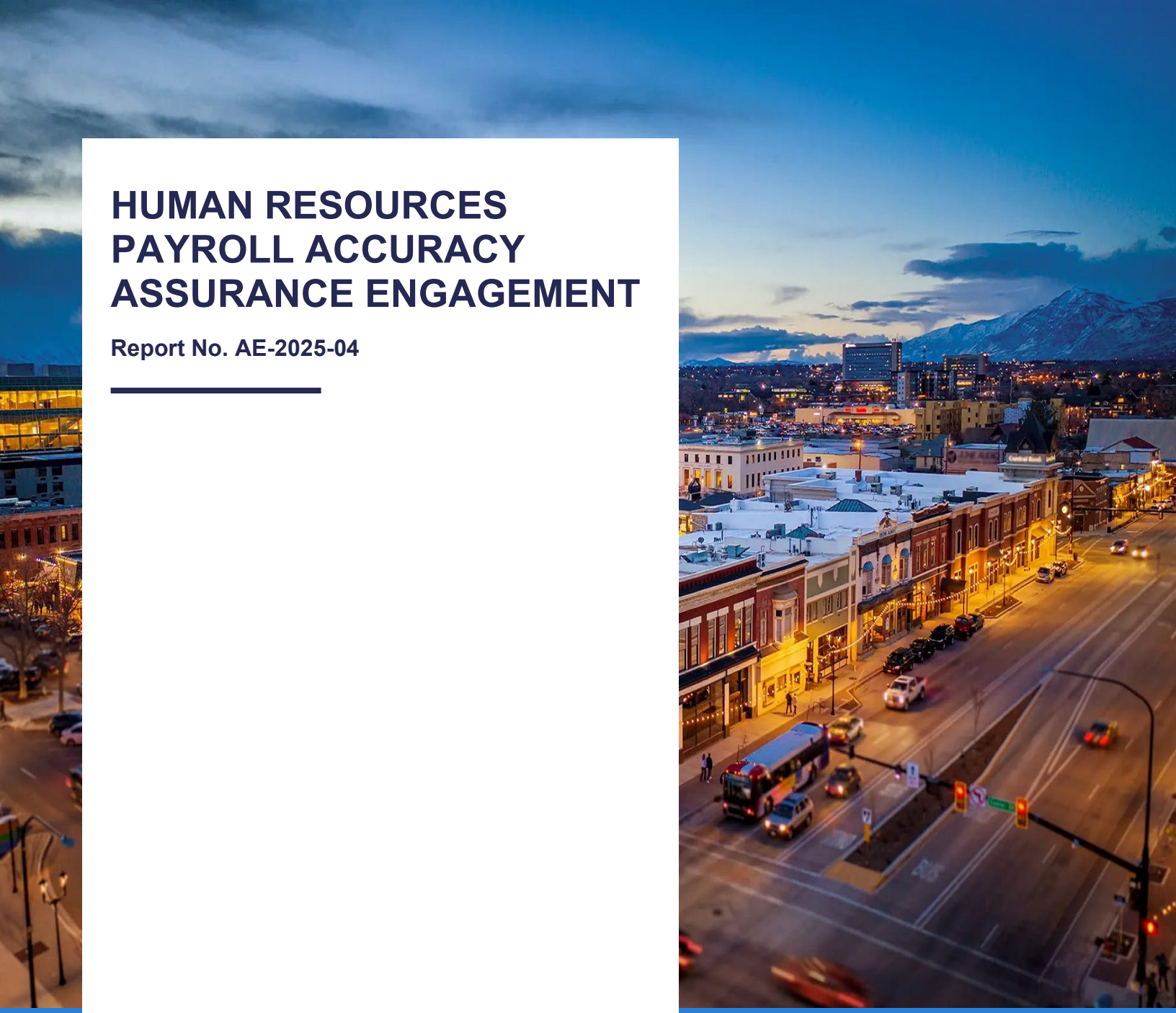

HUMAN RESOURCES PAYROLL ACCURACY ASSURANCE ENGAGEMENT

Report No. AE-2025-04

APRIL 17, 2025

Utah County Auditor Internal Audit Division
Internal Audit Manager: Calvin Bergmann, CIA, MPA
Senior Internal Auditor: Mont Wade, CIA

