Date: September 20, 2021

To: Paula Boggs Muething, City Manager

From: Lauren Sundararajan, CFE, Internal Audit Manager *L S*

Copies to: Internal Audit Committee
William Weber, Assistant City Manager
Daniel Betts, Cincinnati Recreation Commission Director

Subject: **Golf Contract Compliance Audit**

Attached is the Golf Contract Compliance audit report. The primary objective of this audit was to confirm compliance with contractual terms and the efficiency of internal controls applicable to the golf contract.

We would like to thank the management and staff of the Cincinnati Recreation and Commission for their assistance and cooperation during this audit.

If you need any further information, please contact me.

Attachment

Golf Contract Compliance Audit

September 2021

CINCINNATI
city of
INTERNAL AUDIT

Lauren Sundararajan, CFE
Internal Audit Manager

Ann Herzner
Senior Internal Auditor

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Executive Summary

Internal Audit (IA) conducted a contract compliance audit of the golf contract managed by the Cincinnati Recreation Commission (CRC). The primary objective of this audit was to confirm compliance with contractual terms and the efficiency of internal controls applicable to the golf contract.

The City of Cincinnati (City) owns six golf courses throughout the Greater Cincinnati area. Collectively, these courses comprise 126 holes of golf with some facilities providing driving ranges and putting greens. Since 2003, the CRC has contracted with Indigo Golf Partners[1] (Indigo) to manage the City golf courses.

This audit revealed several opportunities for the CRC to strengthen its internal controls over the management of the golf contract. For example, IA found the Deputy Director has been involved with the contract since 2008 and his responsibilities increased when the CRC decided not to fill the Supervisor of Golf position.[2] As such, this has led to limited checks and balances, and a lack of management oversight due to the Deputy Director's position in the organization. Also, IA found the CRC does not enforce all contractual components and site visits are not occurring on a regular basis. The lack of adherence to contract terms creates the opportunity for the misuse of City funds and increases the likelihood that the execution of the contract does not adhere to City policy.

IA found the current accounting process used by the CRC to track and reconcile receipts and expenses is inefficient. One accountant is responsible for the daily and monthly reconciliations of the golf courses, which is a time-consuming process that is labor intensive and cumbersome for the accountant to maintain basic financial controls over the golf contract. Also, IA found the accountant's position is funded 100% by the Golf Municipal Fund,[3] but the accountant retains other responsibilities not associated with the golf contract.

Further, IA found the amount of free golf[4] played at the golf courses is not accurately tracked at the point of sale (POS) or by the CRC. IA could not determine the amount of free golf played at all City golf courses over a one year period because 1 out of 6 (17%) of City golf courses did not accurately track "complimentary" golf at the POS.

To strengthen the internal controls over the management of the golf contract, the following should be incorporated: reinstate the Supervisor of Golf position to provide the checks and balances needed in contract management oversight, enforce all contractual terms, conduct site visits on a regular basis, streamline the internal accounting process, ensure the accountant's salary reflects the ratio of work committed to the golf contract, and track the amount of free golf played at the CRC golf courses. Implementing these recommendations will ensure proper internal controls over the management of the golf contract.

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[1] Indigo Golf Partners was formally known as Billy Casper Golf, LLC (Casper) until November 2020. The 2003 and the 2012 golf management contracts are between the CRC and Casper.
[2] Per the City of Cincinnati Class Specification Bulletin, the Supervisor of Golf position directs, manages, supervises, and coordinates all activities and operations of the Cincinnati Municipal Golf Program. These responsibilities include turf management and maintenance, generation and collection of revenue, facility maintenance, improvements, fleet services and equipment maintenance.
[3] The Golf Municipal Fund is a Restricted Fund.
[4] Free golf recorded as "complimentary" or "vouchers" at the POS.

