

City of Syracuse
Cash Audit
Sunnycrest and Burnet Park Golf Courses
Department of Parks, Recreation and Youth Programs



Submitted to:

Syracuse Common Council

Mayor Stephanie A. Miner

September 21th, 2012

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City of Syracuse Auditor

Introduction:

As authorized by Section 5-503 of the City of Syracuse Charter, an unannounced cash audit of the Burnet Park Golf Course was conducted on August 23, 2012. An unannounced cash audit was also conducted at Sunnycrest Golf Course on Friday August 24th 2012. It should be noted that both facilities were last audited August 29th, 2006. The examination was administered in accordance with the *Government Auditing Standards*, issued by the Comptroller General of the United States and *Standards for the Professional Practice of Internal Auditing*, as circulated by the Institute of Internal Auditors.

The management of the City of Syracuse is responsible for establishing, maintaining and complying with the internal control structure and for compliance with applicable laws, regulations and contracts.

This information in this report is intended for the use of the Mayor, the Syracuse Common Council and the Commissioner of the Department of Parks & Recreation. It is understood to be a matter of public record and its distribution is not limited. The Audit Department would like to thank the personnel who assisted and cooperated with us during our audit.

Background:

Included in the various activities and programs administered by the Department of Parks & Recreation is the Golf Program at Burnet and Sunnycrest Parks. The City of Syracuse currently maintains two nine hole golf courses located at these two locations. One is on the east side of the City (Sunnycrest) with the main entrance off of Hickock Ave and the other is on the City's west side (Burnet) with the main entrance located at the corner of Avery and Whittier Ave. An interesting note is that the main entrance to Burnet Golf Course is called *Bill O'Leary Dr.*, named after the late Director of Golf Bill O'Leary.

Activities within the Golf Program include open golfing, golf lessons by appointment, various leagues (Junior, Adult, Mixed, and Women's) and Tournament play. The main Tournament each year is a junior event named "*The Mayors Cup*". Daily greens fees for use of the Golf Courses are based upon age. Adults pay \$6.00 per nine hole round while seniors over age 55 and Juniors 17 and under pay \$3.00 per round. Annual (season) passes are available for \$100 for an Adult and \$40.00 for juniors and seniors. The logic behind these rates is to promote junior and senior golf for City youth and seniors. There is a \$25 surcharge for passes sold to non-City Residents. A season pass holder is entitled to unlimited golf at both locations for the entire summer

season and these passes are nontransferable. The annual revenues generated by the Golf Program were in the \$65,418 in 2010 and \$52,492 in 2011. These revenues are inclusive of all greens fees, equipment rental (clubs, handcarts), and vending revenues.

To begin each season (aprox. January), the Director of Golf purchases snack items, candy bars, etc. for sale at each Golf Course. They are re-ordered as needed through the summer months. The sales of these items are shown as part of the revenue coming in, by location, for the golfing program, and are recorded as income. As was noted in the 2006 Audit, the associated costs of purchasing the drinks and snack items are not factored into the golfing program or used to net down the revenues so as to reflect the net income. In a very modest way, this inflates the revenues generated by the golf program. As part of the 2006 Audit it was noted that there were soda and water vending machines in the club houses, provided through the City's agreement with Coca Cola, and maintained by Coca Cola. The moneys taken in from those machines did not belong to the City and were the responsibility of the vendor to secure. At that time, the vending machine moneys were not included as the City's "vending revenue" figures for the golf courses. Currently, there are no longer vending machines in the club houses at either Sunnycrest or Burnet Parks, the vending machines were removed prior to the 2008 golf season. The primary reason for the removal is that they seemed to be the target and main reason behind the break-ins and vandalism at the facilities. The Director of Golf reports that there has been a significant reduction in break-ins since their removal and we acknowledge that this was prudent to help with security at those facilities.

The following was also noted in the 2006 Audit and remains exactly the same today. The financial operations for the Sunnycrest and Burnet Park golf courses are currently handled by personnel in the City's Parks Department and the City Finance Department. Each course has a single cash register with tape. Every day that the courses are open and staffed by the City, there are two shifts of staff working, under the direction of the Director of Golf (Joe Burns) that supervises both golf courses. The first shift at each location starts the day with a fresh register tape, a beginning cash bank of \$50.00 and a new page in a log book that keeps track of each day's activity. Each golfer signs the log, giving their name, the time they have arrived and whether they are city residents or non-residents. The type of fee and amount charged to each of the players is also recorded.

