



## MEMORANDUM

**TO:** Audit Committee of the School Board of the City of Virginia Beach

**FROM:** Ms. Karen W. Woodson, CIA, CFE<sup>KW</sup>  
School Board Internal Auditor, Department of Internal Audit

**SUBJECT:** **Athletic Ticket Sales Process Audit**

**DATE:** February 28, 2024

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## BACKGROUND

As part of the 2023 Audit Work Plan, the Department of Internal Audit (IA) has performed an Athletic Ticket Sales Process Audit.

The Office of Student Leadership (OSL), within the Department of School Leadership (DOSL), is responsible for administering athletic programs at each of the middle and high schools. Virginia Beach City Public Schools (VBCPS) has eleven high schools and thirteen middle schools that offer athletic programs to students.

Each school has a Student Activities Coordinator (SAC) that is responsible for, among other duties, the organization and coordination of all activities and athletic events (Bayside 6<sup>th</sup> Grade Campus and Bayside Middle School share one SAC and all events are held at Bayside Middle School). Admission is charged for football, basketball, gymnastics, wrestling, lacrosse, and soccer. All admission for athletic events is recorded in GoFan, the division's online ticketing system. No cash or checks are accepted for admission to athletic events.

The general process for athletic ticket sales is as follows:

- An athletic event is set up in GoFan by either OSL or the SAC at each school;
- Tickets can be purchased using a credit card, either in the GoFan application, or at the gate with the school's GoFan linked credit card swiper;
- GoFan charges the credit card for the cost of the ticket, which includes a \$1.00 processing fee;
- GoFan provides an event report to OSL at the close of each event;
- GoFan issues a check for the district's athletic events to OSL each week for the amount collected minus the fee;
- OSL deposits the funds into The City of Virginia Beach (City) bank account and submits the deposit slip and the identifying event information to the City of Virginia Beach Treasurer's Office (Treasurer); and

## BACKGROUND, CONTINUED

- The Treasurer processes a journal entry to record the revenue in the VBCPS athletic fund through Oracle, the financial system shared by City and VBCPS.

### AUDIT OBJECTIVES, METHODOLOGY, RESULTS, AND CONCLUSIONS

Inquiry and examination of documents and data, as well as site visits, were the methods of reviewing internal controls. The audit period was December 1, 2022 – November 30, 2023. School visits to observe live athletic events occurred between December 18, 2023 – February 9, 2024.

IA conducted this audit primarily to review the athletic ticket sales process through GoFan. The audit objectives, methodology, results, and conclusions are as follows:

1. Objective:  
Determine if the athletic funds collected through GoFan for three events at each middle school and high school were received and coded correctly by VBCPS.  
Methodology:  
IA traced athletic ticket sales for three events at each middle school and high school. IA compared the event ticket sales from the event report to the payment summary and journal entry to determine if the total amount collected in GoFan was received by OSL. IA also determined if the funds were correctly coded in the athletic fund.  
Results:  
Funds collected for three athletic events reviewed at each middle school and high school were received by OSL and were correctly coded in the athletic fund.  
Conclusion:  
VBCPS received and correctly coded funds for the athletic events reviewed.
2. Objective:  
Determine if ticket prices charged in GoFan are consistent with VBCPS's athletic ticket prices.  
Methodology:  
IA reviewed the ticket prices charged at three athletic events for each middle school and high school to determine if the athletic prices charged were consistent with VBCPS's athletic ticket prices.  
Results:  
Ticket prices charged for three athletic events reviewed at each middle school and high school were consistent with VBCPS's athletic ticket prices.  
Conclusion:  
All athletic ticket prices reviewed were consistent with VBCPS's athletic ticket prices.

## AUDIT OBJECTIVES, METHODOLOGY, RESULTS, AND CONCLUSIONS, CONTINUED

3. Objective:  
Determine if payments outside of the GoFan system are being accepted at the gate of VBCPS athletic events.
- Methodology:  
IA observed gate employees at four middle school and four high school athletic events to determine if they were accepting payments outside of the GoFan system for entrance to the event.
- Results:  
IA did not observe any payments being accepted by gate employees outside of the GoFan system at the eight athletic events observed.
- Conclusion:  
IA did not observe any payments being accepted for tickets outside the GoFan system.
4. Objective:  
Determine if gate employees are validating the ticket in GoFan or verifying the entrance eligibility of each guest.
- Methodology:  
IA observed gate employees at four middle school and four high school athletic events to determine if they were verifying tickets in GoFan or the entrance eligibility of each guest.
- Results:  
Gate employees at seven of the eight athletic events observed verified the ticket in GoFan or the entrance eligibility of each guest. Gate employees at one of the eight events observed allowed two guests to enter without proof of a ticket purchase.
- Conclusion:  
Substantially all gate employees observed verified the ticket in GoFan or the entrance eligibility of each guest.
5. Objective:  
Determine if GoFan users have access to areas of the program relevant to their position.
- Methodology:  
A) IA reviewed the GoFan program listing of all VBCPS users to determine if they were current employees and if their access was appropriate for their position.
- Results:  
There were fifty users in GoFan, of which;
- One user was no longer assigned to the site where they have access;
  - Two users were no longer employed with VBCPS; and
  - Seven users had access that was not appropriate for their current VBCPS position.

