



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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04-20

April 28, 2021

Mrs. Veronica Myers
El Paso County Parks and Recreation Director
6900 Delta Dr.
El Paso, Texas 79905

Dear Mrs. Myers:

The County Auditor's Internal Audit division performed an audit of the Ascarate Golf Course's financial records to determine if internal controls are adequate to ensure proper preparation of the Ascarate Golf Course financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating, compliant and efficient.

The audit report is attached. We tested five financial controls and one operating control with a total of 111 samples. There were no findings noted as a result of the audit procedures. We wish to thank the Parks and Recreation department for their assistance and courtesies extended during this audit.

Because of certain statutory duties required of the County Auditor, this office is not independent in regard to your office, as defined by AICPA professional standards. However, our audit was performed with objectivity and due professional care.

Respectfully,

A handwritten signature in blue ink that reads "Edward A. Dion".

Edward A. Dion
County Auditor

EAD:HM:ya

cc: Mrs. Betsy Keller, Chief Administrator
Mrs. Norma R. Palacios, Public Works Director



**Ascarate Golf Course
For the period of February 2020 to February 2021**



EXECUTIVE SUMMARY

BACKGROUND

The Ascarate Golf Course is a 27-hole facility that was designed by architect George Hoffman and has been open for business since 1955. This makes the Golf Course at Ascarate Park one of the oldest golf courses in El Paso. The Golf Course welcomes all golfers from individual tee times to golf tournaments year round. The lighted practice facility and driving range makes it the ideal location to accommodate golfers practicing needs. The course also offers a Pro-Shop that is equipped with a wide range of merchandise and apparel. The Golf Course is managed by the Pro-Shop supervisor and the PGA Golf Professional. Daily transactions are entered into the Golf Course's point of sale system (RecWare) and are accounted for in the County's financial accounting system (Munis). Financial reports can be generated from RecWare showing transactions on a daily, monthly or yearly basis. Collections for fiscal years 2018, 2019, and 2020 are illustrated below.



Source: Munis

The audit was performed by Hadi Medina, internal auditor. The scope of the last audit performed was December 2018 to January 2020 and the related audit report was issued on May 14, 2020.

AUDIT OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to the Ascarate Golf Course's financial reports. Following are the business objectives and related control assessments.

Business Objective	Control Assessment
1. Adherence to documented policies and procedures	Satisfactory
2. Functioning appropriate cash controls	Satisfactory
3. Appropriate and timely posting of manual receipts	Satisfactory
4. Timely deposits of collections in accordance with <i>Local Government Code(LGC) §113.022</i>	Satisfactory
5. Proper pro-shop gift certificate handling and controls	Satisfactory
6. Accuracy of void transaction log information and functioning controls	Satisfactory



**Ascarate Golf Course
For the period of February 2020 to February 2021**



EXECUTIVE SUMMARY

SCOPE

The scope of the audit is February 2020 through February 2021. Due to the Covid-19 pandemic and the associated Stay Home Work Safe order, a surprise cash count was not conducted.

METHODOLOGY

To achieve the audit objectives we:

- Interviewed staff through TEAMS to gain an understanding of their current documented policies and procedures over sales, lessons, customer service, tournaments and Pro-Shop operations.
- Tested a sample of manual receipts for appropriate and timely posting to RecWare.
- Traced and tested a sample of daily deposit slips to the financial accounting system for compliance with *Local Government Code (LGC) §113.022*.
- Tested a sample of gift certificates to determine appropriate RecWare entry and use.
- Tested all voided transactions entered in RecWare to determine proper documentation and approval.

RESULTS

Listed below are control and finding summaries, with findings listed from highest to lowest risk. Please see the *Findings and Action Plans* section of this report for the status of the prior audit report findings.

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Maintain and follow department policies and procedures (Obj. 1) • Cash handling procedures (Obj. 2) • Manual receipt controls (Obj. 3) • Timely deposit compliance (Obj. 4) • Gift Certificate controls (Obj. 5) • Voided transaction log controls and procedures (Obj. 6) 	
Finding Summary	
None	

INHERENT LIMITATIONS

This financial review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of the inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected

CONCLUSION

The Golf Course continues to implement improvements in their operations and have met all the objectives of this audit. Therefore, no recommendations were provided in this report.



Ascarate Golf Course
For the period of February 2020 to February 2021



FINDINGS AND ACTION PLANS

Prior Audit Findings Summarized with Current Status

Status

- M Closed** 1. **Finding:** A sample of 30 manual receipts were reviewed for completeness and accuracy; fifteen (50%) contained discrepancies as noted below. Best practice is for cashiers to post manual receipts to the cashiering system as soon as possible once the system is functional. The RecWare receipt number should be entered on the manual receipt or the receipt should be stapled to the carbon copy of the manual receipt. Not implementing best practices can increase the risk of theft and loss of County collections. This is a prior audit issue.
Recommendation: Manual receipts should be entered into RecWare as soon as possible and the receipt or receipt number should be attached to the manual receipt. Under no circumstances should funds be kept in violation of LGC §113.022. We recommend management verify the posting of all manual receipts in a timely manner.
Action Plan: Employees will be retrained on how to enter a manual receipt into RecWare. This will produce a receipt that will be stapled to the corresponding receipt in the manual receipt book. We will retrain our cashiers to help rectify any deficiencies. The 14 manual receipts in question were reviewed and timely entry in RecWare was verified.
- M Closed** 2. **Finding:** All seven voided transactions occurring during the audit scope were reviewed for accuracy. Two (29%) failed to follow the current voids policies and procedures. When a transaction is voided, policies and procedures require the cashier to log the void with an explanation, their initials, and the supervisor's initials. The customer must sign the voided receipt as a verification control in the event the supervisor is not present. Management has stated that due to other Golf Course duties, it is difficult to have a second individual present at all times in the Pro Shop. Failure to follow the current void controls can lead to loss of revenue by creating an opportunity for fraud.
Recommendation: A supervisor should verify all voids are processed and recorded in the void log appropriately on a daily basis, as well as have customer signatures if required.
Action Plan: With the hiring of a Pro-Shop supervisor in February 2020 and retraining the current staff on procedures for voiding a transaction, we believe this will lead to proper voiding procedures in a timely manner.