I. Introduction

Background

The City of Cincinnati owns six golf courses throughout the Greater Cincinnati area. These golf courses include Avon Fields, California, Glenview, Neumann, Reeves and Woodlawn. Collectively, these six courses comprise 126 holes of golf with some facilities providing driving ranges and putting greens. Each City golf course is managed by a golf professional and at a minimum, one assistant golf professional.

Since 2003, the CRC has contracted with Indigo Golf Partners to manage the City golf courses. Per contract terms, Indigo receives $17,391 per month in a Fixed Management Fee[5] for overseeing the golf courses. In addition to the Fixed Management Fee, Indigo may receive an Incentive Management Fee based upon the gross revenue exceeding $6.4 million[6] during the operating year.

Currently, the CRC's Deputy Director (contract administrator) is responsible for overseeing and enforcing the contract terms while an accountant is responsible for managing the fiscal operations. However, the CRC's table of organization (TO) reflects a vacancy for the position of Supervisor of Golf. This full time position, which served to enforce contract terms, has not been filled permanently since 2014.

Additionally, there is a Golf Advisory Council (GAC) that was created in 1932.[7] The GAC's purpose is to provide value to the CRC by "engaging and interacting with golfing patrons at various CRC golf venues."[8] This may include "obtaining comments and suggestions for improvements" and "assist[ing] the contractor and contractor's staff in junior golf development."[9] This volunteer body's specific purpose is to serve as "advisors [and] not policy makers regarding" to the CRC." Records given to IA reflect the GAC has not met since 2019.[10]

[5] CRC Memo – 2021 Fixed Management Fee; Section 3(B)(1)a.
[6] Section 3(B)(2)a.
[7] Buress, Gene "A Golf Journey – Golf was My God." Lincoln, NE: p.58.
[8] Bylaws of the Golf Advisory Council, Article II.
[9] Ibid.
[10] The CRC files reflect August 2019 as the last meeting date.

Audit Selection
IA conducted this audit in accordance with the current Audit Work Plan.

Audit Objective
To confirm compliance with contractual terms and the efficiency of internal controls applicable to the golf contract.

Audit Scope and Methodology
To achieve the audit objective, Internal Audit (IA) reviewed reports, interviewed appropriate staff, sought verification of actions through documented files, and collected key data to support findings. IA audited the current golf contract, effective January 1, 2012. Records reviewed included data from 2018 to present. Additionally, the primary focus was on the CRC controls in place, and not on the performance of the contracted management company.

Statement of Auditing Standards
As required by the Cincinnati Administrative Code Article II §15, this audit was conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS), except for standard 5.60 pertaining to external peer review requirements. This exception did not have a material effect on the audit.

IA continues to conduct internal quality reviews to assure the conformance with applicable GAGAS. IA performed the fieldwork between April 2021 to July 2021.

Commendations
IA commends the staff of the Cincinnati Recreation Commission for their cooperation throughout the audit.

II. Audit Findings and Recommendations

The audit report is divided into three sections: Golf Operations, Financial Operations, and Management Review and Oversight. The risks identified in these areas are discussed below.

Golf Operations

Additional management review and oversight is needed over the contract administrator.

IA was informed the Deputy Director has been involved with the Indigo golf contract since 2008. He is highly skilled in golf management operations and has been an asset to the CRC because of his expertise and professional background in this area. However, in 2014 the Supervisor of Golf, who served as the contract administrator, retired. At that time, the CRC made the decision to keep the position vacant and instead separate the job responsibilities and have the Deputy Director oversee and enforce the contract terms, and have an accountant be responsible for managing the fiscal operations. This has led to limited checks and balances and a lack of management oversight of the Deputy Director's role due to his position in the organization.

Recommendation 1: To ensure objectivity over contract monitoring, the CRC should reinstate the Supervisor of Gulf position to ensure proper checks and balances exist.

