



Agenda Item # 11 –Attachment 4

August 2, 2016

To: The Honorable James Hilty, President of the Council
The Honorable Brent Malever, President Pro Tem
The Honorable Matthew Wardell
The Honorable Jay Musleh
The Honorable Mary Sue Rich
The Honorable Kent Guinn, Mayor
John Zabler, City Manager

Re: Special Project – Validation of Ocala Golf Club Financial Reporting - Audit No 2016-08

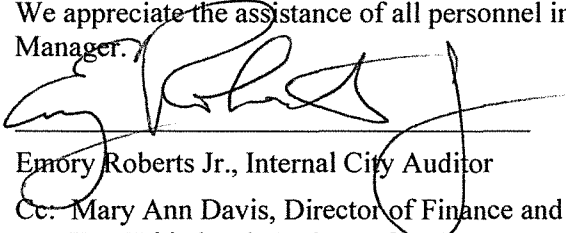
Internal Audit has completed a review of the Ocala Golf Club at the request of the Director of Finance and Customer Service and the related External Auditor management letter comment 2015-01. The objective of our review was to determine if internal controls over financial operations were adequate in the areas of cash collections, operating disbursements, and inventory controls.

The City of Ocala owns the golf course which includes an 18-hole golf course, clubhouse, driving range, banquet facilities, restaurant with full bar, golf shop, and other amenities. The City entered into a contractual relationship with a vendor, Billy Casper Golf Management, to operate the facilities. The City and the Billy Casper Golf, LLC, formed a subsidiary entity, Ocala Golf Management (OGM), LLC for the vendor to conduct operations in. OGM accounting records are maintained by the Corporate Accounting Department of Billy Casper Golf and a comprehensive monthly financial reporting package is presented to Recreation and Parks and Finance management. The City's Finance Department reviews and records this information in the City's Golf Fund general ledger, with an annual year-end review and update.

We reviewed policies and procedures, observed, reviewed, and tested the system of internal controls and processes over daily cash collections, operating disbursements, and inventory controls. Daily cash collections includes the areas of greens fees, golf shop retail sales, membership fees, and food and beverage sales. For cash collections, we tested daily point-of-sale reporting and traced two judgmentally selected months (December 2015 and February 2016) of transactions from the sales report to the bank deposits without error. We reviewed operating disbursements in the areas of payroll and accounts payable and found adequate support for all transactions.

Based on the work performed, we found the Ocala Golf Club system of internal controls for the areas of cash collections, operating disbursements, and inventory controls is adequate. Going forward, Internal Audit will select and test quarterly financial transactions and document the results.

We appreciate the assistance of all personnel involved in the review, especially Jason Lenhart, General Manager.


Emory Roberts Jr., Internal City Auditor

Cc: Mary Ann Davis, Director of Finance and Customer Service
Ken Whitehead, Assistant City Manager
Kathy Crile, Recreation and Parks Director