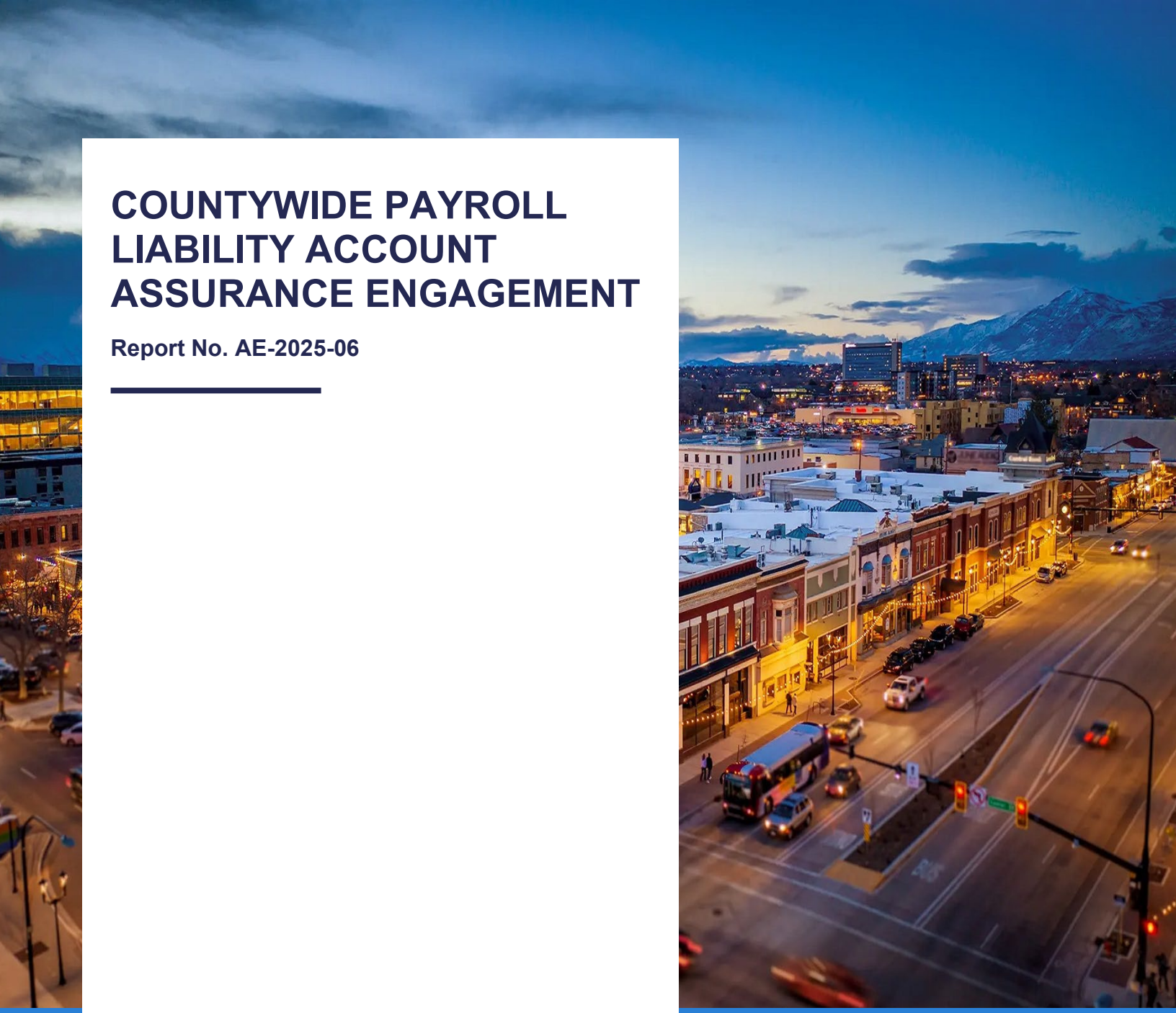

COUNTYWIDE PAYROLL LIABILITY ACCOUNT ASSURANCE ENGAGEMENT

Report No. AE-2025-06

SEPTEMBER 8, 2025

Utah County Auditor Internal Audit Division
Internal Audit Manager: Calvin Bergmann, CIA, CFE, 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