Department Response: Agree. It is important to note that this observation contradicts the 2008 Municipal Golf Internal Audit. That audit states: "The current position of Supervisor of Golf is underutilized". Current oversight responsibilities do not warrant a full-time position. Since that 2008 observation, additional tools such as online customer reviews, environmental audits, safety audits, quarterly site audits and Agronomic Reports have been incorporated that have further streamlined the process for operational oversight.

The department is reviewing the current job duties as written for the Supervisor of Golf position with the goal of aligning/balancing the needs for more consistent and structured oversight, with added duties to include some accounting and internal CRC golf development support. The senior leadership of the CRC in partnership with City Human Resources department will be responsible for the development the revised job description. The department has set a goal to have this revised job description complete by year end 2021.

The CRC does not enforce all contractual components.

Contractual provisions further the integrity and viability of a legally binding document. However, IA found the contract administrator is not consistent in the enforcement of the contractual components. The lack of adherence to contractual provisions creates the opportunity for the misuse of funds and increases the likelihood that the execution of the contract does not adhere to City policy.

For example, IA found there is no Annual Capital Improvement Plan. Section E. Capital Expenditures, subsection 1 states:

> Contractor shall counsel and advise the Commission
> on needs for repair of facilities, improvements and replacements,
> and shall include such repairs, improvements and replacements
> in the Annual Capital Improvement Plan.

The lack of a capital improvement plan significantly hinders a third party's ability to verify whether capital projects were completed on time, within budget, and within the terms of the contract.

Additionally, IA found the remittance fee for operating year 2020 was waived and did not meet the contract deadline of January 15th. Section 3(A)(1)(b) states "If the total operating year/fiscal year of remittances on Section 3. Fees A. (1)(a) above is less than two hundred twenty thousand dollars ($220,000), the Contractor, on or before January 15 of every year during the term of this agreement...[sic] shall remit to the Commission the difference between the total remittances…"

In this situation, Indigo recorded approximately $210K in food and beverage sales for operating year 2020. Due to the City's closure of all golf courses last year for approximately 45 days, the City decided to waive the 2020 remittance fee. However, this decision was not made and presented to Indigo until May 2021, four months after the January 15th deadline. If the deadlines set forth within the contact are not adhered to, this may impact the legality of the contract and CRC's relationship with Indigo.

Further, IA found 2 out of 4 golf pros (50%) are not PGA members or enrolled in the PGA Apprenticeship Program. Section (C)(2) of the golf contract states:

> The Contractor shall assign only members of the Professional Golfers Association of America ("PGA") as Head Professionals at City Golf Courses. PGA members assigned as Head Golf Professionals at City Golf Courses need not be Class A members; however, they must be in the PGA Apprenticeship Program at a minimum.

Recommendation 2: Enforce the contract terms.

Department Response: Agree. The contract is outdated and does not reflect all the operational changes that have occurred over the past ten years. Specific to the items noted in the report:

Specific capital needs for the golf facilities will be incorporated into CRC's Six-Year Capital Assessment Plan. The CRC Planning and Development Division will oversee all capital projects to ensure they are completed on time, within budget, and within the terms of the contract.

It is not uncommon for the year-end reconciliation to be addressed past the January 15th deadline. This will be addressed in the new contract by adjusting this timeline to better align with the availability of year-end results.

The audit sates that "2 out of 4 golf pros (50%) are not PGA members or enrolled in the PGA Apprenticeship Program". However, at the time of their appointments, they were both registered, and/or their predecessors were depending on the timing and the facility. The two pros that are currently not meeting these contractual conditions have both been in the program in the past (during the current contract period).

The golf facilities will be incorporated into CRC's Six-Year Capital Assessment Plan. The department will adjust the new contract language to address the timing of the year-end reconciliation process. The department will adjust the new contract language to address PGA requirements. These items will be completed with the execution of the new agreement.

The CRC contract files are incomplete.

