

A REPORT
TO THE CITIZENS OF SALT LAKE COUNTY

BEN McADAMS, MAYOR



An Audit of the Key Controls of
Riverbend Golf Course

December 31, 2014

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

Audit reports are available at
<http://www.saltlakecountyauditor.org/site/audit/>



GREGORY P. HAWKINS
Salt Lake County Auditor

LONN LITCHFIELD, JD, LL.M.
Chief Deputy Auditor

2001 South State Street, N3300
PO Box 144575
Salt Lake City, UT 84114-4575

(385) 468-7200
(385) 468-7201 / fax
GHawkins@slco.org

December 31, 2014

Ben McAdams, Mayor
Salt Lake County
2001 S State St #N2100
Salt Lake City, UT 84114-4575

Re: An Audit of the Key Controls of Riverbend Golf Course

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Riverbend Golf Course in compliance with Utah Code Ann. § 17-19a-204. Our purpose was to verify the accuracy and completeness of selected financial records and to assess compliance with certain internal controls that we have identified as key to good financial management. We also sought to identify areas of material risk to determine whether we should commit more of our limited resources in further auditing or investigation. A report of our findings and recommendations is attached.

Our work was designed to provide reasonable but not absolute assurance that records were accurate and complete and that the system of internal controls was adequate. There may be inaccurate or incomplete financial records that were not selected for review. Further, there may also be instances of noncompliance in areas not examined.

We appreciate the time spent by the staff at Riverbend Golf Course and the cooperation from Diane Booth, Assistant Golf Pro, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Riverbend Golf Course during our audit. The staff was friendly, courteous, and very helpful. We trust that the implementation of the recommendations will provide for more efficient operations and better safeguarded County assets. Please feel free to contact me with any questions.

Sincerely,

Gregory P. Hawkins
Salt Lake County Auditor

By James Fire MBA/Acc
Deputy Auditor

cc: Martin Jensen, Division Director
Andrew Keddington, Associate Division Director
Jerry Brewster, Director of Golf
Tim Fernau, Head Golf Pro at Riverbend
Cheryl Crook, Fiscal Manager



Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Riverbend Golf Course. Our purpose was to verify the accuracy and completeness of selected financial records and to assess compliance with certain internal controls that are key to good financial management. We also sought to identify areas of material risk.

Conclusion

In our audit of Riverbend Golf Course we found that over/short logs had not been signed by a supervisor as evidence of review, a controlled asset inventory had not been performed in more than a year, and two capital assets did not have County property tags. A report of the last audit of the Riverbend Golf Course was released to the public in December 2013.

Findings and Recommendations

Finding # 1 - The controlled assets inventory list was dated more than one year earlier.

Risk Level: Low

Countywide Policy #1125, "Safeguarding Property/Assets," Section 2.2.11 states that Property Managers are responsible to:

"At least annually, conduct physical inventory of fixed asset and controlled assets, to ensure complete accountability for all property owned by, or assigned to the organization."

The controlled asset inventory list for Riverbend Golf Course had not been updated since April 2013.

When records are not maintained as to the current physical location of controlled assets, accountability is not established, asset inventories are more difficult to perform, and theft of assets is more likely to occur and remain undetected.

Recommendation

We recommend that an inventory be performed at least annually to ensure the controlled asset list is current.

Finding # 2 - Cash over/short logs were not signed by a supervisor.

Risk Level: Low

Countywide Policy #1062, "Management of Public Funds," Section 5.3.1.3 states:

"The MPF Form 11 [Cash Over/Short Log], for each Cashier, shall be signed by the Cashier's immediate supervisor."

We found that 3 out of 6 over/short logs examined were not signed by the cashier's immediate supervisor.

When over/short logs are not signed by a supervisor as evidence of review, overages and shortages may go unnoticed and needed remediation may not occur.

Recommendation

We recommend that an over/short log be maintained for each cashier and that their supervisor review and sign the log each month.

Finding # 3 - The controlled assets list was not signed to establish accountability.