September 8, 2025

Rodney Mann, Utah County Auditor; Utah County Audit Committee Chair
Utah County Auditor's Office
151 South University Avenue, Suite 1500
Provo, Utah 84601

Dear Mr. Mann:

The Internal Audit Division ("Division") performed an assurance engagement of County Financial Information Systems ("COFIS") payroll liability account balance accuracy. During this limited review, we performed the following procedures:

1. Tested 2024 COFIS General Ledger Module payroll liability account journal entries to confirm account balances appeared reasonable and consistent with the nature of the accounts.
2. Tested 2024 COFIS General Ledger Module pay period payroll liability account journal entries for timely recording of pay period employee pay dates.
3. Tested a sample of 2024 COFIS General Ledger Module payroll liability related account supporting schedules for monthly reconciliations and accuracy.
    a. Compared a sample of Workday Payroll Payment Summary schedules and COFIS General Ledger Module journal entries with vendor payments. Obtained justifications for unreconciled and/or aged balances.
4. Tested 2024 Workday payroll withholding categories.
    a. Compared payment dates to vendor payment deadlines and obtained justifications for late or partial remittances.

The Division documented one finding and two other matters during the engagement. For finding(s) and other matter(s), we provide recommendations to improve the Countywide payroll liability 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 all benefit providers tested were paid within provider deadlines.

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: Jeremy Walker, Director of Financial Services, Utah County Auditor's Office
Danene Jackson, Associate Director of Financial Services, Utah County Auditor's Office
Ralf Barnes, Director, Utah County Office of Human Resource Management
Patrick Wawro, Director, Utah County Information Systems Department
James Longhurst, Associate Director, Utah County Information Systems Department
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)

Finding 1.1: Long-term Disability Account Balance Misstated Due to Workday Configuration Error

Condition

COFIS account 680-22301 (i.e., The Standard Long-term Disability; "LTD") has an inaccurate year-ending 2024 accrued debit balance of $13,599.73.

Year-ending 2021, 2022, and 2023 had accrued debit balances of $37,992.28, $13,686.84, and $13,690.07, respectively.

Criteria

Per the United States Government Accountability Office's (GAO's) *Standards for Internal Control in the Federal Government* (May 2025), Section 10.03:

> Management designs appropriate types of control activities for the entity's internal control system, including the entity's information technology, by considering all aspects of its internal control components, relevant business processes, and operating environment.

Per the United States Government Accountability Office's (GAO's) *Standards for Internal Control in the Federal Government* (May 2025), Section 10.04:

> …Management establishes control activities so that valid transactions are completely and accurately recorded on a timely basis. Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event, from its initiation and authorization through its final classification in summary records.

Cause

Workday is configured to allocate 80 hours per pay period for Public Safety employee LTD, while The Standard LTD is paid using a basis of 86 hours per pay period for Public Safety employee LTD. Management have not actively monitored Workday's calculation of LTD amounts.

Effect

Inaccurate Workday LTD calculations decreases the accuracy of the general ledger and financial statements, reducing management's ability to make timely and informed financial decisions.

Other Matter 1.1: Payroll Liability Account Debit Balances

Condition

Seven COFIS General Ledger Module Fund 680 payroll liability accounts (see Table 1) have debit 2024 ending balances, with varying immateriality, which are primarily the result of accrued balances carried over from 2023.

While Account 680-223301 (i.e., The Standard Long-term Disability) has also had a debit balance in past years, we report separately in Finding 1.1 one factor affecting Account 680-22301's balance accuracy.