Maintaining complete and accurate files is essential to managing City contracts. To determine if the CRC's files accurately reflect Indigo's compliance with the insurance policies as stated in section 11 of the golf contract, IA requested copies of the general liability insurance certificates, vehicular liability insurance certificates, and worker's compensation insurance certificates for fiscal years 2019 - 2021. IA found that 4 out of 9 (44%) insurance certificates were not maintained in the CRC files. Without having the proper documentation on file, the CRC is unable to maintain transparency and compliance with contractual terms.

Recommendation 3: Maintain copies of current insurance policies.

Department Response: Agree. Any missing insurance certificates will be added to the CRC files to ensure the file is current and complete. Moving forward, this responsibility will be performed by the Supervisor of Golf position. This item has been addressed; files will be updated to include the missing items.

Site visits are not conducted on a regular basis and lack key documentation.

The contract administrator is responsible for conducting site visits to ensure golf operations are in compliance with contract terms. These site visits may vary from once per month to once every few months, depending upon the contract administrator's availability. Because the site visits depend upon the contract administrator's availability, this creates an inconsistency in the frequency of golf course visits. The lack of cohesiveness among the site visits may also create irregularities in the management of clubhouse operations and contract compliance.

Additionally, IA found that after a site visit is completed by the contract administrator, key documentation is not maintained. Establishing a case file with material to support the date of the visit, details observed, and other pertinent information is necessary to illustrate the frequency of golf course visits, if the contractor is adhering to contractual terms, and how the department adequately manages the golf courses.

Further, IA visited the six City courses in June 2021 and was informed golf pros submit self-audits quarterly to Indigo's corporate office. However, IA found the contract administrator is not verifying the information when visiting the golf courses.

Recommendation 4: The contract administrator should establish a routine schedule to visit the golf courses and document key information after each site visit.

Department Response: Agree. Course inspections will be routinely scheduled, recorded, and documented in specific CRC files by the contract administrator. This process will begin April 2022.

Recommendation 5: The contract administrator should obtain copies of the quarterly audits performed by the golf pros and verify the information when visiting the golf courses.

Department Response: Agree. This will be incorporated into the inspection process mentioned above and conducted by the contract administrator. This process will begin in April 2022.

Financial Operations

The internal process used to track and reconcile receipts and expenses is inefficient.

IA found that the current accounting process used by the CRC to track and reconcile receipts and expenses is inefficient. For example, one accountant is responsible for the daily and monthly reconciliations of all six golf courses. This requires reviewing and reconciling financial reports and deposit slips, preparing receipts from deposits, ensuring revenue is accurately coded and entered into the Cincinnati Financial System (CFS), and monitoring overages and shortages. When performing these duties, key financial information is pulled and utilized from a variety of websites and databases needed to fulfill contract terms. Therefore, this time-consuming process of obtaining, verifying, and calculating the financial data becomes labor intensive and cumbersome for the accountant to maintain basic financial controls over the golf contract.

Recommendation 6: Streamline the accounting process used to reconcile the receipts collected from the golf courses.

Department Response: Agree. The process for reconciling daily cash receipts will be reviewed in detail to identify and remove any unnecessary steps in the reconciliation process. This review will be performed along with the department's cash handling procedures. This review will be the responsibility of the CRC CFO or his/her delegate. This review is anticipated to be completed by the end of 2nd quarter.

An employee roster is not maintained by the accountant when processing payroll.

The CRC reimburses Indigo for payroll benefits once per month. This function is performed by the accountant and involves checking employee names and comparing it to the company's payroll register. When performing this function, IA found the accountant does not maintain an employee roster. Instead, the accountant relies upon the payroll report. According to the Association of Certified Fraud Examiners (ACFE), payroll fraud is "one of the most common types of employee fraud" and "occurs in 27% of businesses and lasts for an average of 36 months."[11] Maintaining an employee roster is essential to reduce payroll fraud and ensure proper payment is made to the appropriate employees.

Recommendation 7: Maintain a list of current Indigo employees from the company's Human Resources (HR) department.

