

# FOLLOW-UP REPORT

# Salt Lake County Golf Courses

APRIL 2023



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County Auditor

Office of the Auditor  
Salt Lake County

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# Salt Lake County Auditor



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## AUDITOR'S LETTER

We conducted a follow-up audit of the Salt Lake County Golf Courses related to our initial audit issued in July 2022. During this follow-up audit, we evaluated the progress made by the Golf Division in implementing our recommendations from the prior audit.

Golf has made significant changes, fully implementing the recommendations from 18 of our 30 recommendations. We encourage them to fully implement the remainder of our recommendations before we complete our final follow-up audit.

This audit is authorized pursuant to Utah Code Ann. 17-19a-204 "Auditing Services." We conducted this audit in accordance with generally accepted government auditing standards (GAGAS).

GAGAS standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We appreciate the leaders and team members at the Golf Division who shared their time and knowledge with us during the audit.

Please contact me at 385-468-7200 with any questions.

Chris Harding, CPA, CFE, CIA  
Salt Lake County Auditor

April 2023

# Action Since Audit Report

## An Audit of Salt Lake County Golf Courses

8 findings with 30 recommendations reported in July 2022.

The Golf Courses have fully implemented 18 of the recommendations, 6 are in progress, and 6 were not implemented.



FULLY  
IMPLEMENTED

18



IMPLEMENTATION IN  
PROGRESS

6



NOT  
IMPLEMENTED

6



CLOSED

n/a

## Remaining Risks

The Salt Lake County Auditor's Office will conduct an additional follow-up.

## FINDING 1. INCOMPLETE MONTHLY RECONCILIATIONS.



**Recommendation 1.1** - We recommend that management investigate and document the refunds/debit memos on the golf course bank statements to ensure that they match to the refunds/voids processed.

Agency Action – Implemented our recommendation.



**Recommendation 1.2** - We recommend that management reconcile online gift card purchases monthly.

Agency Action - Implemented our recommendation.



**Recommendation 1.3** - We recommend that management reconcile credit card service provider statements of fees charged to bank statements.

Agency Action - Implemented our recommendation.



**Recommendation 1.4** - We recommend that management ensure variances noted during reconciliations are documented, investigated, and, wherever possible, resolved.

Agency Action - Implemented our recommendation.



**Recommendation 1.5** - We recommend that management deactivate gift cards whenever the original payment is refunded or reversed.

Agency Action - Implemented our recommendation.

## FINDING 2. NO REVIEW AND SIGN-OFF ON DAILY DEPOSIT DOCUMENTATION.



**Recommendation 2.1** - We recommend that all deposit documentation be retained on file.

Agency Action - Implemented our recommendation.



**Recommendation 2.2** - We recommend that a supervisor, or other designated employee, review individual balance sheets, bank deposit slips and POS Reports. The designated employees should then sign the individual balance sheets as an indication of reviews done as required by policy.

Agency Action - Implemented our recommendation.



**Recommendation 2.3** - We recommend periodic review and training by Golf Course Management to ensure uniformity in the filing and reviewing of daily reports.

Agency Action - Implemented our recommendation.

### FINDING 3. INADEQUATE LEAGUE CREDIT OVERSIGHT, RECONCILIATION, AND DOCUMENTATION.



**Recommendation 3.1** - We recommend that a review and reconciliation process be performed on the merchandise credits after they have been awarded. The reconciliation and review process should include matching the credits issued to the winner's sheets. We recommend the reconciliation be signed by the employee as well as their direct supervisor.

Agency Action – Implementation in progress – Golf Course and Parks and Recreation Management have not implemented policies and procedures regarding league credits, including reconciliation of credits to the winner sheets. Management indicated they were in the process of developing policies and procedures. A second follow-up is required.



**Recommendation 3.2** - We recommend that management work with the POS software vendor to restrict credits from being redeemed on accounts in excess of those issued.

Agency Action - Implemented our recommendation. Golf Course Management obtained and implemented a new POS system. The new system does not allow credits to be redeemed in excess of the credit balance.



**Recommendation 3.3** - We recommend that customer contact information be maintained on file and that management implement an ongoing process to review customer accounts to ensure contact information is complete.

Agency Action – Implementation in progress – Golf Course and Parks and Recreation Management have not implemented policies and procedures regarding league credits and customer contact information. Management indicated they were in the process of developing policies and procedures. A second follow-up is required.





**Recommendation 3.4** - We recommend that a retention schedule for winners sheets be established and implemented at all courses.

Agency Action – Implementation in progress – Golf Course and Parks and Recreation Management have not implemented policies and procedures regarding league credits including retention schedules for winner sheets. Management indicated they were in the process of developing policies and procedures. A second follow-up is required.



**Recommendation 3.5** - We recommend that management implement controls to monitor and manage league credit balances, such as periodic reporting and management reviews.

