

**Salt Lake County Auditor's Office**

Craig B. Sorensen, *AUDITOR*



David L. Beck  
*Chief Deputy*

September 11, 2000

*Salt Lake County  
Government Center  
2001 S. State Street  
Suite N2200  
Salt Lake City  
Utah 84190-1100  
Tel (801) 468-3381  
Fax (801) 468-3296*

Glen Lu, Director  
Parks and Recreation Division  
2001 South State Street # S4400  
Salt Lake City, Utah 84190

Dear Glen:

We recently completed an unannounced audit at Riverbend Golf Course. The audit request was prompted by the report of six returned checks, written by the same individual, within a two week period at the beginning of July. Copies of these checks are attached to this letter. Our work was limited to a review of cash collection procedures, the change fund, and the petty cash fund. We also reviewed a sample of deposits for the months of July and August.

Except for the check receipting procedures, cash collection procedures are generally adequate. Major findings are discussed below.

**CASH COLLECTIONS AND DEPOSITING**

During our review of cash collections and depositing process, we found several items that should be improved.

- **Golf course personnel are cashing patron checks.**
- **Checks are accepted for more than actual amount due.**
- **Adequate check guarantee procedure is not used when accepting personal checks.**
- **Checks are not immediately restrictively endorsed upon receipt.**

**Golf course personnel are cashing patron checks and giving change back on checks written for more than actual amount due.** Countywide policy #1301, Acceptance of Checks, states, “*Checks shall not be accepted in amounts greater than the amount of the “purchase” (i.e., the cost of direct goods or services being paid for by the issuer).*”

Of the six returned checks ( totaling \$1,001), one check was simply cashed for the patron. Two others were used for nominal purchases (a nineteen cent spike paid for with a \$150 check, and a one dollar purchase paid for with a \$201 check). The three remaining checks were written for \$550.00 to purchase merchandise totaling \$154.27.

As part of our audit we tested ten additional days in July and August. On nine of the ten days, checks were accepted for more than the actual amount of the purchase.

**RECOMMENDATIONS:**

- 1. We recommend that golf course personnel immediately stop cashing patron checks.**
- 2. We recommend that checks be accepted for the amount of the purchase only.**

**Adequate check guarantee procedure is not used when accepting checks.** During our audit we found no evidence that golf course personnel are complying with Countywide Policy #1301, Acceptance of Checks. The policy states, "*when receipting payments for user fees and other revenues....over-the-counter receipts in the form of a personal check should be accompanied by a valid form of identification.*"

**RECOMMENDATION:**

**We recommend that golf course personnel ask for identification when checks are accepted from patrons.**

**Checks are not immediately restrictively endorsed upon receipt.** When we examined the pro shop cash register we noticed that none of the checks had been restrictively endorsed by the golf course personnel. All checks received as payment should be endorsed immediately or shortly thereafter. Checks not endorsed are at risk of being diverted to personal use.

**RECOMMENDATION:**

**We recommend that all checks received as payment for services be endorsed immediately.**

Glen Lu, Director  
September 11, 2000  
Page 3

In closing, I would like to thank your staff for their cooperation and assistance during our audit. I trust that our work will be of benefit to your staff. If we can be of further assistance to you in this regard, please feel free to contact us.

Sincerely,

David L Beck  
Chief Deputy

Enclosure  
cc:  
Devin Dehlin  
Steve Young  
Paul Ross  
Mike Bentley  
John Soltis