Utah County
HEART of UTAH

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AUDITOR'S LETTER

Office of the County Auditor
Internal Audit Division

April 17, 2025

Ralf Barnes, Director
Utah County Office of Human Resource Management
100 East Center Street, Suite 3800
Provo, Utah 84606

Dear Mr. Barnes:

The Internal Audit Division ("Division") performed an assurance engagement of Human Resources Department payroll accuracy. During this limited review, we performed the following procedures:

1. For calendar year 2024 for a sample of employees:
    a. Tested pay rate compliance with *Utah County Pay Grade and Steps* and *Utah County Government Human Resources Policy 5-0100: Pay Plan*.
    b. Tested deduction (i.e., 401(k), 401(k) Roth, 457, HSA, dental insurance, accident insurance, critical Illness insurance, hospital indemnity insurance, medical insurance, short-term disability insurance, URS 401(k), and vision insurance) accuracy.
    c. Compared deductions (i.e., Children's Justice Center, Habitat for Humanity, United Way, Food and Care Coalition, and Project Read) with employee elections.
    d. Tested employer-paid benefit (i.e., HSA match, HSA fee, 401(k) match, medical insurance, dental insurance, long-term disability insurance, life and accidental death and dismemberment insurance, basic life insurance, dependent life insurance, Public Safety Surviving Spouse Trust, Utah County surviving spouse, Utah Retirement Systems ("URS") various tiers, wellness program, and workers' compensation) accuracy.
    e. Tested payroll tax (i.e., Medicare), state and federal tax withholding, and other deduction (i.e., Fraternal Order of Police, Utah County Employee Association, and 401(k) loan) accuracy.
    f. Tested accrued leave balance compliance with *Utah County Government Human Resources Policy 5-0500: Leave*.

   g. Compared Workday wages and benefits with general ledger wages and benefits.
2. For March 2025 for the employee population:
   a. Verified existence and accuracy of URS maintained employee names and retirement plan elections with Utah County Workday maintained employee names and retirement plan elections.

The Division documented one unaddressed previous engagement finding during the engagement. For finding(s) and other matter(s), we provide recommendations to improve Human Resource's payroll control environment. Finding and other matter numbering is correlated with the procedure numbering above.

Note that our report, by nature, disproportionately focuses on weaknesses. This does not mean there were not strengths within the areas reviewed and other areas not reviewed. For example, we note that management has restricted certain Workday business process user permissions, improving the payroll control environment since our AE-2024-3 engagement.

The Division appreciates the courtesy and assistance extended to us by County personnel during the engagement process. We look forward to a continuing professional relationship.

Sincerely,

Utah County Internal Audit Division

CC: Rodney Mann, Utah County Auditor; Utah County Audit Committee Member
Kim Jackson, Utah County Treasurer; Utah County Audit Committee Member
Amelia Powers Gardner, Commissioner, Utah County Board of Commissioners; Utah County Audit Committee Member

FINDING(S) & OTHER MATTER(S): CURRENT ENGAGEMENT

None noted.

FINDING(S) & OTHER MATTER(S): PREVIOUS ENGAGEMENT(S)

Report No. AE-2024-3 Finding 1.1: Inconsistent Long-term Disability Amounts

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Public Safety employees work a RSH of more than 80 hours per pay period. Working with Standard insurance to correct reported hours and associated premium. Will update workday to calculate properly. The Standard Plan document must be updated to allow variation.	Brandon Chambers/Benefits Manager	12/01/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Eight employees of the sampled population had employer-paid long-term disability (i.e., “LTD”) amounts that were not 0.45% of employee wages. All these employees were Public Safety employees and the amount calculated was based on eighty hours worked during a pay period.

MANAGEMENT RESPONSE(S)

Report No. AE-2024-3 Finding 1.1: Inconsistent Long-term Disability Amounts

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Public Safety employees work a RSH of more than 80 hours per pay period. Working with Standard insurance to correct reported hours and associated premium. We have discovered a technical issue that needs to be corrected. Specifically reporting and paying on 86 hours for the classification of employee. So far we have been unable find a solution. Benefits team is working on this with standard insurance and workday support. We do anticipate a solution within the target date.	Brandon Chambers/Benefits Manager	07/24/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.