Agency Action - Implementation in progress – Golf Course and Parks and Recreation Management have not implemented policies and procedures regarding league credits including periodic reporting and management reviews. Management indicated they were in the process of developing policies and procedures. A second follow-up is required.



**Recommendation 3.6** - We recommend that the Golf Courses create a written League policy that incorporates the recommendations listed.

Agency Action - Implementation in progress - Golf Course and Parks and Recreation Management have not implemented policies and procedures regarding league credits. Management indicated they were in the process of developing policies and procedures. A second follow-up is required.

## FINDING 4. NO SEGREGATION OF DUTIES FOR CONCESSIONAIRE PAYMENTS.



**Recommendation 4.1** - We recommend that the management establish segregation of duties in the management of concessionaire’s contracts and payments.

Agency Action - Implemented our recommendation.



**Recommendation 4.2** - We recommend that management perform independent oversight to ensure that all concessionaire payments are received and are on-time.

Agency Action - Implemented our recommendation.



**Recommendation 4.3** - We recommend that management develop a standard policy regarding the format and information required from concessionaires to support payments remitted.

Agency Action - Not Implemented – Golf Course and Parks and Recreation management

has not developed a standard format and information required from concessionaires. A second follow-up is required.



**Recommendation 4.4** - We recommend that payments received from the concessionaires be reconciled to accounting statements submitted by the concessionaire.

Agency Action - Implemented our recommendation.

## FINDING 5. INCOMPLETE VOIDS AND REFUNDS DOCUMENTATION



**Recommendation 5.1** - We recommend that void slips be completed and retained for all refunds and voids performed.

Agency Action – Not Implemented. Exceptions related to incomplete voids occurred at 4 of 6 golf courses tested. A second follow-up is required.



**Recommendation 5.2** - We recommend that management ensure the original receipts and the matching void or refund receipt be retained and attached to completed void slips.

Agency Action - Implemented our recommendation.



**Recommendation 5.3** - We recommend that Golf Course Professionals or their designee sign all void slips as evidence of their review.

Agency Action - Not Implemented - Exceptions related to supervisory review and sign off on voids occurred at 4 of 6 golf courses tested. A second follow-up is required.

## FINDING 6. DEFERRED REVENUE TRANSACTIONS WERE NOT ACCOUNTED FOR APPROPRIATELY.



**Recommendation 6.1** - We recommend that management implement policies and procedures to monitor and manage stale-dated gift cards, league credits, and rainchecks, such as periodic reporting and management review.

Agency Action – Implementation in Progress - Golf Course and Parks and Recreation Management have not implemented policies and procedures regarding gift cards, league credits, and rainchecks. Management indicated they were in the process of developing policies and procedures. A second follow-up is required.





**Recommendation 6.2** - We recommend that outstanding gift cards, league credits, and rainchecks be recognized as a liability until they are redeemed or until they are recognized as revenue due to breakage, in accordance with FASB Accounting Standards Update 2014-09.

Agency Action - Not Implemented - Gift cards and rain checks were recognized as a liability until they were redeemed, however League Credit accounting had not been changed. In addition, a breakage schedule had not been established yet for gift cards, rain checks and league credits. Management indicated they were in the process of developing policies and procedures. A second follow-up is required.

## FINDING 7. OVERAGES AND SHORTAGES WERE NOT CONSISTENTLY INVESTIGATED.



**Recommendation 7.1** - We recommend that management ensure cashiers acknowledge overages and shortages by initialing the MPF Form 11, Cash Over/Short Log.

Agency Action - Not Implemented - Exceptions related to cashier initialing the Cash Over/Short Log occurred at 5 of 6 golf courses tested. A second follow-up is required.



**Recommendation 7.2** - We recommend that supervisors or designated employees review and sign MPF Form 11, Cash Over/Short Log as evidence of their review.

Agency Action - Implemented our recommendation.



**Recommendation 7.3** - We recommend that overages and shortages be investigated and either the cause or efforts taken to determine the cause, be documented.

Agency Action - Not Implemented - Exceptions related to investigating and documenting the cause of variances occurred at 5 of 6 golf courses tested. A second follow-up is required.



**Recommendation 7.4** - We recommend that management ensure MPF Form 11, Cash Over/Short Log and the Monthly Report of Cash Receipts are retained on file.

Agency Action - Implemented our recommendation.

## FINDING 8. CHANGE FUNDS DID NOT MATCH ACCOUNTING RECORDS FOR TWO GOLF COURSES.



Recommendation 8.1 - We recommend that all golf courses implement a standard of counting the change fund contained in the cashier drawers prior to them being used in the pro shop.

Agency Action - Implemented our recommendation.



Recommendation 8.2 - We recommend that Mick Riley, Mountain View and South Mountain deposit the change fund overages to the bank in their next deposit.

Agency Action - Implemented our recommendation.



Recommendation 8.3 - We recommend that MPF Form 7, Fund Transfer Ledger, or similar log, be kept, completed, and signed each time the Change Fund is accessed or retrieved.

Agency Action - Implemented our recommendation.