Department Response: Agree. This information is already contained within the by-weekly payroll batches processed by the CRC golf accountant. This item review can be requested as necessary by the CRC HR division, golf accountant or contract administrator. It would be the responsibility of the contract administrator to facilitate. Access to this information is already in place.

[11] Association of Certified Fraud Examiners – *Types of Fraud and Theft*, p. 6.

The accountant's position is funded 100% by the Golf Municipal Fund, but the accountant retains other job responsibilities.

There is one full time accountant assigned to the financial operations of the golf contract. This position is paid for by the Golf Municipal Fund (the fund that supports the golf contract). By definition, the Golf Municipal Fund is an enterprise fund, which is a type of restricted fund that is used to account for the expenditures and revenues of an enterprise operation. [12]
Because the Golf Municipal Fund is an enterprise fund, the expenditures disbursed must support the contract terms. IA determined through City payroll reports for fiscal years 2019 – 2021 that the accountant's entire salary is paid through the Golf Municipal Fund. However, through staff interviews IA found the accountant is spending approximately 60 – 75% of his time on golf operations. As such, the Golf Municipal Fund disbursements should accurately reflect this information. Good stewards of City funds must ensure the expenditures associated with the contract support the amount of time paid from the enterprise fund. The failure to manage the financial guidelines set forth by the City presents poor fiscal responsibility of public funds.

Recommendation 8: Ensure the accountant's salary reflects the ratio of work committed to the golf contract.

Department Response: Agree. The department is reviewing the current job duties as written for the Golf Accountant position with the goal of aligning the percentage of work performed in support of the golf operations, to the golf accounting responsibilities. The senior leadership team of the CRC will be responsible for the review of this position and current work responsibilities and any changes. The department goal is to have the above process complete and adjusted the CRC golf oversight cost to reflect the work performed by all CRC staff by Spring 2022.

The amount of free golf played is not accurately tracked at the point of sale (POS) or by the CRC.

Tracking pertinent data is necessary to ensure there is no waste and abuse of City property and resources. One way to ensure public golf courses are not being misused by the contractor and the public is to track the amount of free golf played throughout the year. Tracking free golf is necessary because of the possible costs incurred from golf course repairs as a result of the extra play.

IA attempted to determine the amount of free golf played at all City golf courses over a one year period.[13] This process entailed reviewing POS reports and understanding how free golf is entered into the system. In the POS reports, free golf can be recorded as "complimentary"[14] or "voucher".[15] IA reviewed the POS reports and found 1 out of 6 (17%) of City golf courses did not accurately track "complimentary" golf. As a result, IA could not calculate the total number of rounds (of free golf) played over a one year period. However, when this deficiency was brought to Indigo's attention by IA, they rectified the situation immediately.

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[12] City of Cincinnati – Approved FY 2021 Budget Update, p. 462.
[13] Calendar Year (CY) 2020.
[14] Complimentary Golf is defined as outing certificates used to solicit large clients; thank businesses for outings; league players receive a free 9-hole certificate as a thank you for their continued support; provided to a guest that may have had a bad experience in attempt to retain loyalty.
[15] Voucher is defined as Indigo employees playing the City golf courses for free.

Additionally, IA found the CRC is not tracking the amount of free golf play at City courses. The failure to track this information can negatively impact golf course operations and cause the potential for misuse of City property and resources.

Recommendation 9: Ensure the POS system used at all City golf courses accurately records complimentary golf rounds.

Department Response: Agree. This practice is already in place and accurate records are available. The one item noted from the audits has already been addressed and corrected.

Recommendation 10: Track the amount of free golf played at City golf courses on a continuous basis to ensure there is not waste and abuse of City property and resources.

Department Response: Agree. This information can easily be incorporated into the monthly revenue reports that are provided to CRC. Oversight of this responsibility will be with the contract administrator. This practice will be addressed starting in October 2021.

Management Review and Oversight

The staff privileges policy is outdated, and the policy is not signed by Indigo employees.

