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# SALT LAKE CITY COUNCIL STAFF REPORT

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**DATE:** October 17, 2023

**SUBJECT:** **Golf Program – Audit Observations and Recommendations**

**AFFECTED COUNCIL DISTRICTS:** Citywide

**STAFF REPORT BY:** Gary Mumford

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## **KEY ELEMENTS:**

The City Council contracted with the Deloitte & Touche CPA firm for several small audits. The audits were not extensive or all-encompassing but were very limited-scope studies with rather small budgets. One of the audits was an analysis of the City's Golf program. The audit report includes an executive summary, background, observations/recommendations, and management's response.

The Golf Program manages and maintains nine golf courses. The auditors noted that the City's golf operations, organization and staffing are generally consistent compared to Denver, Phoenix and Portland. The auditors made some recommendations to strengthen cash handling and inventory controls. Comparisons of discounts and off-peak green fees to other municipal golf courses are contained in the appendices to the report. Subsequent to the audit, additional frequent-player and off-peak discounts were approved by the Council to take effect January 2004.

## **OBSERVATIONS AND RECOMMENDATIONS**

1. Although the Golf Program has cash handling policies and procedures, there were some inconsistencies in shift closing procedures, opening balances and investigations of overages and shortages. The City should train employees so that they understand cash-management closing procedures at the close of a shift. Additionally, the City should consider revisiting written policies and procedures to ensure that they accurately reflect management's required procedures. *Golf management reported that the cash handling procedures have been updated; staff members have been trained on their use; each staff member has signed an acknowledgment that they have read and comprehend the new procedures; the new procedures are currently in use.*
2. The auditors noted that golf pros both order and receive inventory. The City should segregate ordering and receiving duties to ensure that inventory at the shops is properly received and recorded. *Management reported that effective October 8, 2003 the Golf Program has fully implemented a centralized merchandise ordering process.*
3. The City may want to consider charging an annual fee for the purchase of a reservation card. *Management stated that it may choose to include this recommendation as a proposal in the next round of golf user fee increases, whenever that may occur.*

4. At the time the audit was conducted, there were several concessionaire contracts with which there were some disputes relating to interpretation of the agreements. *Management reports that the disputes have now been resolved.*
5. The City may want to consider providing a free golf lesson or other free services to youth consistent with other comparable governments (Denver, Phoenix, St. George, Salt Lake County). This may introduce a greater number of youth to the game of golf and to the City's courses as well as educate youth on the rules and etiquette of the game. *Management indicated that it has recently expanded junior golf programs that will more than double the amount of participation by junior golfers. Many of the clinics and events for juniors are held at the Jordan River Par-3 golf course.*
6. The City may want to consider performing an in-depth study to better articulate the benefits and costs of privatization.

**OPTIONS:**

- a. The Council may wish to discuss some of the above observations and recommendations with representatives of the Administration at the Council work session.
  - b. The Council may wish to request an update from the Administration at the time of the Council's annual review of the budget for the Golf Program.
  - c. The Council may wish to request that the Administration consider performing the privatization study suggested in the audit report.
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