

A REPORT  
TO THE CITIZENS OF SALT LAKE COUNTY

BEN McADAMS, MAYOR



An Audit of the Key Controls of  
Riverbend Golf Course

December 31, 2013

**GREGORY P. HAWKINS**

SALT LAKE COUNTY AUDITOR

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December 31, 2013

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 Gerald Ellefsen, Assistant Superintendent, 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: Michele Nekota, Division Director  
Cheryl Crook, Accountant  
Brent Baldwin, Head Golf Professional

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## 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

Key areas were examined during the Riverbend Golf Course audit. As a result we found deficiencies in certain internal controls over the change fund, deposits, and capital assets. The report of a prior audit of the Riverbend Golf Course was released to the public in August 2012.

## Findings and Recommendations

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### ***Finding # 1 - Three capital assets did not have County property tags attached.***

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#### **Risk Level: Moderate**

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

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

Three items were observed at the location that did not have County property tags and were not listed on the capital asset list: a Turfco Widespin 1550 Sander, a Jacobsen R-311T Mower, and a Cushman Turf Truckster S/N 840\*\*\*\*\*1820.

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

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### ***Finding # 2 - Deposit documentation did not include tear-off tabs from the tamper-proof deposit bags.***

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#### **Risk Level: Low**

Countywide Policy #1062 "Management of Public Funds," Section 4.5.1 states:

"Balance sheets, deposit slip copies, plastic pre-numbered tabs removed from the deposit bag, and any other supporting documents or materials, shall be retrained for 7 years from the date of the deposit, either on-site or at the County Records' storage warehouse."

Of the 30 deposits examined, 21 did not include the tear-off tab from the sealed tamper-proof deposit bags with their documentation.

When tear-off tabs are missing from deposit documentation, there is no reasonable assurance that deposits were sealed prior to bank delivery.

***Recommendation***

We recommend that deposit documentation be reviewed for completeness of supporting documents or materials.

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***Finding # 3 - Deposits were not always made in a timely manner.***

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**Risk Level: Low**

Countywide Policy #1062, "Management of Public Funds," Section 4.1.2 states:

"As required by § 51-4-2, Utah Code Annotated, all public funds shall be deposited daily whenever practicable, but no later than three days after receipt."

We found that 3 out of 30 deposits examined were deposited more than three days after receipt of collections.

When funds are not deposited on a timely basis, they are more susceptible to loss or theft. In addition, interest is lost that would otherwise be accrued.

***Recommendation***

We recommend that funds be deposited on the same day, whenever practicable, but no later than three days after receipt.

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***Finding # 4 - A fund transfer log was not used.***

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**Risk Level: Low**

Countywide Policy #1062, "Management of Public Funds," Section 2.7.3 states:

"Cashiers shall sign an MPF Form 7, Fund Transfer Ledger, or similar log, each time they retrieve the change fund from the safe or lockbox; and return the fund to the safe or lockbox."

A fund transfer log was not used to document the retrieval of funds from or their return to the safe.

When movement of the change fund is not documented, accountability for funds is not established, leaving them at a greater risk of being lost, stolen, or diverted for personal use.

***Recommendation***

We recommend that an MPF Form 7, "Fund Transfer Ledger," or similar log, be used to document the movement of the change fund to and from the safe.

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***Finding # 5 - Two capital items listed on the inventory list were not located.***

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**Risk Level: Low**

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

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

Out of the 36 capital assets we reviewed, 2 items, tag #85757 "Toro Rotary Mower" and tag #99646 "Kawasaki Off-Road Golf C. Maint. Vehicle," were not located.

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 if the missing items are not located, management report the theft of property to appropriate authorities in accordance with Countywide Policy #1304 "Discovery and Reporting of Thefts."

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***Finding # 6 - Accountability for some capital assets was not properly established.***

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**Risk Level: Low**

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

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

Out of the 36 capital assets we reviewed, 3 items, tag #98305 "Toro Groundskeeper 305," tag #98599 "Kawasaki Mule," and tag #98585 "Kawasaki Mule" were found at the location but not listed on the capital asset list for the Riverbend Golf Course location.

