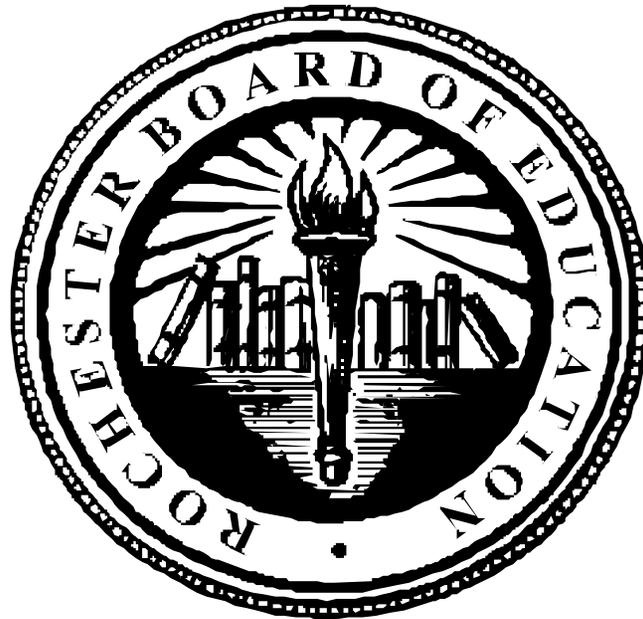


OFFICE OF AUDITOR GENERAL



Gate Receipts Audit Report

October 2013



Gate Receipts Audit Executive Summary

OBJECTIVE

To evaluate District Athletic Gate Receipt protocols and procedures for propriety and effectiveness.

BACKGROUND

Prior to July 2013, Athletic Directors reported directly to School Principals. In July 2013, the reporting relationship for Athletic Directors has changed to the Executive Director of Physical Education, Athletics and Health. The School based athletic coaches will continue to report to the Athletic Directors. School procedures for handling athletic activities varied from building to building. Since athletic receipts are cash, it is important to have a strong control environment. Athletic Directors worked diligently to fulfill their responsibilities, even though clearly documented procedures were not in place. District protocols were not in place to clarify appropriate treatment of ticket sales, cash collection, and documentation requirements. The change in reporting structure to require Athletic Directors to report to the Executive Director of Physical Education, Athletics and Health should facilitate creating district standards for athletic activities.

SCOPE

Gate Receipts and financial activities for athletic events were reviewed for the 2012 -2013 school year. We randomly selected several secondary buildings for testing.

CONCLUSION

Gate Receipts were managed by the Athletic Directors who reported directly to School Principals until July 2013, when they started reporting to the Executive Director of Athletics. The prior decentralized reporting contributed to inadequate guidance and inconsistent practices. Protocols and procedures are needed regarding concession sales and inventory, event pricing, promotions, ticket use, Section V payments, and reconciliations. Yearly startup and close down practices are needed to manage monies, tickets, and documentation. Some Athletic Directors have used personal funds to support inventory purchases for concessions or make change, because there was no District process. Frequent and timely deposits of gate receipts to Central office did not occur until the audit commenced. Sales receipts were not recorded in the ledger and monitoring was not adequate to detect the unrecorded activities. Cash receipts from the Athletic Directors to the School Secretaries did not consistently include signatures, dates, or the purpose. Cash reconciliations of ticket sales for games were informal, incomplete, and lacked monitoring. Decentralized oversight was not adequate to ensure standard pricing, recorded transactions, proper payment practices, and risks of cash loss. We believe centralized management and appropriate protocols and procedures will improve this area.