Audit Staff was informed that at the end of the first shift, the register tape, the information on the daily summary log, and the cash in the register are reconciled for accuracy. At the end of the second shift, the day's register tape, the completed daily summary log and the receipts of the day are put in a sealed envelope and then placed in the depository safe located in club house. The safe with the daily receipts can only be opened by the Director of Golf (on-site staff do not have the combination) and is emptied by the Director of Golf at least once a week. On weeks where play and usage is extraordinarily high, additional deposits are made.

Subsequently, the deposits for both golf courses are taken to the Department of Parks & Recreation main office located on Spencer St where they are reconciled. The deposit slips, the cash, and the register tapes are prepared for eventual deposit at the Bureau of Treasury at City Hall.

BURNET GOLF COURSE:

The unannounced visit to the Burnet Park Golf Course was made on Thursday August 23, 2012 at 3:00pm. Upon arriving, the Deputy City Auditor identified himself with ID and the employee on duty called the main office to verify that it was OK to allow him access to the records. We applaud the security and verification process of the staff in this regard. Their daily logs were readily available, were up to date, and were filed in an effective manner whereby they were easily accessible. The staff member noted that even though it was nice weather that day, play was slow due to the fact that the State Fair was underway and that usually makes for a slow week. A review of past years "fair week" receipts confirmed that assumption. As of 3:00pm, there were twelve golfers paid. Three of those were under age 17 and five were over the age of 55 so therefore they paid \$3.00 each to play. The remaining four golfers were adults at the \$6.00 rate. Other revenues reflected the rental of pull carts and the sale of several snack items; these added up to \$23.75. Adding the \$48.00 for golf with the \$23.75 which when added to the beginning balance of \$50.00 resulted in cash totaling \$121.75. The count of cash in the register drawer tallied a total of \$121.75. The Summer Aide on staff that day provided register receipts upon request and those figured exactly matched the totals on the daily log.

The beginning cash bank of \$50.00 is placed in a cash box (unlocked) and is stored overnight in an unlocked cabinet. This was noted as a deficiency in the 2006 audit and we concur that measures should be taken to lock this cabinet. However, it should be noted that there are wood shutters that lock up the building windows each night and the front door to the clubhouse is extremely secure. The table and chairs are brought inside the club house each night and the flags and golf cart is stored and locked inside the former ice rink. During the site visit, it was reported that the clubhouse has not been broken into in over five years.

SUNNYCREST GOLF COURSE:

The unannounced visit to the Sunnycrest Golf Course took place on the following day of Friday August 24th 2012 at 2:00pm. Upon arriving, the Deputy City Auditor identified himself with ID and the employee on duty called the main office to verify that it was OK to allow him access to the records. We again applaud the security and verification process of the staff in this regard. Once again the daily logs were readily available, up to date, and were filed in an effective manner and they were easily accessible. As of 2:00pm, there were four golfers paid. Two of those were under age 17 and two were over the age of 55 so therefore they paid \$3.00 each to play. There were no adult golfers paid as of 2:00pm. The only other revenues reflected that day was \$1.00 for the rental of pull carts and there were no snacks sold. Including the \$12.00 for golf with the \$1.00 for cart rental which when added to the beginning balance of \$50.00 resulted in cash totaling \$63.00. The count of cash in the register drawer had a total of

\$63.00. The Summer Aide on staff that day provided register receipts upon request and those figured exactly matched the totals on the daily log.

The Audit Department also was informed that the cash kept on hand was placed in a cash box that was secured in a locked cabinet on premises but off site. The security had been improved in 2006 for security reasons, the location was noted to the Audit department but will not be made public as part of this audit. The manner in which the cash box is secured each night at Sunnycrest Park is determined to be sufficient.

Objectives:

The objective of the audit was to confirm that the cash on hand was adequately safeguarded and accounted for, that receipts were properly and timely deposited and a fraud risk assessment was performed to determine if there are sufficient protections against theft of monies and services. These objectives were performed as part of the 2006 audit and we performed them again as part of this audit.

Scope:

The scope of the examination entailed reviewing the cash on hand at the time of the two unannounced visits to Sunnycrest and Burnet Parks Golf Courses on August 23, 2012 and August 24th and the receipts for that day's activity up to the time of the visits. The processes related to the handling of cash were analyzed based on the audit objectives. Once again this is the same scope that had been performed as part of the 2006 audit and we used the same scope six years later.

