



# Finance-Internal Audit & Licensing

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**Date:** August 24, 2011  
**To:** Roy E. Wilson, Director of Recreation, Parks and Cultural Affairs  
**From:** Acting Deputy Director of Finance, Internal Audit & Licensing  
**Subject:** Compliance Audit  
**Re:** Mystery Valley Golf Course

## General Information

DeKalb County and CGL of Savannah, Inc. (CGL) have a contractual agreement (Contract 03-9660 dated December 2003) to manage and maintain the Mystery Valley Golf Course (MVGC) and maintain the Sugar Creek Golf Course. As part of the agreement, MVCG remits all gross revenues to DeKalb County and then bills the County for allowable operating expenses.

## Purpose and Scope

The purpose of our audit was to determine if CGL was in compliance regarding gross revenue from credit card payments submitted to the County.

We examined records pertaining to the management of MVGC such as invoices, Z-Tapes, credit card reimbursement reports and credit card statements. Our review was conducted in accordance with Generally Accepted Auditing Standards and included other auditing procedures as were deemed necessary under the circumstances.

This audit covered the period between January 1, 2007 and December 31, 2010.

## Opinion

In our opinion, CGL did not comply with the terms of Contract 03-9660 dated December 2003, or amendments thereto as outlined in the reportable condition below.

## Significant Deficiency and Recommendation

### Significant Deficiency

In examining American Express Reimbursement Reports, Z-Tapes, and invoices submitted by CGL to Recreation, Parks and Cultural Affairs, for the period January 2007 to December 2010, the percentage of fees charge was found to differ each month. For the period June 2010 to December 2010, the percentage ranges from 2.33% to 4.27%. Fees charged on American Express statements for the period June 2010 to December 2010 were 3.20%.

In reviewing Visa/MasterCard Reimbursement Reports, Z-Tapes, and invoices, for the period March 2008 to December 2010, the fees range from 1% to 6.2%. Fees charged on Visa/MasterCard statements for the period March 2008 to December 2010 range from 2.52% to 3.35%.

CGL could not provide all monthly American Express and Visa/MasterCard statements to support these charges. No reports, Z-tapes, or invoices were submitted to Recreation, Parks and Cultural Affairs for the months of January 2008 and February 2008.

### **Recommendation**

In accordance with Contract 03-9660, "Contractor agrees to maintain its records and reports generated for the management of the Mystery Valley Golf Course for a minimum of 48 months after the termination of this contract." We recommend that CGL provide monthly credit card statements to support fees and adhere to the terms of the contract to maintain proper record keeping for a minimum of 48 months. We are also recommending that CGL remit to Recreation, Parks and Cultural Affairs the monthly credit card Reimbursement Reports, Z tapes and invoices that were not submitted.

Internal Audit would like to thank you and your staff for your cooperation.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Cornelia Louis', is written over a horizontal line.

Cornelia Louis

CL/mw

cc: Richard Stogner, Chief Operating Officer/Executive Assistant  
Joel Gottlieb, Chief Financial Officer/Finance Director  
William E. (Ted) Rhinehart, Public Works Director  
Alan Cale, Vice-President, CGL of Savannah, Inc.  
John Crumbley, Mystery Valley General Manager