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 property manager ensure the correct location codes are listed on the capital inventory list.

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***Finding # 7 - Cashiers did not sign count slips for day-end drawer counts.***

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**Risk Level: Low**

Countywide Policy #1062, "Management of Public Funds," Section 3.8.1.1 states:

"The cash balance sheet should be signed by the cashier for each cash register or location where cash is accepted."

When a register till was closed, the Fore! Reservations system printed a summary of the cash counts by cashier name that included a signature line. None of the 79 cashier fund count slips examined were signed.

Without cashier signatures on drawer count slips, accountability for funds collected can not be fully established.

***Recommendation***

We recommend that cashiers sign their drawer count slips produced by the Fore! Reservations system.

## **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

Our examination period covered up to twelve months ending December 17, 2013. 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.

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





**Parks & Recreation Division Response to  
Summary of Findings & Recommendation**

**For Riverbend Golf Course Audit Dated: February 7, 2014**

No.	FINDING	RECOMMENDATION	RESPONSE / ACTION TAKEN
1.	Three capital assets did not have County property tags attached	County property tags attached and capital asset log updated.	All three pieces of equipment were received in 2013 and have been awaiting the Auditors office to issue tags for the equipment.
2.	Fund transfer log not used.	MPF FORM 7 or similar log be used to document movement of change fund to and from the safe.	MPF 7 form has been prepared and put next to safe so cashiers can check out the change funds, and a record is kept of the funds transferred.
3.	Two capital assets listed on the inventory were not located.	Items listed were located by Garin Lamph. See response/ action taken.	#85757- Toro Rotary Mower was transferred from Mt. View Golf Course on 2-16-2011 (PM2 # 23319) for parts to repair similar equipment. It remains in the bone yard west of the maintenance building inoperable as parts are removed. The property tag is attached and visible for review. #99646 Kawasaki vehicle is not utilized by the maintenance staff, put purchased for the sole purpose of the golf staff to use for picking range balls. This piece of equipment is the the cart barn below the pro shop with property tag attached and easily visible for review.
4.	Accountability for some capital assets was not properly established	Property manager to ensure the correct location codes are listed on the capital inventory list.	#98305 Toro Groundskeeper and #98599 Kawasaki Mule are items purchased by Park Operations and on loan to Riverbend Golf Course as identified on Parks Capital Asset list identifying the physical location at Riverbend Golf Course. A PM2 has been submitted to officially transfer these two items and minimize the confusion during the audit process. #98585 Kawasaki Mule was transferred from Mtn. View Golf Course on 9-11-2013 PM2#23322 and has not been updated to reflect the transfer on capital asset list.
5.	Cashier signature required for day end drawer counts	Cashiers sign the drawer count slips produced by Fore!	Each Cashier whether Merit or Temporary has been trained to sign the drawer count slip before putting the money and receipts in the safe.
6	Deposit documentation did not include tear off tabs from the tamper proof bags	Deposit documentation is reviewed for completeness of supporting documents or materials.	Merit Golf Staff who will prepare deposit will fill out the tear off tab completely and put this tab in the daily report envelope to support tamper proof bag is used, and that this policy is being followed.

No.	FINDING	RECOMMENDATION	RESPONSE / ACTION TAKEN
7.	Deposits were not always made in a timely manner	Funds are deposited on the same day, whenever practical, but not later than three days after receipt.	Every effort is made to deposit monies received on a daily basis. Each merit staff member has a key to the night time deposit box at Wells Fargo. We have been diligent in making deposits during the day whenever possible. It is possible according to Wells Fargo that a deposit put in the night drop, takes more than three days because it is not processed at the Riverton location. The night drops are taken to the main facility, processed, and then returned to the branch. We will continue to make sure deposits are made the same day whenever possible.
8.	SAQ representing PCI compliance was not on file	Have SAQ on file to show they are aware of PCI compliance and requirements	A copy of the SAQ, attestation of compliance can be found on "G" drive. Under Golf, then PCI compliance folder.
9.	n/a		
10.	n/a		

**NAME AND TITLE OF PERSON RESPONDING: Brent Baldwin, Head Golf Professional, Riverbend Golf Course**