

2nd  
FOLLOW-UP  
REPORT

# Salt Lake County Golf Courses

MAY 2024



Chris Harding, CPA, CFE, CIA  
County Auditor

Office of the Auditor  
Salt Lake County

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# Salt Lake County Auditor



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## AUDITOR'S LETTER

May 2024

In keeping with generally accepted government auditing standards and Auditor's Office policy, as authorized by Utah Code, we have a responsibility to monitor and follow up on audit recommendations to ensure county agencies address audit findings through appropriate corrective action and to aid us in planning future audits.

This letter serves as the final follow-up audit report for Salt Lake County Golf Courses. The original audit report was issued in July 2022, followed by a preliminary follow-up report in April 2023. The original audit report identified 8 findings with 30 recommendations. In the preliminary follow-up, the Golf Courses management implemented 18 of the 30 recommendations, 6 were in progress, and 6 were not implemented.

In this final follow-up, 5 findings and 12 recommendations remained to be tested. Golf Course management has fully implemented 9 of the 12 remaining recommendations and 3 were not implemented. Overall, Golf Course management implemented 27 of 30 recommendations and 3 were not fully implemented.

We commend the Golf Course management for their work in implementing our recommendations for monitoring their league credits, documenting refund transactions, and managing their outstanding unearned revenue balances. For the outstanding recommendations, the onus is now on management and those charged with governance to implement the remaining recommendations and mitigate the associated risks.

We performed this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those 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.

We appreciate the cooperation and assistance provided by all county stakeholders during this audit. Please contact me at 385-468-7200 with any questions.

A handwritten signature in black ink that reads "Chris Harding".

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

# Action Since Audit Report

An Audit of Salt Lake County Golf Courses

## Original Audit: Report Issued July 2022

8 findings with 30 recommendations reported in July 2022.

## Preliminary Follow-up: Report Issued April 2023

The Golf Courses fully implemented 18 of the 30 recommendations, 6 were in progress, and 6 were not implemented.

## Final Follow-Up

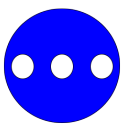
- 12 recommendations remained for testing after the preliminary follow-up.
- 9 of the 12 recommendations have been fully implemented by all golf courses.
- 3 recommendations were not fully implemented by all golf courses.

Overall, the Golf Courses fully implemented 27 of the 30 recommendations and three were not implemented due to exceptions found in testing. We want to highlight certain courses implemented recommendations during the preliminary follow-up audit and may have been excluded from further testing in the secondary follow-up. Meadowbrook and Riverbend implemented Recommendation 5.1 and 5.3 in the preliminary, while Mick Riley implemented Recommendation 7.1 and 7.3.



FULLY  
IMPLEMENTED

9



IMPLEMENTATION IN  
PROGRESS

0



NOT  
IMPLEMENTED

3




CLOSED

n/a

# REMAINING RISKS


This secondary follow-up audit concludes the testing of recommendations related to the initial golf audit report from July 2022. We will perform additional testing of the Old Mill Golf Course as a secondary audit to follow-up on the Old Mill Golf Course Investigation Report, originally published October 2022.

## 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.

MEADOWBROOK, MICK RILEY, MOUNTAIN VIEW, OLD MILL, AND SOUTH MOUNTAIN GOLF COURSES: Agency Action - Implemented our recommendation.


RIVERBEND GOLF COURSE: Agency Action - Not Fully Implemented - The reconciliation of Winners' sheet amounts to league credits awarded was not accurately performed for 9/52 (17%) of winner amounts tested.

-  **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 - Implemented our recommendation at all six courses.

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

Agency Action - Implemented our recommendation at all six courses.

-  **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 - Implemented our recommendation at all six courses.

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

Agency Action - Implemented our recommendation at all six courses.

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



**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 - Implemented our recommendation at all six courses.

## 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.

OLD MILL, MICK RILEY, MOUNTAIN VIEW, AND SOUTH MOUNTAIN GOLF COURSES:

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.

OLD MILL, MICK RILEY, MOUNTAIN VIEW, AND SOUTH MOUNTAIN GOLF COURSES

Agency Action - Implemented our recommendation.

## 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 - Implemented our recommendation at all six courses.



**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 - Implemented our recommendation at all six courses.

## FINDING 7. CASH OVERAGES AND SHORTAGES 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.

MEADOWBROOK, MOUNTAIN VIEW, RIVERBEND, AND SOUTH MOUNTAIN GOLF COURSES: Agency Action - Implemented our recommendation.

OLD MILL GOLF COURSE: Agency Action – Not Implemented – Old Mill Golf Course contained two exceptions in the two months tested of cashier acknowledgement of overages and shortages, affecting more than 5% of sample population. Additional testing will be performed in the Old Mill Golf Course Theft Investigation secondary follow-up.



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

RIVERBEND AND SOUTH MOUNTAIN GOLF COURSES: Agency Action - Implemented our recommendation.

MEADOWBROOK GOLF COURSE: Agency Action – Not Implemented – 1/5 (20%) over/short variances did not include a documented explanation, demonstrating a management investigation.

MOUNTAIN VIEW GOLF COURSE: Agency Action – Not Implemented – 1/3 (33%) over/short variances did not include a documented explanation, demonstrating a management investigation.

OLD MILL GOLF COURSE: Agency Action – Not Implemented - 1/15 (7%) of over/short variances did not include a documented explanation, demonstrating a management investigation. Overages & shortage explanations will be further tested in the Old Mill Golf Course Theft Investigation secondary follow-up.