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A Report to the  
Citizens of Salt Lake County  
The County Mayor and the  
County Council

Follow-up Audit:  
Salt Lake County  
Behavioral Health  
Services Division



OFFICE OF THE  
SALT LAKE COUNTY  
AUDITOR

SCOTT TINGLEY  
COUNTY AUDITOR

August 2020

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OFFICE OF THE SALT LAKE COUNTY AUDITOR  
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OUR MISSION

To foster informed decision making, strengthen the internal control environment, and improve operational efficiency and effectiveness for Salt Lake County, through independent and objective audits, analysis, communication, and training.

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August 10, 2020

Tim Whalen, Division Director  
Salt Lake County Behavioral Health Services Division  
2001 S State Street, Suite S2-300  
Salt Lake City, UT 84114-3050

Re: **Follow-up Audit: An Audit of the Salt Lake County Behavioral Health Services  
Division, Report Number 2019-04**

Dear Tim,

We have completed follow-up work on the audit recommendations contained in Report Number 2019-04, *An Audit of the Salt Lake County Behavioral Health Services*, issued May 2019.

Our follow-up audit work found that Behavioral Health Services ("BHS") has successfully implemented seven out of the eleven recommendations issued in the original audit report. One recommendation was in the process of being implemented, and the remaining three recommendations were closed because there was no new activity to examine. Additional follow-up audit work may be required in the future to address the recommendations that have not been fully implemented or closed as of the date of this report.

We truly appreciate the time and efforts of the employees at Behavioral Health Services throughout the follow-up audit. Our work was made possible by their cooperation and prompt attention given to our requests. If you have any questions, please feel free to contact Audit Services Division Administrator, Shawna Ahlborn at (385) 468-7179, or Colleen Hilton, Audit Manager, at (385) 468-7231.

Sincerely,

  
Scott Tingley, CIA, CGAP

Salt Lake County Auditor

Cc: Karen Crompton, Department Director, Department of Human Services  
Yanping Ding, Fiscal Administrator, Department of Human Services  
Tim Whalen, Division Director, Behavioral Health Services  
Zac Case, Administrative and Fiscal Manager, Behavioral Health Services  
Ray Barrett, PIHP Manager, Behavioral Health Services  
Marjeen Nation, Accountant, Behavioral Health Services

## Follow-up Audit Results

**Finding 2.1: The reasonableness tests conducted by BHS management to determine the accuracy of the State computations for the revenues collected for the FMAP Medicaid match and the County’s share paid are not being documented or retained for future reference.**

Recommendation	Action Taken	Status
<p><b>Behavioral Health management should keep a record and retain reasonability tests that they perform on UDOH payments and document any consultations that they have with other Counties within the State regarding UDOH payment and billing computations.</b></p>	<p>Management stated that the Federal Government has reduced the Medicaid match to UDOH recently, making the reasonableness test difficult to explain clearly. BHS will document those tests again when circumstances allow and continue to compare and document Medicaid match calculations with other counties as another control.</p>	<p><b>In Process</b></p>

**Finding 2.2: A Valley Mental Health invoice was paid twice in the amount of \$94,675 in error but did not result in an over payment to the vendor.**

Recommendation	Action Taken	Status
<p><b>We recommend that BHS implement a new process for entering invoices into the accounting system that prevents double entry of invoices and ensures that BHS management monitors invoices received from service providers to determine if the invoices are correct according to contract payment terms.</b></p>	<p>BHS implemented a new process to help prevent the double entry of invoices into their accounting system.</p>	<p><b>Implemented</b></p>

**Finding 2.3: Behavioral Health Services made payments to the right vendor, Utah State Department of Health, however, the payments were allocated to the wrong Department of Health contract.**

Recommendation	Action Taken	Status
<p><b>We recommend that Behavioral Health implement internal controls that will prevent erroneous payments to vendors with multiple contracts. We recommend that Behavioral Health conduct an annual review of all payments to vendors with multiple contracts to detect and correct any service provider contract payment allocation errors.</b></p>	<p>BHS created a reference guide that is used by personnel to ensure that payments are allocated to contracts correctly. Additionally, new features were added to their accounting system for the requesters to affirm that the correct contract is being selected for requisitions. Payment approvers can view what, if any, contract is linked to the transaction prior to approving.</p>	<p><b>Implemented</b></p>

**Finding 2.4: Behavioral Health Services did not properly maintain documentation to track and monitor the delivery of Access to Recovery purchases.**

