

**Management’s Response to the Auditor General’s Review of  
Parks, Forestry and Recreation Division – Review of the Management of the City’s Golf Courses**

<u>Rec No</u>	<u>Recommendation</u>	Agree (X)	Disagree (X)	<u>Management Comments:</u> <i>(Comments are required only for recommendations where there is disagreement.)</i>	<u>Action Plan/ Time Frame</u>
1.	<p><b>City Council direct the General Manager, Parks, Forestry and Recreation Division to develop a long term business and marketing plan for the City’s golf courses. The plan should address the following:</b></p> <ul style="list-style-type: none"> <li><b>a. the development of a marketing plan in consultation with Golf Plus which includes a “promotion program and product development” as required by the agreement between the City and Golf Plus</b></li> <li><b>b. strategies and performance targets to stimulate participation at each golf course and increase revenue over the next number of years</b></li> <li><b>c. strategies and performance targets to reduce expenditures at each golf course over the next number of years</b></li> </ul>	X		<p>PF&amp;R is finalizing the Recreation Service Plan and Parks Service Plan for Council approval. A business and marketing plan for the City's golf courses that is aligned with the Service Plans and addresses the issues raised in the recommendation will be developed subsequent to the Council approval of the Service Plans.</p>	December 2013

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	<p><b>d. a review of the current operating model in detail particularly as it relates to the core golf business as well as ongoing maintenance costs</b></p> <p><b>e. a review of the operating results of underperforming golf courses and determine whether or not such golf courses are financially viable in the long run</b></p> <p><b>f. “cross marketing” with other City facilities including the potential to allow golf rounds to be purchased at various recreation centres and arenas</b></p> <p><b>g. coordinate the marketing of the golf courses with the promotion of the City as a whole. Such a process be addressed in consultation with the City’s Economic Development and Culture Division</b></p>				

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	<p><b>h. review or implement communication strategies such as an eNewsletter or social media tools to fill last minute golf rounds</b></p> <p><b>i. consult and coordinate business planning efforts with other golf facilities throughout North America as well as the National Golf Foundation. The Division should consider membership in the National Golf Foundation</b></p> <p><b>j. include incentive provisions in the long term agreement with Golf Plus or any successor contract.</b></p>				

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2.	<p><b>City Council request the General Manager, Parks Forestry and Recreation Division to review in detail maintenance requirements at each of the City’s Golf Courses. Such a review to include consultation with the National Golf Foundation, other municipal golf courses and where possible, operators of other public golf courses throughout the Greater Toronto Area. In addition, the review to include an analysis of the costs of each of the city’s golf courses to ensure that where appropriate costs of each course are comparable and reasonable. Further, such analysis include a review of the correlation between maintenance costs, number of rounds played and green fees.</b></p>	X		<p>Management will review the maintenance requirements at each golf course in consultation with the industry representatives to determine maintenance service levels. The costs for the golf courses will be analyzed in comparison to the industry examples.</p>	December 2013

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3	<b>City Council request the General Manager, Parks, Forestry and Recreation Division to initiate a formal review and reporting process in connection with both monthly and annual financial results of each of the City's golf courses. In situations where financial results appear to be unusual, explanations should be obtained, investigated and documented and acted upon.</b>	X		PF&R Management Services will work with the Supervisor, Golf Courses to ensure actual expenditures are charged to the right course, central expenditures are properly allocated between the five courses and that revenue and expense variances are analyzed and explained monthly.	October 2012
4.	<b>City Council request the General Manager, Parks, Forestry and Recreation Division to include in its long term business plan a capital requirements analysis and funding model for each of its golf courses. Such a funding model take into account the competing funding demands throughout the City.</b>	X		Capital requirements and funding for golf courses is currently maintained in the same manner with other Recreation programs and facilities including arenas, pools, community centres, golf courses. Capital state of good repair maintenance is prioritized by need and revenues offset the divisional budget. A business case where a percentage of net revenues are set aside for SOGR will be included in 2014 Operating Budget for Council's consideration.	December 2013

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5.	<p><b>City Council request the General Manager, Parks, Forestry and Recreation Division review opportunities to make more effective use of information technology in the following areas:</b></p> <p><b>a. the updating of the City’s website including the need to develop an online tee time registration system</b></p> <p><b>b. the development of a point of sale cash system which is integrated with the City’s financial information system.</b></p> <p><b>The review be conducted in consultation with the City’s Information Technology Division, other Canadian golf courses, both municipal and non municipal and the National Golf Foundation.</b></p>	X		<p>The division has identified website and on line tee time and registration system for Golf as a need in its IT Strategy.</p> <p>(a) PF&amp;R has IT Capital Budget approved for revamping its Website.</p> <p>(b) An RFP for a point of sale (POS) system in Ferry Docks is in process. The POS system selected through the RFP will be implemented in Golf Courses.</p>	December 2013

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6.	<b>City Council request the General Manager, Parks, Forestry and Recreation Division in consultation with the Treasurer take immediate action to resolve all unreconciled amounts in the SAP Financial Information System. The Treasurer ensure that all accounting transactions are recorded on a timely basis.</b>	X		Cash controls are in place in all courses. The cash collected are deposited to the bank daily while the SAP journal entries to recognize revenues are processed centrally for segregation of duties. There is typically a timing difference of up to four days for bank reconciliations. The staff investigates un reconciled amounts within the corporate standard of 75 days. The amount of unreconciled amounts over 75 days as of June 30, 2012 is under \$1,000.	Ongoing
7.	<b>City Council request the General Manager, Parks, Forestry and Recreation Division to develop cash handling and internal control procedures. Such policies and procedures be introduced at each golf course and on a surprise basis internal audits be conducted by the Division in order to ensure that policies and procedures are being followed.</b>	X		Cash handling and internal control procedures will be developed and surprise audits will be conducted in all courses.	December 2012

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8.	<b>City Council request the General Manager, Parks, Forestry and Recreation Division review the two agreements with Centennial Park Golf Centre and Royal Woodbine Golf Club. The review include an analysis of all important provisions in the agreement and a process to ensure compliance with all provisions in the agreements. In particular audited statements in support of revenue amounts should be provided on a timely basis. Further, all amounts which appear unusual should be reviewed and explanation obtained.</b>	X		Management has reviewed the agreements and assigned follow up responsibilities. A Compliance report will be prepared by Business Services Unit to the General Manager for 2012 and on an annual basis thereafter.	March 2013
9.	<b>City Council direct the General Manager, Parks, Forestry and Recreation Division to develop a process for the ongoing evaluation of vendors in the golf courses. Consideration be given to the development of a customer survey.</b>	X		A process for vendor evaluation will be developed and implemented. The process will include performance metrics as well as surveys and a complaint mechanism. A vendor evaluation report will be provided by the Supervisor, Golf Courses to Director, Parks and to the General Manager on an annual basis.	December 2012