Methodology:

The Deputy Auditor made unannounced visits to the Burnet Park Golf Course on August 23, 2012 and to Sunnycrest Park Golf Course on August 24, 2012. Anthony (Botto) Sokolowski was on duty at Burnet Park and Rita Collins was on duty upon our arrival to Sunnycrest Park. Both staff members were interviewed at each location to obtain a general understanding of their financial operations. Subsequently, the Director of Golf Joe Burns was also interviewed to obtain the overall policies and procedures involving the entire City of Syracuse golf operation.

Conclusion:

The Audit Department uncovered no accounting errors during the examination into the cash on hand on August 23, 2012 Burnet Park or on August 24 2012 at Sunnycrest Park. The accounting and depositing of the receipts from the golf courses were found to be consistent with the stated procedures. This consistency allowed the Audit Department to confirm that the daily deposits for each golfing facility were equal to the cash totals observed during the visits. The Audit Department confirmed that the stated cash on hand for the both facilities is consistent with the amount reported to the City's Finance Department.

The 2006 Audit included the following findings and recommendations. Included below each of the 2006 findings are the current 2012 findings.

Findings and Recommendations:

2006 Finding 1: Cash on hand not consistent with cash reported to Finance Department (Sunnycrest Park Golf Course)

The Department of Audit traced the cash on hand for each location to the city's general ledger. It was discovered during this examination that the City's Department of Finance had been informed that the Parks Department kept \$59.00 on hand at Sunnycrest as the imprest amount for this particular facility. The actual cash-on-hand did not reconcile to the amount reported.

2012 Finding 1:

The Director of Golf has implemented a method for keeping the balance at Sunnycrest Park Golf Course at a consistent dollar level which matches the cash bank amount communicated to the City's Finance Department

2006 Finding 2: Daily reconciliation detail not provided to the Audit Department to allow for confirmation of cash recognized during unannounced site visits

The information provided verbally by on-site staff confirmed the information provided to the Audit Department when it initially obtained a general outline of the financial operations associated with the two golf courses; it was stated that after the daily receipts were taken from the golf courses they were taken to the Parks Department's administrative offices where there was a reconciliation of cash and checks to the daily register tapes and summary sheets

maintained at each location. From this procedure a cash report was prepared to accompany the deposit going to City Hall. The Audit Department was given a copy of the cash report that was compiled for the deposit that included the day's receipts for the day of the site visit, but Parks was unable to provide the daily detail that backed up the cash report.

2012 Finding 2:

The Parks Department was able to provide the Department of Audit with the daily backup detail for deposits made that include revenues from the golf courses.

2006 Finding 3: Cash box at Burnet Golf Course needs replacement to provide adequate cash security and better security measures for holding cash bank overnight need to be implemented

During this audit, it was discovered that the Burnet Golf Course had experienced a recent robbery attempt, leaving a broken cash box that was still in use (Reference the Background Information specifically for Burnet Golf Course). It was further discovered that the cash box was placed in an unsecured room overnight.

2012 Finding 3:

The cash box at Burnet Park has been replaced since the 2006 Audit and it is now locked each night in a cabinet which is located within a locked room. Therefore, there are two locked doors that would need to be broken through and a locked cash box that would need to be broken into to access the \$50 that is kept on hand each night.

2006 Finding 4: Lack of inventory and internal controls for monitoring and reporting sales of drinks, snacks, etc.

The description of how the snack items are delivered to the golf courses by the Golf Program Director, restocked on an as-needed basis and accounted for as revenue are all suggestive of needing improvements for inventory controls and accounting internal control purposes. By comparison, the inability of Parks administrative staff to provide the detail requested for the moneys deposited from the golf courses for the day of the unannounced site visits has served to support the suspicion that monitoring and reporting for the snack items is in need of an evaluation and possible reconfiguration by the department. Something that reports and links the purchase and sale of these items would help Parks Department more accurately present the true costs and revenues associated with this particular program.

2012 Finding 4:

The Director of Golf indicated to the Audit Department that he never agreed with the 2006 findings with regards to inventory controls and sales reports. The Director of Golf was able to provide the amount of snacks purchased (w/ receipts), the restock dates and times, as well as the sales receipts directly corresponding to each sale. The receipts provided to the Audit Department show the listings broken out as “snacks” or “soda” and they directly corresponded to the amount of inventory left for sale