## AUDIT OBJECTIVES, METHODOLOGY, RESULTS, AND CONCLUSIONS, CONTINUED

B) IA observed two different SACs while they created a new event in GoFan to determine if they had the capability to change the payment information.

Results:

Neither SAC was able to modify the payment information.

Conclusion: Substantially all GoFan users were current employees; however, there were seven that had access that was not appropriate for their position. Both SACs observed did not have access to change the payment information.

6. Objective:

Determine if the dollar value and quantity of refunds issued during the audit period appears reasonable.

Methodology:

IA reviewed the GoFan refunds processed during the audit period to determine if the dollar amount and quantity of refunds were reasonable.

Results:

IA determined that the dollar amount and quantity of refunds processed appeared reasonable, noting that approximately 75% of the refunds were processed in one day due to a weather-related cancellation of all athletic events.

Conclusion: The dollar value and quantity of refunds issued during the audit period appeared reasonable.

## AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that 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 our findings and conclusions based on our audit objectives.

The results of the audit were discussed with management. We thank management and staff of the Office of Student Leadership, the schools, and others that were contacted for their cooperation throughout the audit.

cc: Ms. Leeane Turnbull, Director, Office of Student Leadership  
Mr. Matthew D. Delaney, Chief Schools Officer

## AUDIT RESULTS AND MANAGEMENT'S RESPONSES

### **Finding No. 1: Process Documentation – Athletic Ticket Sales**

OSL does not have written processes and procedures for GoFan for the setup, maintenance, and reconciliation of athletic events, user access, and the refund process. It is best practice for offices and departments to document their processes and procedures. Documented processes and procedures would provide OSL and the SACs with guidance to complete tasks and to ensure proper use of the GoFan ticketing system.

#### ***Recommendations:***

IA recommends that OSL develop written processes and procedures for GoFan for the setup, maintenance, and reconciliation of athletic events, user access, and the refund process.

#### ***Management's Response:***

The Chief Schools Officer (CSO) concurs. OSL will develop written processes and procedures for GoFan including the setup, maintenance and reconciliation of athletic events, user access, and the refund process by April 19, 2024.

### **Finding No. 2: Monitoring GoFan User Access/Non-Athletic Events**

IA noted in the review of all GoFan users that two users were no longer active employees, and one user was no longer assigned to the school where they have access. An additional seven employees who are not SACs have GoFan access that allows them to create events in GoFan. The SACs can add a user in GoFan with the ability to create an event. In addition to athletic events, GoFan has been approved for theater ticket sales. The *Business Manual for Schools*, Section 20.5, Theatrical and Musical Contracts, states, "Schools using online ticket sales must use the VBCPS approved online ticket vendor GoFan." There is no process in place to track and monitor GoFan users and non-athletic events set up in GoFan.

#### ***Recommendations:***

IA recommends that OSL remove the users that should not have access in GoFan and review the permissions of all remaining users. In addition, IA recommends that OSL develop a process to track and monitor GoFan users and their assigned rights. Finally, IA recommends that OSL consult with the Office of Business Services to develop a process to monitor events that should not be set up in GoFan.

#### ***Management's Response:***

CSO concurs. OSL is removing non-essential users from GoFan, and OSL will review the permissions of all remaining users by April 19, 2024. In addition, OSL will develop a process to track and monitor GoFan users and their assigned rights by April 19, 2024. OSL will consult with the Office of Business Services to develop a process to monitor events that should not be set up in GoFan by May 31, 2024.

## AUDIT RESULTS AND MANAGEMENT'S RESPONSES, CONTINUED

### **Finding No. 3: Validating Athletic Tickets in GoFan**

IA noted during the observation that gate employees at an athletic event did not validate the tickets for two guests. An adult stated they left their phone at home and were trying to contact another family member to transfer the purchased tickets to the student. The guests were allowed entry into the event but did not return to verify the previously purchased tickets with the gate employees during the observation. There are no written procedures for the SACs or gate employees on managing ticket discrepancies. The SAC stated that the gate employees should have required the guests to purchase new tickets at the gate, and a refund would be issued the following day after verifying the original purchase.

### ***Recommendations:***

IA recommends that OSL develop written processes and procedures for GoFan to provide uniform guidance for the SACs and gate employees on managing ticket discrepancies.

### ***Management's Response:***

The Chief Schools Officer (CSO) concurs. OSL will develop written processes and procedures for GoFan to provide uniform guidance for the SACs and gate employees on managing ticket discrepancies by April 19, 2024.