



# Finance-Internal Audit & Licensing

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**Date:** August 4, 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:** Sugar Creek Golf Course

## General Information

DeKalb County and Sydmar Golf Management, Inc. have a contractual agreement (Contract 03-6594 dated August 2003) to manage Sugar Creek Golf Course (SCGC). As part of that agreement, SCGC remits all gross revenues to DeKalb County, Recreation, Parks and Cultural Affairs and then bills the County for allowable operating expenses.

## Purpose and Scope

The purpose of our audit was to follow up on the findings and recommendations of our audit dated November 15, 2006 relating to the calculation of operating expenses by Sydmar Golf Management, Inc.

We examined records pertaining to the management of SCGC such as invoices, payroll records, receipts, Z-Tapes. Records specific to payroll were reviewed for the period October 2006 to December 2010. 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 October 2006 and December 2010.

## Opinion

In our opinion, Sydmar Golf Management, Inc. did not comply with the terms of Contract 03-6594 dated August 2003, or amendments thereto as outlined in the reportable condition below.

## Significant Deficiencies and Recommendations

### Significant Deficiency

In addition to gross salaries and wages, employee payroll taxes are submitted as expenditures for payment. These expenditures are the responsibility of the employee and include federal, state, and SSI taxes. The submitting of these expenditures has resulted in an overpayment to Sydmar Golf Management, Inc. in the amount of \$11,344. These expenditures were submitted between October 2006 and December 2010.

### Recommendation

We recommend that Sydmar Golf Management, Inc. refund to DeKalb County \$11,344 for the overpayment of payroll taxes.

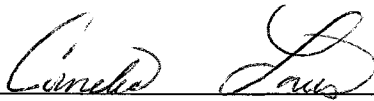
**Payroll Expenses Disbursed to Sydmar Golf Management, Inc. from Oct 2006 thru Dec 2010.**

<b>Payroll Expenses</b>	<b>Oct - Dec 2006 Analysis</b>	<b>2007 Analysis</b>	<b>2008 Analysis</b>
Gross Salaries & Hourly Wages	\$ 61,224	\$ 266,937	\$ 292,043
Employer Contributions (7.65%)	4,683	20,421	22,341
<b>Total Payroll Expenses Due</b>	<b>65,907</b>	<b>287,358</b>	<b>314,384</b>
Amount Paid by County	74,455	291,389	320,406
<b>Total Amount Due to the County</b>	<b>\$ 8,548</b>	<b>\$ 4,031</b>	<b>\$ 6,022</b>

<b>Payroll Expenses</b>	<b>2009 Analysis</b>	<b>2010 Analysis</b>	<b>Total</b>
Gross Salaries & Hourly Wages	\$ 278,329	\$ 258,189	\$ 1,156,722
Employer Contributions (7.65%)	21,292	19,751	88,488
<b>Total Payroll Expenses Due</b>	<b>299,621</b>	<b>277,940</b>	<b>1,245,210</b>
Amount Paid by County	294,284	276,020	1,256,554
<b>Total Amount Due to the County</b>	<b>\$ (5,337)</b>	<b>\$ (1,920)</b>	<b>\$ 11,344</b>

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

Sincerely,



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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  
 Rhonda Naadueba, Deputy Director of Finance – Treasury & Accounting Services  
 Marie Jackson-Dunovant, President/CEO, Sydmar Golf Management, Inc.