COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL

(1) DEPARTMENT	(2) MEETING DATE	(3) CONTACT/PHONE
Auditor-Controller	April 25, 2006	Chintana Mainous 781-1927

(4) SUBJECT

Submittal of an audit report on the Pro Shop concessionaire at Morro Bay Golf Course for the period of January 1, 2004 through November 30, 2005.

(5) SUMMARY OF REQUEST

The objective of the review was to verify the concessionaire's compliance with the fiscal provisions of the concession agreements and to evaluate the adequacy of internal controls over the concessionaire's accounting records. We determined the concessionaire to be in general compliance with the contract.

(6) RECOMMENDED ACTION

We recommend that the Board receive and file the report. No departmental response is required.

(7) FUNDING SOURCE(S)	(8) CURRENT YEAR COST	(9) ANNUAL COST	(10) BUDGETED?
N/A	N/A	N/A	☐ YES ☒ N/A ☐ NO

(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST):

(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? ☒ No ☐ Yes, How Many? _____
☐ Permanent _____ ☐ Limited Term ____ ☐ Contract _____ ☐ Temporary Help _____

(13) SUPERVISOR DISTRICT(S)
1st, 2nd, 3rd, 4th, 5th, All

(14) LOCATION MAP
☐ Attached ☒ N/A

(15) AGENDA PLACEMENT
☒ Consent ☐ Hearing (Time Est. _____)
☐ Presentation ☐ Board Business (Time Est._____)

(16) EXECUTED DOCUMENTS
☐ Resolutions (Orig + 4 copies) ☐ Contracts (Orig + 4 copies)
☐ Ordinances (Orig + 4 copies) ☒ N/A

(17) NEED EXTRA EXECUTED COPIES?
☐ Number: _____ ☐ Attached ☒ N/A

(18) APPROPRIATION TRANSFER REQUIRED?
☐ Submitted ☐ 4/5th's Vote Required ☒ N/A

(19) ADMINISTRATIVE OFFICE REVIEW

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4-25-06

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County of San Luis Obispo
Office of the Auditor-Controller
Room D220 County Government Center
1055 Monterey Street
San Luis Obispo, California 93408
(805) 781-5040 FAX (805) 781-1220

GERE W. SIBBACH, CPA
Auditor-Controller
BILL ESTRADA
Assistant

TO: HONORABLE BOARD OF SUPERVISORS

FROM: GERE W. SIBBACH, AUDITOR-CONTROLLER by BE

DATE: APRIL 25, 2006

SUBJECT: SUBMITTAL OF AN AUDIT REPORT ON THE PRO SHOP CONCESSIONAIRE AT MORRO BAY GOLF COURSE FOR THE PERIOD OF JANUARY 1, 2004 THROUGH NOVEMBER 30, 2005.

Recommendation
We recommended that the Board receive and file the report. No departmental response is required.

Discussion
The objective of the review was to verify the concessionaire's compliance with the fiscal provisions of the concession agreements and to evaluate the adequacy of internal controls over the concessionaire's accounting records. We determined the concessionaire to be in general compliance with the contract.

Other Agency Involvement
None.

Financial Considerations
Morro Bay Golf Course generates approximately $1,930,000 in revenue annually.

Intended Results
The Auditor-Controller's program of periodic concessionaire audits is intended to verify compliance with financial provisions of the concession agreements.

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GERE W. SIBBACH, CPA
Auditor-Controller
BILL ESTRADA
Assistant

April 6, 2006

Duane Leib, Director of General Services
County of San Luis Obispo, Department of General Services
1087 Santa Rosa Street
San Luis Obispo, CA. 93408

Dear Mr. Leib:

Our office recently completed a review of the Morro Bay Golf Course Pro Shop concessionaire, Comerford Inc., d.b.a. Fairway Management for the period of January 1, 2004 through November 30, 2005.

Purpose

The objective of the review was to verify the concessionaire's compliance with the fiscal provisions of the concession agreements and to evaluate the adequacy of internal controls over the concessionaire's accounting records.

Scope

The review period covered was January 1, 2004 through November 30, 2005. We reviewed and tested the revenue recording procedures, green fees, and golf cart rental payment calculations. We reconciled daily cash receipts through daily and monthly cash receipts, and sales tax returns to revenue amounts reported to the County of San Luis Obispo. In addition, we reviewed insurance coverage, and required certificates.

Finding and Recommendation

The results of our examination revealed that the concessionaire is in general compliance with the fiscal provisions of the concession agreements.

Recommendation

None

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We appreciate the courteous attitude and cooperation from Fairway Management and General Services staff that we received during the course of our review.

Sincerely,

Gere W. Sibbach, CPA
Auditor-Controller

Norman L. Booth, CPA
Chief Internal Auditor

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