



City of Greensboro

Date: December 26, 2002
To: Ed Kitchen, City Manager
From: Internal Audit
Subject: War Memorial Coliseum Parking Revenues Controls

The Internal Audit Division audited Controls over Parking Revenues at the War Memorial Coliseum Complex for the period ending December 20, 2002. Total receipts from this revenue source from July 1, 2002 to December 20, 2002 were approximately \$574,320, and for the entire prior fiscal year were \$1,244,383 of the \$10,698,668 in Charges for Current Service Revenues. The Coliseum Complex excess of expenses over revenues was \$1,734,603 in the fiscal year ended June 30, 2002.

The purpose of the audit was to:

- To determine whether the War Memorial Coliseum Complex maintained sufficient controls over parking revenues.

The scope of the audit included:

- Determining whether the system in place had sufficient controls over tickets and moneys issued to parking staff assigned to sell parking tickets prior to events, and whether the controls over tickets and moneys were carried on through the counting and return receipt of tickets and moneys after events.
- We determined the sufficiency of controls by interviewing various staff members, and reviewing recent parking revenue reports for events.

Our review determined that all employees in this area are part time, including the supervisors. Current supervision is not following internal control procedures, which the War Memorial Coliseum Complex forms indicate are intended. However, in some cases forms were not existent, or inconsistent with the maintenance of such controls.

Specific areas of concern are as follows:

The Parking Supervisor Does Not Sign for Moneys Received or Parking Ticket Rolls.

The Parking Supervisor has an imprest fund of \$1,500 in five dollar denomination bills, and \$1,000 in one dollar denomination bills, maintained by the Box Office vault area.

Only the parking supervisor and vault personnel can access the imprest fund using a combination to the locked area where the funds are kept. When the parking supervisor physically obtains these funds, they neither sign for the funds, nor do they count the funds to make sure the funds, which are pre-packaged in packets, are the amounts represented by the packaging. At the same time as they obtain the change funds, the supervisor obtains rolls of tickets provided for the use of the parking ticket sellers. The supervisor does not sign for these tickets, and does not check to make sure that the tickets the box office inputs as the beginning ticket numbers on the "Parking Sales Summary" are what they physically receive.

Recommendation:

We recommend:

- a. The supervisor should be required to sign for funds obtained from the imprest fund, and to count the funds making sure the pre-packaged packets are correct. In this way the supervisor is responsible for only the amount of imprest funds signed for and we have assurance that both the supervisor and vault personnel have counted the funds prior to those funds leaving the vault.
- b. The supervisor needs to sign for tickets, and physically determine that the tickets that the Box Office staff has set aside and input on the "Parking Ticket Sales Summary" are the tickets they have obtained.
- c. The supervisor, also, needs to obtain a copy or facsimile of the "Parking Ticket Sales Summary" listing of the tickets received, so that when making up the ticket sellers' bags, the supervisor can indicate who was assigned the ticket roll(s).

Ticket Sellers Deposit Funds With Vault Personnel and are Not Required to Observe the Vault Count.

Current practice has the ticket sellers filling out their "Parking Ticket Seller Report", counting their funds, taking their bags with unused tickets and cash inside, and the "Parking Ticket Seller Report" to the parking supervisor, who records the information from the reports in an informal fashion on the back of a "Parking Summary Report". This information is used to complete the summary report. The parking ticket sellers then take their "Parking Ticket Seller Report", unused parking tickets, and funds to the Box Office Vault Area. The parking ticket sellers sign the "Parking Ticket Seller Report", drop off their bags and depart.

Recommendation:

We recommend that ticket sellers not count cash at the end of the shift, and that after filling in their "Parking Ticket Seller Report" and signing it, bring it to the parking supervisor.

The supervisor should sign an acknowledgement of receipt of the report, and bag, but not the exact amount of funds, from the ticket sellers. The parking supervisor should use the information from the various reports to complete his "Parking Summary", take the bags with unused tickets and change and revenue cash undisturbed and uncounted to the vault area, observe the bag counts, and sign off to the correctness of the final "Parking Ticket Sales Summary" report.

We would like to thank the coliseum administrative office staff for their courtesy and cooperation shown us during the audit. We request a response to this audit from the Greensboro Coliseum Complex Managing Director by January 26, 2003. If there are any questions or comments concerning the details of this audit, please contact me at 373-2230.

Fred M. Newnam

Fred Newnam
Internal Auditor

Cc: Matt Brown, Managing Director, Greensboro Coliseum Complex
Laura Smith, Business Manager, Greensboro Coliseum Complex