Table 1: COFIS Fund 680 2024 Payroll Liability Accounts with Debit Accrued Balances

Department	Account Name	Accrued Balance
22213	MEDICARE TAXES	$0.50
22301	THE STANDARD/LONG-TERM DISAB	$13,599.73
22322	OTHER PR DEDUCTIONS	$3,246.35
22601	VISION INSURANCE	$419.02
22602	VISION INS-COBRA	$622.52
22801	HSA EMPLOYEE-EE PAID	$783.32
22802	HSA EMPLOYEE-ER PAID	$4,278.74

Other Matter 3.1: Variances Between Vendor Payments, Workday Schedules, and General Ledger Amounts

Condition

Due primarily to rounding, qualifying life events, hires, terminations, and FMLA (i.e., employee arrears balances), benefit provider payments are unequal to Workday supporting schedule and COFIS General Ledger Module values in immaterial amounts for the following:

- The Standard Long-term Disability Insurance
- The Standard Life Insurance
- Voya Financial Insurance
    - Accident Voluntary Employee
    - Critical Illness Voluntary Employee
    - Critical Illness Voluntary Spouse Rider
    - Hospital Confinement Indemnity Voluntary Employee
- Select Health Medical Insurance (Employee)
- Select Health Medical Insurance (Retiree/Fallen Officer)

- Select Health Medical Insurance (Continuation of Health Coverage; “COBRA”)
- EMI Vision Insurance

MANAGEMENT RESPONSE(S)

Finding 1.1: Long-term Disability Account Balance Misstated Due to Workday Configuration Error

Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
During 2026 open enrollment Workday deduction configuration will be corrected to calculate appropriate LTD amounts based upon 86 hours.	Brandon Chambers Benefits Manager	1/1/2026

*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.

Other Matter 1.1: Payroll Liability Account Debit Balances

Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Each vendor will be evaluated to determine if delaying invoice payment until after reconciliation is possible. If so, we will do in those cases.	Stacey Bush Benefits Analyst	11/15/2025
his is done weekly, which is the most frequent cadence that is possible.	Stacey Bush Benefits Analyst	Done
The Auditor's Office has previously provided balance sheet account differentials to Human Resources (HR) and has also provided training on how to research balances in the general ledger. As a specific response to this report, the Auditor's Office will send a formal report within 15 calendar days after each month end to HR management with the expectation that HR-produced reconciliations will be provided to the Auditor's Office within 10 calendar days after each month end so there is sufficient time to post correcting entries submitted by HR staff before preparing the monthly report. The proposed monthly communication for August 2025 is attached as an additional response.	Danene Jackson, Associate Director – Financial Services	9/15/2025
-HR will submit completed the Human Resources Request for Correcting Entry Form(s) along with relevant backup documentation to the accounting@utahcounty.gov email as soon as possible after a correction is needed but no later than 10 calendar days after month end. -The Auditor's Office will post journal entries for any Correcting Entry Forms received no later than 10 calendar days after month end and will then send a monthly report of payroll-related balances to HR Management no later than 15 calendar days after month end.	Stacey Bush Benefits Analyst	10/10/2025

*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.

Other Matter 3.1: Variances Between Vendor Payments, Workday Schedules, and General Ledger Amounts

Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
The Auditor's Office has proactively requested information to make adjusting journal entries for payroll-related balance sheet accounts and has promptly entered adjusting journal entries for differences as soon as they are communicated by HR and validated for accuracy and completeness. For the balances indicated in this report, the Auditor's Office is unaware of any adjustment requests submitted by HR staff or management that have not been posted to the general ledger.	Danene Jackson, Associate Director – Financial Services	Immediately. This has always been the Auditor's Office practice.
Provide updated employee benefits enrollment corrections weekly to vendors. Discrepancies are reconciled no later than the billing cycle immediately following the discovery of the discrepancy.	Stacey Bush Benefits Analyst	10/6/2025

*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.