

OFFICE OF THE CITY AUDITOR AND CLERK
INTERNAL AUDIT



VAN WEZEL BOX OFFICE REVENUE & CASH HANDLING

AUDIT # 19-08

Audit Conducted by:

Mark Sulloway, Senior Internal Auditor

Hayden Gaston, Manager, Internal Audit

Audit Reviewed and Approved by:

You can obtain copies of this report by contacting us at:

Office of the City Auditor and Clerk

1565 1st Street
Sarasota, FL 34236

(941) 954-4135

Or download and view an electronic copy by visiting:

www.sarasotagov.com



Contents

Executive Summary	1
Audit #19-08 Van Wezel Box Office Revenue & Cash Handling.....	1
Audit Purpose, Scope and Time Period.....	1
Summary Background	1
Summary of Conclusions	1
Detailed Audit Report Audit.....	2
#19-08 Van Wezel Box Office Revenue & Cash Handling.....	2
Background and Introduction	2
Audit Purpose, Scope and Time-period	3
Audit Objectives.....	3
Audit Standards	3
Testing Methodology	4
Audit Criteria	4
Audit Observations and Testing	4
Final Comments	4

Executive Summary

Audit #19-08 Van Wezel Box Office Revenue & Cash Handling

Audit Purpose, Scope and Time Period

Internal Audit performed an operational/compliance audit of the City of Sarasota's Van Wezel Performing Arts Hall (Van Wezel) Box Office Revenue & Cash Handling.

The purpose of this audit was to provide reasonable assurance that there are adequate controls for the collection, recording and reconciling of Van Wezel's cash receipts.

The scope of this audit included a review of current Van Wezel box office sales and cash receipt procedures, activities, processes and management review from May 1, 2018, to April 30, 2019.

Summary Background

The Van Wezel box office is responsible for ticket sales for all performances taking place at the performing arts hall. FY 2018 ticket sales were \$8,444,034.

Summary of Conclusions

The results of our audit indicate that Van Wezel box office controls are in place and functioning as intended.

- Box office internal controls appear to be operating as intended for safeguarding cash collections.
- Box office sales receipts were properly recorded, deposited and reconciled.

Audit Objectives

- 1) Determine if Van Wezel box office and internet sales internal controls are operating as intended for safeguarding cash collections.
- 2) Determine if Van Wezel box office sales receipts are properly recorded, deposited and reconciled.

This Executive Summary is limited in detail. To obtain the full background on a particular item, please read the Detailed Audit Report or contact Internal Audit prior to drawing conclusions based upon the limited information contained in this summary.

Detailed Audit Report Audit

#19-08 Van Wezel Box Office Revenue & Cash Handling

Background and Introduction

Sarasota's City owned Van Wezel Performing Arts Hall (Van Wezel), is an entertainment venue presenting a wide variety of entertainment and performers. Construction of the facility began in 1968. The Van Wezel presents Broadway musicals, top national and international performers, comedians, symphony orchestras and classical and modern dance. The Van Wezel also hosts more than 50 performances and events presented by the Sarasota Orchestra, Sarasota Ballet, the Sarasota Concert Association, the Ringling Library Town Hall Lecture Series and a series of free Summer outdoor concerts.

The principal operating revenues of the Van Wezel enterprise fund are charges to customers for sales and services. Operating expenses, sales and other financial information regarding Van Wezel are reported yearly in the City's Comprehensive Annual Financial Report (CAFR).

