



September 29, 2014

City of Saskatoon – City Clerk’s Office
Attention: Secretary – Standing Policy Committee on Finance
222-3rd Avenue North
Saskatoon, Saskatchewan S7K 0J5

Audit Report – Golf Course Inventory System

The 2013-2014 Corporate Audit Plan included provision to conduct a financial system audit of the inventory system at the City of Saskatoon’s golf courses. This system was last audited by Robert Prosser & Associates, Inc. in October 2005.

The Recreation and Sport Division uses the inventory module of the point of sale system (RecTrac) to manage inventory at the golf courses. The RecTrac system was purchased in 2010 and implemented at the City’s golf courses in April 2011. Retail inventory at all three golf courses and lounge inventory at Holiday Park golf course are all managed in RecTrac. However, ownership of the inventory varies by course:

- Holiday Park
 - Retail Pro Shop inventory is owned by the Pro-Manager and 100% of the sales revenue is earned by the Pro-Manager.
 - Lounge inventory is owned by the City and 100% of the sales revenue is earned by the City.
- Silverwood
 - Retail Pro Shop inventory is owned by the Pro-Manager and 100% of the sales revenue is earned by the Pro-Manager.
- Wildwood
 - Retail Pro Shop inventory is owned by the City and 75% of the net sales revenue is paid to the Pro-Manager as a commission.

The scope of the audit focused on the inventory that is owned by the City (i.e., retail Pro Shop inventory at Wildwood golf course and lounge inventory at Holiday Park golf course). Inventory owned by Pro-Managers was not examined. The objectives of the audit were to determine if there are adequate controls in place to ensure:

- complete, accurate and timely recording of purchases and issuances (i.e., sales),
- valid and accurate processing of adjustments,
- appropriate and consistent valuation of inventory, and
- opportunities for theft, fraud and misappropriation are minimized.

Management is currently working on implementation of the recommendations.

Respectfully submitted,

Nicole Garman, CA, CIA, CGAP
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