Risk Level: Low

Countywide Policy #1125, "Safeguarding Property/Assets," Sections 4.3.2 and 4.3.3 state:

"Exhibit 4 - [The] 'Controlled Assets Inventory Form - Organization' is used for property not readily assignable to an individual employee or which is shared by more than one employee ... The 'Certification' on Exhibits 3 and 4 states that the employee (for assets assigned to employees), and the Property Manager (for assets not assigned to individual employees) are accountable for all property assigned to them."

The controlled assets inventory dated April 8, 2013, was not signed to establish accountability.

When accountability for assets is not fully established, assets are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that the asset inventory list be signed by the golf course manager to establish accountability.

Finding # 4 - Two capital assets did not have County property tags attached.

Risk Level: Low

Countywide Policy #1125, "Safeguarding Property/Assets," Section 2.2.3 states that property managers are required to:

"Maintain records as to current physical location of all fixed assets and controlled assets within the organization's operational and/or physical custody."

In a prior audit conducted in December 2013, we found that three capital assets did not have County property tags attached. In a retest of this finding we found that two of these capital assets, the A Jacobsen R-311T Mower and a Cushman Turf Truckster, still did not have County property tags attached.

The Assistant Park Operations Manager stated that they are waiting for asset tags to be issued from Mayor's Finance.

When accountability for assets is not fully established, assets are at greater risk of being lost, stolen, or diverted to personal use.

Recommendation

We recommend that the Riverbend Golf Course property manager ensure capital assets are properly tagged and included on the capital asset list.

Additional Information

Background

Riverbend Golf Course is located at the south end of the valley along the banks of the Jordan river. It is ranked as one of the top 10 golf courses in the state of Utah, and offers a complete practice area, pro shop, and restaurant.

Scope

Our work included a formal examination of financial records related to the following key internal controls, to the degree applicable:

- Change fund
- Petty Cash and Imprest Accounts
- Cash Receipting
- Cash Depositing
- Credit / Debit Card
- Capital and Controlled Assets and Software Inventory
- Financial Computer Controls
- Purchasing Card Use
- Payroll Practices
- Accounts Receivable
- Accounts Payable
- Third Party Contracts

Our examination period covered up to twelve months ending September 02, 2014. In addition to reviewing financial records, we reviewed and examined current practices through observation. Sampling of daily cash deposits, where applicable, was performed to assess compliance with Countywide policy and standard business and internal control practices. Retesting of prior audit findings was also performed, where applicable.

Management response to findings in this report, when received, will be attached as Appendix A.



2015 Summary of Audit of Key Control

Findings and Recommendations

No.	FINDING	RECOMMENDATION	RESPONSE / ACTION TAKEN
1.	The controlled assets inventory list was dated more than one year earlier.	We recommend that an inventory be performed at least annually to ensure the controlled assets list is current.	Controlled assets inventory was conducted January 2, 2015 by the Head Golf Professional Tim Fernau. This inventory will be conducted a minimum of one time annually.
2.	Cash over/short logs were not signed by a supervisor.	We recommend that an over/short log be maintained for each cashier and that their supervisor review and sign the log each month.	A over/short log has been implemented on January 1, 2015 for records of cashiers being over/short on their daily closeout. This form will be signed each month by Tim Fernau, the Head Golf Professional at Riverbend Golf Course.
3.	The controlled assets list was not signed to establish accountability.	We recommend that the asset inventory list be signed by the golf course manager to establish accountability.	The controlled asset list has been signed by the Head Golf Professional Tim Fernau on January 2, 2015. This signing will be conducted each time an inventory is taken.
4.	Two capital assets did not have County property tags attached.	We recommend that the Riverbend Golf Course property manager ensure capital assets are properly tagged and included on the capital asset list.	Will be implemented.
5.			
6.			
7.			
8.			
9.			
10.			

NAME AND TITLE OF PERSON RESPONDING: Tim Fernau, Head Golf Professional

DATE PREPARED: 2/10/15