Kansas State University

Kansas State Athletics Ticket Sales

Audit Program

Audit Scope:

Fiscal Year 2016 and 2017

Audit Objectives:

1. To determine whether policies and procedures for adding and removing users on the ticketing system are adequate.
2. To determine whether access to the ticketing system is appropriate for the job position.
3. To determine whether security of the ticketing system is adequate to prevent unauthorized access.
4. To determine adherence to Kansas State Athletics’ policies and procedures regarding distribution of complementary tickets.
5. To determine whether complementary ticket information is communicated to Human Capital Services for inclusion in employee’s W-2.
6. To determine whether Kansas State Athletics’ operational procedures regarding Athletic Ticket Sales for football and men’s basketball are functioning properly and effectively.
7. To determine whether security for deposits is adequate.
8. To determine whether appropriate measures are in place to protect personally identifiable information (PII).
9. To determine whether adequate controls are in place to ensure integrity in the production of season tickets.
10. To determine adherence to Kansas State Athletics’ policies and procedures regarding game day operations.
11. To determine adherence to Kansas State Athletics’ policies and procedures regarding season ticket renewal.
12. To determine whether communication between Kansas State Athletics’ Ticket Office and Ahearn Fund is sufficient, accurate, and reliable.
13. To determine compliance with the University’s and Kansas State Athletics’ specific operational policies and procedures.

Risk Procedures: High risk areas are tied to audit steps. See the risk assessment at [Athletic Ticket Sales risk assessment.xlsx](file:///%5C%5Ccatfiles.users.campus%5Cworkarea%24%5CAUDIT%5CAudits2016%5CAthletic%20Ticket%20Sales%5CAthletic%20Ticket%20Sales%20risk%20assessment.xlsx)

Reporting Procedures: A draft audit report will be prepared with supporting documentation for each observation with supporting documents scanned to the W: drive for the review of the audit supervisor.

Audit Procedures:

