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**OKLAHOMA CITY
PUBLIC PROPERTY AUTHORITY
LAKE HEFNER GOLF COURSE
INVESTIGATION REPORT**

JANUARY 27, 2009

MAYOR AND CITY COUNCIL

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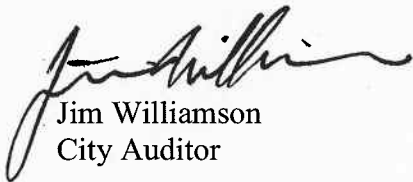
The City of
OKLAHOMA CITY
The Office of the City Auditor

January 27, 2009

The Mayor and City Council:

The Office of the City Auditor has completed an investigation relating to alleged unearned payrolls at Lake Hefner (Hefner) Golf Course. Our work focused on investigating the specific allegation. We did not perform an audit; therefore, we cannot provide an opinion regarding golf course operations or programs. Our investigation substantiated the allegation and revealed certain related operational weaknesses, which are addressed in the attached report.

The content and emphasis of items in this report have been discussed in detail with appropriate management and Golf Commission representatives. These discussions were held to assure a complete understanding of the recommendations and observations arising from our work. The Oklahoma City Public Property Authority General Manager's response is included in its entirety as an attachment to this report.


Jim Williamson
City Auditor


Brett Rangel
Audit Manager

**OKLAHOMA CITY PUBLIC PROPERTY AUTHORITY
LAKE HEFNER GOLF COURSE
INVESTIGATION REPORT**

SCOPE AND METHODOLOGY

The Office of the City Auditor has investigated an allegation relating to unearned payrolls at Lake Hefner (Hefner) Golf Course. Our investigation substantiated the allegation and revealed certain related operational weaknesses.

Procedures performed during our investigation included examining employee payroll, personnel and benefits records; interviewing personnel at Hefner Golf Course and the Parks and Recreation, Personnel and Finance Departments; reviewing authoritative documents relating to the Oklahoma City Public Property Authority (OCPPA), Golf Commission and golf professional agreements; and consulting with representatives from the Police Department.

Our work was focused on investigating the specific allegation referenced above and did not include performing an audit of golf course operations or programs. Therefore, we have no opinion regarding operating controls or program results. Nor did our work include following up on recommendations included in previous golf course related audit or investigation reports. Accordingly, we cannot provide an opinion regarding the degree to which previous recommendations have been implemented.

BACKGROUND

The City of Oklahoma City (City) leases its golf courses to the OCPPA. The City Council members are the trustees of the OCPPA. The OCPPA appointed the City Manager as General Manager to administer the affairs of the OCPPA. The OCPPA also established the Golf Commission to develop plans and recommend policies for golf course operation and maintenance, pending approval by the OCPPA trustees. The OCPPA further contracts with individual golf professionals, who are responsible for maintaining, managing and operating municipal golf courses in accordance with applicable City, state, and federal regulations and subject to the overall policy direction of the Golf Commission and the OCPPA.

RESULTS OF WORK PERFORMED

The following sections of this report describe certain operational deficiencies and include recommendations intended to provide constructive suggestions for improving municipal golf course operations. Each recommendation is immediately followed by the OCPPA General Manager's response, which is also included in its entirety as Attachment B to this report.

PERSONNEL-RELATED POLICIES AND PROCEDURES

Through the years, the OCPPA has formally adopted or approved participation in selected City services and resources, such as the Kronos Timekeeping System (Kronos), the PeopleSoft Financial and Human Resource systems (PeopleSoft), the Group Health Insurance Program (Group Health Plan), the Employee Pension and Retirement System (Employee Retirement System) and the Worker's Compensation Self Insurance Program.

PeopleSoft and Kronos provide a means of recording and monitoring personnel related activities, including payrolls and employer provided benefits. Use of the systems is generally guided by and in accordance with formal policies and procedures. However, during the course of our investigation, we noted that:

- The OCPPA has not formally adopted comprehensive personnel policies addressing municipal golf course practices or governmental regulations, such as the Family and Medical Leave Act (FMLA) and the Consolidated Omnibus Budget Reconciliation Act (COBRA).¹
- Hefner Golf Course does not have a designated coordinator to identify, interpret or clarify FMLA or COBRA qualifying events and related rights and obligations.
- Hefner management was not familiar with Kronos sick leave donation and FMLA time codes and, consequently, improperly entered and approved employee hours for several pay periods.

Without comprehensive personnel policies and a clear understanding of personnel-related regulations, the OCPPA has an increased risk of non-compliance and related potential liability.

RECOMMENDATION (1)

The OCPPA General Manager has assigned the Parks Department to work with the Golf Commission in developing comprehensive personnel policies for the municipal golf courses. The General Manager should ensure that these policies:

- Adequately address municipal golf course operations and practices.
- Adequately address governmental regulations, such as FMLA and COBRA.
- Address eligibility for participation in the Group Health Plan, Employee Retirement System and other applicable benefits.

¹ The Family and Medical Leave Act (FMLA) is a federal law created to protect an employee's job for a 12-week period, in the event the employee is unable to work as a result of a qualifying family or medical reason. The Consolidated Omnibus Budget Reconciliation Act (COBRA) is a federal law providing for an 18-month continuation of an employee's group health plan coverage after a qualifying event that would otherwise end the employer-provided plan coverage.