It is standard practice in the golf industry to provide complimentary golf to golf course personnel as a method of compensation and to attract potential employees. As such, the CRC has developed a staff privileges policy for Indigo employees to adhere to the CRC's terms for free golf. After careful review of the staff privileges policy, IA found the policy is outdated.

For example, the language used in the policy is written for the CRC employees. IA confirmed with the contract administrator that the CRC employees are not entitled to complimentary golf. Instead, the policy is directed toward Indigo employees. Updating the policy with the appropriate language is essential to ensure Indigo employees are in compliance with City policy.

Additionally, IA found the policy is not signed by Indigo employees during their onboarding process. According to the document, the policy requires the employee to sign and date the policy (at the bottom), by acknowledging their understanding of the City's free golf policy. Proper oversight to this critical detail by the City is imperative to ensure that Indigo employees do not waste or abuse City golf resources.

Recommendation 11: Update the staff privileges policy with the correct language to maintain accuracy and consistency.

Department Response: Agree. The policy will be updated to reflect the policy only pertains to golf contractor employees. It will be the responsibility of the contract administer to address any changes to the policy. Suggested changes to current policy have been completed.

Recommendation 12: To ensure Indigo employees sign the staff privileges policy, request an electronic copy of the signed document upon completion of the new hire.

Department Response: Agree. This requirement will be incorporated into the new agreement and incorporated into the golf contractors electronic on-boarding process.

The golf contract does not require Indigo to undergo a financial audit by a third party.

Financial audits are important because they provide credibility to financial statements and give shareholders confidence that accounts are true and fair. After reviewing the golf contract and meeting with an Indigo employee, IA found the golf contract does not require Indigo to undergo a financial audit from a third party. Updating the contract language by requiring the company to undergo a third party financial audit ensures the organization's internal controls are strong, financial statements are accurate, and they are good agents of public funds.

Recommendation 13: Amend the contract to require Indigo to undergo a financial audit by a third party.

Department Response: Agree. Statement from contractor, Indigo CFO below.

"Indigo/BCG has conducted a yearly Review of our Consolidated Financial Statements, which included Cincy Indigo/BCG financials. Indigo/BCG also has individual yearly course audits performed by Baker Tilly and other audit firms. These include an understanding of our internal controls and performing normal audit procedures on our financial statements."

The contract administrator will incorporate language into the contract that provides the city availability to these audits upon request/annually. This item will be completed with the execution of the new agreement.

There is no succession plan for the positions administering the golf contract.

Succession planning is the process of identifying alternative personnel who have the skills to fulfill the duties of the organization's primary positions. This entails documenting current processes to allow for a seamless transition of personnel in case of one's departure. Currently, two positions[16] within the CRC are responsible for managing the financial and operational components of the golf contract. Together, these employees have over 44 years in public service. In the event they depart from their position, it is imperative that the fundamental components of managing the contract terms are documented and shared with a successor to ensure business continuity.

Recommendation 14: Establish a succession plan for the positions associated with the golf contract.

Department Response: Agree. The filling of the Supervisor of Golf position will be initiate this process. Additional discussions are necessary to complete this objective.

[16] Deputy Director and Accountant.

III. Conclusion

The CRC is responsible for the oversight and management of the golf contract. To ensure the contract is adequately monitored and terms are enforced, strong internal controls must exist within the department.

To improve the CRC's internal control structure, IA recommends the following: reinstate the Supervisor of Golf position to provide the checks and balances needed in contract management oversight, enforce all contractual terms, streamline the internal accounting process, ensure the accountant's salary reflects the ratio of work committed to the golf contract, and track the amount of free golf played at the CRC courses. Implementing these recommendations will ensure the proper internal controls over the management of the golf contract.

IV. Cincinnati Recreation Commission Response

Recommendation 1: To ensure objectivity over contract monitoring, the CRC should reinstate the Supervisor of Gulf position to ensure proper checks and balances exist.

