



Angelina “Angel” Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

1115 Manatee Avenue West, Bradenton, Florida 34205 - Phone (941) 749-1800 – Fax (941) 741-4082
P.O. Box 25400, Bradenton, Florida 34206 - www.manateeclerk.com

MEMORANDUM

TO: Charlie Hunsicker, Director, Parks and Natural Resources Department

FROM: Angelina “Angel” Colonnese, Clerk of the Circuit Court and Comptroller 

DATE: May 31, 2017

RE: Pope Golf Contract Follow-up Audit

The Internal Audit Department has completed a follow-up audit of the Parks and Natural Resources (Parks) Department’s franchise license agreement with Pope Golf, LLC (Pope Golf) based on the Clerk of the Circuit Court’s audit report issued March 1, 2016. This follow-up audit consisted of reviewing and testing the management action plans included in the original report to ensure that corrective actions have been implemented by the Parks Department. The scope of the follow-up audit included the three-month period ending December 31, 2016.

In 2011, Manatee County elected to outsource operations of the County’s two public golf courses. Through the competitive bid process, Pope Golf was awarded exclusive rights for the operation and maintenance of the Manatee County and Buffalo Creek golf courses through a Franchise License Agreement executed on August 12, 2011. An Amended and Restated Franchise License Agreement, executed October 11, 2016, extended the arrangement through July 31, 2021. Compensation to Manatee County is based on a percentage of the revenues generated by Pope Golf’s operations at both of the golf courses. Contract oversight is provided by the Parks Department.

We are pleased with the corrective actions taken by management since the original audit. Pope Golf has provided the Parks Department with a current fee schedule and all relevant third-party contracts. In addition, the Parks Department has approved the discounts and complimentary rounds being offered by Pope Golf. The Amended and Restated Franchise License Agreement still requires Pope Golf to remit a percentage of its gross receipts to be maintained in reserves for capital improvements; however, a minimum balance is no longer required to be maintained. The Parks Department is tracking the balance of those reserves.

During the April 20, 2017 exit meeting, your management staff, together with the Internal Audit Department, discussed areas where further attention is needed and agreed on the following management action plans.

“Pride in Service with a Vision to the Future”

Clerk of the Circuit Court – Clerk of Board of County Commissioners – County Comptroller – Auditor and Recorder

ANNUAL PASSES

As part of our testing of complimentary (free) rounds, we tested a sample of annual pass rounds recorded in the point-of-sale (POS) system. Golfers who purchase annual passes can play for no additional charge throughout the year.

For 31 of the 136 annual pass rounds tested (23%) at the Manatee County course, the golfers who received free (annual pass) rounds could not be verified as pass holders due to the following: the golfer's name was recorded as "guest" on the tee sheet; the golfer's name listed on the tee sheet was not an annual pass holder; and/or multiple golfers were checked in under one annual pass holder's name. It appears that most of these errors were due to a new employee checking in golfers incorrectly during the early months of his employment and did not appear to be a persistent issue.

No exceptions were noted at the Buffalo Creek course.

Management Action Plan:

The Contract Manager will incorporate a review of tee sheets during her site visits and quarterly inspections at the golf courses to verify that annual pass rounds listed on the tee sheets are assigned to a registered annual pass holder.

Implementation is anticipated by September 30, 2017.

FINANCIAL REPORTS

The original Franchise License Agreement and its amendments, require that Pope Golf submit certain financial reports to the County including monthly statements, quarterly reports, and an annual report prepared by an independent CPA attesting to the accuracy of reports and gross receipts per month arising from Pope Golf's operations under the Franchise License Agreement. In addition, beginning with the First Amendment to the Franchise License Agreement executed August 23, 2011, Pope Golf is also required to obtain an annual audit of its financial statements related to its management of the County courses. Beginning with the Amended and Restated Franchise License Agreement effective October 1, 2016, the audit report must be submitted to the County by June 15th of each calendar year during the term of the agreement.

While the Parks Department has received the required monthly statements and quarterly reports from Pope Golf, the County has not received any annual audit reports or attestations during the term of its agreement with Pope Golf.

Management Action Plan:

Management has requested a copy of Pope Golf's financial statement audit report and the required attestation for the final contract year of the original Franchise License Agreement which expired September 30, 2016. They will continue to monitor the documentation submitted to ensure that Pope Golf submits all required reports in the future.

Implementation is anticipated by June 15, 2017.

We would like to thank you and your staff for the attention given to the audit findings and the assistance given to the Internal Audit staff. Another follow-up audit will be scheduled after implementation of the Management Action Plans.

AMC/LJS/JEB

cc: Board of County Commissioners
Ed Hunzeker, County Administrator
Dan Schlandt, Deputy County Administrator
Karen Windon, Deputy County Administrator
Mitchell Palmer, County Attorney
Dan Wolfson, Finance Director, Clerk of the Circuit Court