Recommendations	Action Taken	Status
<ol style="list-style-type: none"> <li><b>1. We recommend that Behavioral Health obtain the client's signature and record the date and time as proof of receipt and delivery of the ATR purchase.</b></li> <li><b>2. We recommend that Behavioral Health maintain signed receipts of the ATR purchases received by clients to ensure that all ATR purchases can be monitored and tracked.</b></li> </ol>	<p>ATR receipts are completed and signed by the recipient for each ATR purchase made. Further, the signed receipts are retained to ensure that all ATR purchases can be monitored and tracked.</p>	<p><b>Implemented</b></p>

**Finding 3.1: Employee mileage reimbursement requests were not submitted in a timely manner as suggested by county policy.**

Recommendation	Action Taken	Status
<p><b>We recommend that BHS management require that employees submit mileage reimbursement requests at least quarterly.</b></p>	<p>Employee mileage reimbursement requests are now submitted, approved, and paid in a timely manner, as suggested by County policy.</p>	<p><b>Implemented</b></p>

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**Finding 3.2: BHS management did not have written internal policies regarding compensatory time off for FLSA exempt employees.**

Recommendation	Action Taken	Status
<b>We recommend that the BHS Department Director adopt written policies and standards regarding the accrual of comp time for FLSA exempt employees.</b>	A new BHS written policy was adopted on May 6, 2019 for comp-time use for BHS FLSA-Exempt employees.	<b>Implemented</b>

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**Finding 4.1: The database that Behavioral Health used to manage its controlled assets was poorly designed and not being used effectively.**

Recommendations	Action Taken	Status
<b>1. We recommend that the property manager update or redesign the controlled asset database to contain essentially the same information as suggested by Countywide Policy.</b>	The controlled asset database was updated and redesigned to include the necessary information suggested by Countywide Policy.	<b>Implemented</b>
<b>2. We recommend that the property manager ensure that the annual controlled asset inventory, assigned to the organization and employees, represents an accurate active list of controlled assets as of the inventory date.</b>	We found that BHS had conducted a controlled asset inventory for the organization and employees and that management had verified the accuracy of the controlled asset inventory list.	<b>Implemented</b>

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**Finding 4.2: Software Enhancements were not categorized by project in the capital assets inventory list.**

Recommendation	Action Taken	Status
<b>1. We recommend that BHS management develop processes to accurately identify payments made for each software enhancement project.</b>	As of the date of our follow-up audit, no new software enhancement capital projects were started or completed. Therefore, this recommendation status was closed.	<b>Closed</b>
<b>2. We recommend that BHS management review each software enhancement project upon completion and work with Mayor’s Finance to determine and assign a reasonable estimated useful life based on contractual, legal, and other considerations.</b>	As of the date of our follow-up audit, no new software enhancement capital projects were started or completed. Therefore, this recommendation status was closed.	<b>Closed</b>
<b>3. We recommend that BHS management examine the Annual Capital Asset Inventory Memorandum closely to determine if it fairly represents each capitalized software enhancement project accurately and if each project has been assigned a reasonable estimated useful life.</b>	As of the date of our follow-up audit, no new software enhancement capital projects were started or completed. Therefore, this recommendation status was closed.	<b>Closed</b>

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## Appendix A: Additional Information

<b>Scope &amp; Objectives</b>	Generally accepted <i>Government Auditing Standards (GAO-18-568G)</i> , require that auditors perform follow-up audit work to determine if appropriate corrective action has been taken to address issues, findings, and deficiencies identified in prior audit engagements. The primary objective of this follow-up audit was to determine the status of management actions to address the findings reported in Report Number 2019-04, <i>An Audit of the Salt Lake County Behavioral Health Services Division</i> , issued May 2019.
<b>Background</b>	The original audit provided assurance that internal controls were designed properly and functioning as intended, that financial transactions were recorded and reported accurately and completely, that business processes complied with applicable laws, regulations, policies, procedures, and contracts, and that county assets were properly safeguarded against theft or abuse. The original audit identified eight findings related to the audit objectives.



Appendix B: Follow-up Audit Implementation Status			
Implemented	In Process	Not Implemented	Closed
The agency has implemented our recommendation or has adequately addressed the original issue or finding in all respects as verified by the follow-up audit. No further follow-up is required.	The agency is in the process of implementing our recommendation. Additional follow-up may be required.	The agency has taken no action to implement our recommendation. Additional follow-up may be required.	Circumstances have changed surrounding our original finding or recommendation that make it no longer applicable, or the agency will only implement a portion of our recommendation as verified by the follow-up audit. No further follow-up is required.