Department Response: Agree. It is important to note that this observation contradicts the 2008 Municipal Golf Internal Audit. That audit states: "The current position of Supervisor of Golf is underutilized". Current oversight responsibilities do not warrant a full-time position. Since that 2008 observation, additional tools such as online customer reviews, environmental audits, safety audits, quarterly site audits and Agronomic Reports have been incorporated that have further streamlined the process for operational oversight.

The department is reviewing the current job duties as written for the Supervisor of Golf position with the goal of aligning/balancing the needs for more consistent and structured oversight, with added duties to include some accounting and internal CRC golf development support. The senior leadership of the CRC in partnership with City Human Resources department will be responsible for the development the revised job description. The department has set a goal to have this revised job description complete by year end 2021.

Recommendation 2: Enforce the contract terms.

Department Response: Agree. The contract is outdated and does not reflect all the operational changes that have occurred over the past ten years. Specific to the items noted in the report:

Specific capital needs for the golf facilities will be incorporated into CRC's Six-Year Capital Assessment Plan. The CRC Planning and Development Division will oversee all capital projects to ensure they are completed on time, within budget, and within the terms of the contract.

It is not uncommon for the year-end reconciliation to be addressed past the January 15th deadline. This will be addressed in the new contract by adjusting this timeline to better align with the availability of year-end results.

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Recommendation 3: Maintain copies of current insurance policies.

Department Response: Agree. Any missing insurance certificates will be added to the CRC files to ensure the file is current and complete. Moving forward, this responsibility will be performed by the Supervisor of Golf position. This item has been addressed; files will be updated to include the missing items.

Recommendation 4: The contract administrator should establish a routine schedule to visit the golf courses and document key information after each site visit.

Department Response: Agree. Course inspections will be routinely scheduled, recorded, and documented in specific CRC files by the contract administrator. This process will begin April 2022.

Recommendation 5: The contract administrator should obtain copies of the quarterly audits performed by the golf pros and verify the information when visiting the golf courses.

Department Response: Agree. This will be incorporated into the inspection process mentioned above and conducted by the contract administrator. This process will begin in April 2022.

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Department Response: Agree. The process for reconciling daily cash receipts will be reviewed in detail to identify and remove any unnecessary steps in the reconciliation process. This review will be performed along with the department's cash handling procedures. This review will be the responsibility of the CRC CFO or his/her delegate. This review is anticipated to be completed by the end of 2nd quarter.

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Recommendation 9: Ensure the POS system used at all City golf courses accurately records complimentary golf rounds.

Department Response: Agree. This practice is already in place and accurate records are available. The one item noted from the audits has already been addressed and corrected.

Recommendation 10: Track the amount of free golf played at City golf courses on a continuous basis to ensure there is not waste and abuse of City property and resources.

Department Response: Agree. This information can easily be incorporated into the monthly revenue reports that are provided to CRC. Oversight of this responsibility will be with the contract administrator. This practice will be addressed starting in October 2021.

Recommendation 11: Update the staff privileges policy with the correct language to maintain accuracy and consistency.

Department Response: Agree. The policy will be updated to reflect the policy only pertains to golf contractor employees. It will be the responsibility of the contract administer to address any changes to the policy. Suggested changes to current policy have been completed.

Recommendation 12: To ensure Indigo employees sign the staff privileges policy, request an electronic copy of the signed document upon completion of the new hire.

Department Response: Agree. This requirement will be incorporated into the new agreement and incorporated into the golf contractors electronic on-boarding process.

Recommendation 13: Amend the contract to require Indigo to undergo a financial audit by a third party.

Department Response: Agree. Statement from contractor, Indigo CFO below.

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The contract administrator will incorporate language into the contract that provides the city availability to these audits upon request/annually. This item will be completed with the execution of the new agreement.

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Department Response: Agree. The filling of the Supervisor of Golf position will be initiate this process. Additional discussions are necessary to complete this objective.