



El Paso County
OFFICE OF THE COUNTY AUDITOR

05-08

May 14, 2025

Mr. Timothy Fulton
El Paso County Parks and Recreation Director
6900 Delta Dr.
El Paso, Texas 79905

Dear Mr. Fulton:

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 seven financial controls and four operating controls with a total of 135 samples. There was a finding noted as a result of the audit procedures, which was a prior audit finding. 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,

Barbara Parker
County Auditor

BP:HM:ya

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





Ascarate Golf Course
For the period of March 2024 to February 2025



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 (ForeUp) and are accounted for in the County's financial accounting system (Enterprise ERP). Collections for fiscal year 2023 and 2024 are illustrated below.



The audit was performed by Hadi Medina, internal auditor. The scope of the last audit performed was March 2023 to February 2024 and the related audit report was issued on June 17, 2024, with one finding.

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
7. Functioning appropriate purchasing controls	Needs Improvement
8. Management of contracts in accordance with agreed terms and conditions	Satisfactory
9. Adequate non-financial security and operational measures	Satisfactory

SCOPE

The scope of the audit is March 2024 through February 2025.



Ascarate Golf Course
For the period of March 2024 to February 2025



EXECUTIVE SUMMARY

METHODOLOGY

To achieve the audit objectives, we:

- Reviewed documented policies and procedures and interviewed staff to gain an understanding of processes for sales, lessons, customer service, tournaments, and Pro-Shop operations.
- Performed a surprise cash count in accordance with *LGC §115.0035*.
- Tested a sample of manual receipts for appropriate and timely posting to ForeUp.
- Traced and tested a sample of daily deposit slips to the financial accounting system for compliance with *LGC §113.022*.
- Tested a sample of gift certificates to determine appropriate ForeUp entry and use.
- Tested all void transactions entered in ForeUp to determine proper documentation and approval.
- Traced a sample of purchase orders for segregation of duties between requisition entry, approvals and receiving of items ordered.
- Reviewed the Youth Life Skills for Greater El Paso contract for compliance.
- Observed current security and operational processes and controls.

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 previous audit findings and related details and management action plans for the current 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)• Void controls and procedures (Obj. 6)• Management of Contract Agreement (Obj. 8)• Non-financial security and operational controls (Obj. 9)	<ul style="list-style-type: none">• Inventory controls (Obj. 7)
Finding Summary	
1. The Golf Course Pro-Shop inventory is not properly maintained (prior finding).	

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 has implemented improvements in their operations but should continue to work on weak controls reported in the current audit. Implementation of the recommendations provided in this report should assist the Golf Course in producing complete and accurate financial reports by strengthening their internal control structure.



Ascarate Golf Course
For the period of March 2024 to February 2025



FINDINGS AND ACTION PLANS

Prior Audit Findings Summarized with Current Status

M Open

1. **Finding: *Pro-Shop Inventory*:** A sample of 30 purchase orders were reviewed and traced for proper segregation of duties between requisition entry, approvals and receiving of items ordered during the scope of the audit. From the 30 sampled purchase orders, seven contained uniquely identifiable items. An inventory was conducted on the 209 items received from the seven purchase orders and compared to the items sold during the same time frame. After reconciling the inventory and merchandise sales, 13 items with a value \$326.22 were not found. It was also noted that there was an overstock of merchandise and multiple items on clearance. Inventory controls are important to ensure the Golf course prevents overstocking or understocking and keeps inventory loss to a minimum.

Recommendation: We recommend the Golf Pro-Shop supervisor improve inventory management using the inventory module of ForeUP to ensure inventory is accurate, efficiently managed and monitored. Additional recommendations include quarterly physical inventories, more visible merchandise placement to prevent theft and inventory tracking to reduce overstock and limit the number of items placed on clearance.

Action Plan: The Golf Pro-shop will explore different ways to revamp inventory management as recommended by the auditors to prevent theft and improve inventory tracking. We will continue to implement the current inventory process and ensure all inventory is accurate and safeguarded.

Status: Management is actively exploring enhanced inventory management strategies as recommended by Internal Audit to prevent theft and improve tracking. While evaluating new solutions, they continue to implement current inventory processes to ensure accuracy and security.



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FINDINGS AND ACTION PLANS

Current Audit Findings & Action Plans

Finding #1		Risk Level M									
<p>Pro-Shop Inventory: A sample of 30 purchase orders were reviewed and traced for proper segregation of duties between requisition entry, approvals, and receiving of items ordered during the scope of the audit. Of the 30 sampled purchase orders, eight contained uniquely identifiable items. An inventory was conducted of the 326 items received from the eight purchase orders and compared to the items sold during the same time frame. After reconciling the inventory and merchandise sales, 25 items with a value of \$308.83 were not found. It was also noted that merchandise inventory was kept in an unsecured back room accessible to all golf course staff. Inventory controls are important to ensure the Golf course prevents overstocking or understocking and keeps inventory loss to a minimum.</p>											
<p>Recommendation</p> <p>We recommend the Golf Pro-Shop supervisor improve inventory management using the inventory module of ForeUP to ensure that inventory is accurate, efficiently managed, and monitored. Additional recommendations include quarterly physical inventories, secured inventory rooms, visible merchandise placement to prevent theft, and inventory tracking to reduce overstock and limit the number of items placed on clearance. Policies and procedures should be updated to include efficient stock management and prevent inventory shortages.</p>											
<p>Action Plan</p> <table><tr><th>Person Responsible</th><th>Golf Course Management</th><th>Estimated Completion Date</th><th>Continuous</th></tr><tr><td colspan="4"><p>The Golf Pro-shop will explore different methods to revamp inventory management to prevent theft and improve inventory tracking. These include improved merchandise placement and entry in Fore Up, ensuring security cameras are operational, and securing the inventory room at all times. Management will also review inventory barcode and tagging procedures to avoid sales errors and ensure accurate inventory management.</p></td></tr></table>				Person Responsible	Golf Course Management	Estimated Completion Date	Continuous	<p>The Golf Pro-shop will explore different methods to revamp inventory management to prevent theft and improve inventory tracking. These include improved merchandise placement and entry in Fore Up, ensuring security cameras are operational, and securing the inventory room at all times. Management will also review inventory barcode and tagging procedures to avoid sales errors and ensure accurate inventory management.</p>			
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