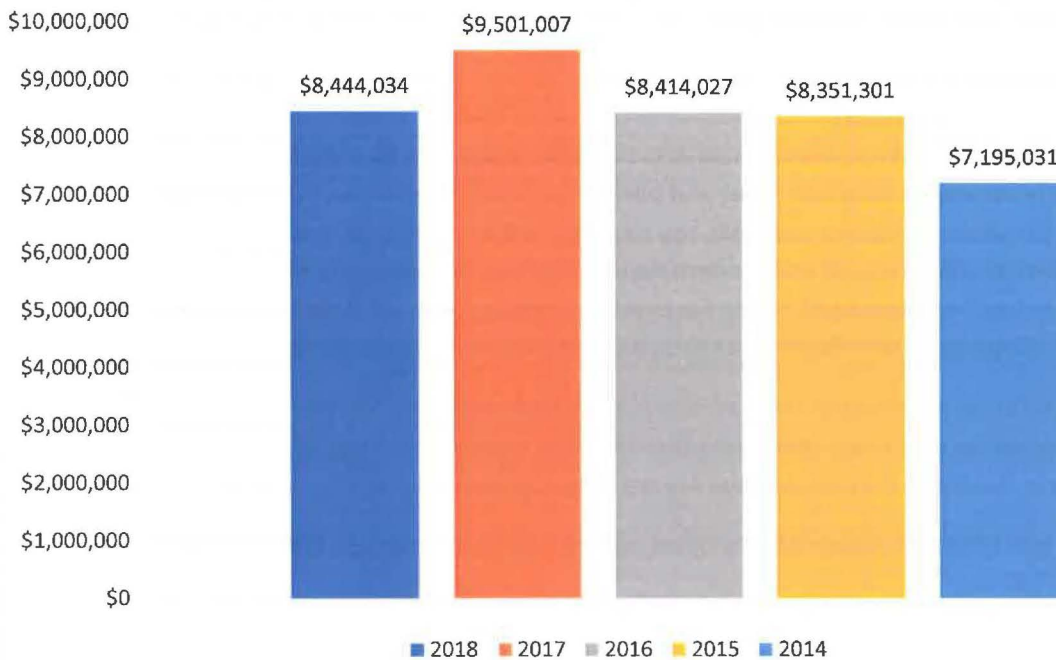
The Van Wezel box office is responsible for ticket sales for all performances taking place at the performing arts hall by:

- Direct face to face box office sales by cash, check or credit card
- Telephone sales by credit card
- Website online credit card sales
- Season ticket mail-in order with single check or credit card payment
- Season ticket order with three credit card payments

The box office uses ProVenue ticketing software to track both individual ticket sales and season ticket purchases. Client personal information is secured according to Payment Card Industry Data Security Standard (PCI DSS). Additional sales tracking data is recorded in Excel spreadsheets. Season tickets may be purchased with a single payment or three separate payments. There are two full-time box office staff, and currently seven part-time box office sales representatives. The number of part-time staff vary during the year based on demand/need.

FY 2018 ticket sales were \$8,444,034.

Van Wezel Ticket Sales



Audit Purpose, Scope and Time-period

The purpose of this audit was to provide reasonable assurance that there are adequate controls for the collection, recording and reconciling of Van Wezel's box office cash receipts.

Audit scope included current Van Wezel box office sales and cash receipt procedures, activities, processes and management review.

The time-period of this audit was May 1, 2018, to April 30, 2019.

Audit Objectives

The audit focused on the following objectives:

- 1) Determine if Van Wezel box office and internet sales internal controls are operating as intended for safeguarding cash collections.
- 2) Determine if Van Wezel box office sales receipts are properly recorded, deposited and reconciled.

Audit Standards

The auditors conducted this audit in conformance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for findings and conclusions based on the audit objectives.

Testing Methodology

- Interviewed appropriate Van Wezel personnel;
- Performed site visits of the Van Wezel box office;
- Observed physical security in place in and around the box office;
- Observed box office cashiers’ check in and end of shift cash out including manager’s review;
- Evaluated compliance with City and Van Wezel cash handling instructions;
- Reviewed box office user access to cash receipts software, as applicable;
- Evaluated segregation of duties concerning cash handling and reporting;
- Reviewed daily cash reconciliations and adjusting journal entries for sample test counts;
- Reviewed the cash receipts systems for adequate controls and safeguards.
- Performed sample test counts and verified cash receipts to the City’s accounting software (FMS) and bank statements to assure accuracy, completeness and existence of items;
- Evaluated management’s oversight of the daily cash receipts reporting process.

To achieve the audit objectives, sampling techniques were utilized to select a random testing sample of box office daily sales throughout the 12-month testing period. The auditor’s sample was stratified by monthly sales activity.

Audit Criteria

- Van Wezel cash handling policies and directives
- City of Sarasota Administrative Regulations and Municipal Codes
- Government Auditing Standards (GAO) “General Standards for Preparing Accounting Records and Financial Standards”

Audit Observations and Testing

For **objective one**, we determined that controls are in place and functioning as intended to provide reasonable assurance for the safeguarding of cash collections.

For **objective two**, we determined that Van Wezel box office sales receipts were properly recorded, deposited and reconciled.

Final Comments

We would like to thank Van Wezel personnel for providing their time and assistance during this audit.

Noteworthy Accomplishments

- Separation of duties relating to the collection of funds was well implemented.
- Deposits were consistently made in a timely manner.
- No cash discrepancies were identified.
- VW staff appear to be following the secure banking protocols implemented with the use of the 5th/3rd Banking system.