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| **Ticketing System - Paciolan** | Initials | Date | W/P Ref |
| 1. Obtain departmental policies and procedures for adding and removing users from Paciolan. Obtain a listing of current users and access levels in Paciolan. Review to ensure there are no termed employees listed as current users and that the user profile is appropriate for the position held by the employee. | JC | 8/10/16 | See Ticketing System – Paciolan 1A and 1B below |
| 1. Inquire with Kansas State Athletics Information Systems Director regarding security of ticketing system. Is there a backdoor into the system? Can alterations be made to previously recorded Paciolan accounting records?
 | JC | 6/17/16 | See Ticketing System – Paciolan 2A and 2B below |
| 1. Per discussion with Ticket Office employees and Kansas State Athletics’ Information Systems Director, ensure user accounts have user specific passwords, passwords are not shared, and computers have lock functions that will lock the computer after periods of non-use. Ensure the time period for locking after non-use is adequate.
 | JC | 5/3/16 | See Ticketing System-Paciolan 3A through 3F below |
| 1. Obtain information regarding back-up of the Paciolan ticketing system. Ensure backup is sufficient.
 | JC | 6/21/16 | See Ticketing System 4A below |
| 1. Inquire regarding ticket office employees ability to sell themselves a ticket (general admission, season ticket, etc)
 | JC | 5/3/16 | See Ticketing System 5A below |
| 1. Confirm that Ahearn Fund staff does not have access to enter in the ticketing system. In addition, confirm the Ticket Office staff cannot make changes to Ahearn Fund data.
 | JC | 6/14/16 | See Ticket System 6A below |
| **Complimentary Tickets** | Initials | Date | W/P Ref |
| 1. Contact University Legal Counsel. Obtain the contract/agreement between the University and KSA. Review and note observations.
 | JC | 5/10/16 | See Complimentary Tickets 1A below |
| 1. Inquire with Legal Counsel in regards to the Comp Ticket policy being approved by University staff (if KSA agreement with University states they will operate as a department of the University).
 | JC | 6/1/16 | See Complimentary Tickets 2A below |
| 1. Review contracts for football and men’s basketball coaching staff. Obtain a listing of complementary tickets given to Kansas State Athletics staff. Ensure the number of comp tickets given to coaching staff agrees with individual contracts. In addition, ensure the staff member has signed the 2015-16 staff complimentary ticket affidavit and it is on file with the ticket office.
 | JC | 5/3/16 | See Complimentary Tickets 3A below |
| 1. Review the file for 2015-16 Athletics Staff Comp Ticket forms. Ensure all KSA staff members receiving 2015-16 comp tickets signed the 2015-16 staff complimentary ticket affidavit and it is on file with the ticket office. Ensure the number of season tickets given matches 2 plus the number of dependents at home.
 | JC | 5/3/16 | See Complimentary Tickets 4A below |
| 1. Contact Human Capital Services to determine whether Kansas State Athletics communicated complimentary ticket information to HCS for inclusion on employee W-2 forms. Inquire in regards to the reconciliation process of employees who received comp tickets and employees who were taxed in HR. Select a sample of employees and confirm amount of complimentary tickets (calculated using seating charts from KSA) matches what was reported to HCS.
 | JC | 12/14/16 | See Complimentary Tickets 5A and 5B below |
| 1. Review NCAA guidelines regarding complimentary tickets for visiting teams. Review complimentary tickets given to visiting teams during the 2015-16 season. Note any exceptions.
 | JC | 11/1/16 | See Complimentary Tickets 6A and 6B below |
| 1. Obtain trade agreements for complimentary tickets issued for football and men’s basketball. Ensure the value received for services adheres to Kansas State Athletics policy regarding complimentary tickets for trade contracts.
 | JC | 5/3/16 | See Complimentary Tickets 7A and 7B below |
| 1. Select the pass list for a sample of football and men’s basketball games. Ensure the number of complimentary tickets for each group (student athletes and prospective student athletes) follows KSA policy.
 | JC | 11/1/16 | See Complimentary Tickets 8A and 8B below |
| **Security** | Initials | Date | W/P Ref |
| 1. Review the contract between Kansas State Athletics and Kansas State University. Note whether KSA is operating as a separate entity or as a department of the University. Document the contract specifications and note the policy for cash handling/receipting/cashiering/credit card processing, etc.
 | JC | 5/10/16 | See Security 1A below |
| 1. Observe the Athletic Ticket Office work space (include file cabinets where renewal requests are stored) noting any PII information not destroyed.
 | JC | 5/23/16 | See Security 2A below |
| 1. Observe the process for entering the vault. Look for the following controls:
2. Who has access to the vault
3. Two people present when accessing the vault
4. Log of entrance into the vault
5. When was the last time the combination/password to the vault was changed?
6. When cash is transferred into and out of the vault, is there an acknowledgement of the transfer of cash? Document the process.
 | JC | 5/4/16 | See Security 3A through 3E below |
| 1. Inquire regarding whether background checks for cash handling employees are performed. Obtain a listing of all employees with cash handling responsibilities. Select a sample of employees and verify background checks were obtained and revealed no issues/concerns.
 | JC | 5/3/16 | See Security 4A below |
| 1. Observe the process for moving cash from the ticket areas in Bill Snyder Family Stadium and Bramlage Coliseum to the Ticket Office vault. Document the process and ensure adequate controls are in place.
 | JC | 9/24/16 | See Security 5A and 5B below |
| 1. Observe the process for taking deposits from the Athletic Ticket Office to the bank/cashier’s office. Document and ensure adequate controls are in place (altered time for deposits, police security, bags are secure/locked and tamper resistant/evident, unmarked bags, call ahead for expected arrival time to bank/cashier’s office, etc)
 | JC | 5/4/16 | See Security 6A and 6D below |
| 1. Obtain a report from the ticketing system for ticket stock used and compare it to what was used from the ticket printer for 2015-16 seasons.
 | JC | 11/1/16 | See Security 7A below |
| 1. Review the controls in place regarding the printing company. Is there a review of the number of names (files) sent to the ticket printer vs the number of ticket packages printed?
 | JC | 5/3/16 | See Security 8A below |
| 1. Review the controls in place regarding opening the mail. Are two people present when checks/mail is received and processed?
 | JC | 4/21/16 | See Security 9A below |
| **Game Day Operations** | Initials | Date | W/P Ref |
| 1. Pick a football game and men’s basketball game to conduct a ticket audit. Complete the following document: [Workpapers\Game Day Operations.xlsx](file:///%5C%5Ccatfiles.users.campus%5Cworkarea%24%5CAUDIT%5CAudits2016%5CAthletic%20Ticket%20Sales%5CWorkpapers%5CGame%20Day%20Operations.xlsx)
 | JC | 12/20/16 | See Game Day Operations 1A below |
| **Ticket Office Procedures** | Initials | Date | W/P Ref |
| 1. Review the policies and procedures regarding season ticket renewal. Observe the season ticket renewal process noting any deviations from KSA policies and procedures.
 | JC | 5/3/16 | See Ticket Office Procedures 1A |
| 1. Verify the summary batch sheets from Paciolan balance to the deposit information. Ensure the related CashNet deposit matches the deposit information from the Ticket Office. Ensure the deposit is made timely.
 | JC | 5/4/16 | See Ticket Office Procedures 2A below |
| 1. Select a sample of ticket renewal forms. Ensure the information on the form matches the ticket holder account information in the ticketing system.
 | JC | 5/4/16 | See Ticket Office Procedures 3A below |
| 1. Verify the seating prices in the online football guide match the renewal document and the ticketing system.
 | JC | 4/21/16 | See Ticket Office Procedures 4A below |
| 1. Check the ticketing system for any seating changes. Verify the seating change process followed KSA policies and procedures (priority point system as well as schedule). Note any deviations from policy. For any seating assignment schedule deviations, review adjustment notes for reasonableness in Paciolan.
 | JC | 7/13/16 | See Ticket Office Procedures 5A through 5C below |
| 1. Review seat transfers of season tickets for appropriate relationships according to KSA policy.
 | JC | 7/5/16 | See Ticket Office Procedures 6A and 6B below |
| 1. Review ticketing system accounts for multiple accounts paid with the same credit card and use of cashier’s checks to make donations.
 | JC | 12/20/16 | See Ticket Office Procedures 7A below |
| 1. Inquire whether there is a reconciliation between Ahearn Fund and priority seating for season tickets and young alumni and faculty/staff. If so, perform a visual scan to see if reconciliations are reviewed and approved. Also, note any complaints made regarding priority seating assignments.
 | JC | 8/23/16 | See Ticket Office Procedures 8A through 8C below |
| 1. Review the process for payment plans and accounts receivable recording and monitoring. Note any control weaknesses.
 | JC | 5/23/16 | See Ticket Office Procedures 9A through 9G below |
| 1. Review Kansas State Athletics sales tax process. Compare to KSA policy and state laws. Review actual sales and verify sales tax was charged and recorded accurately. Ensure sales tax reports were completed, sent, and sales tax remittance were paid.
 | JC | 12/14/16 | See Ticket Office Procedures 10A and 10B below |
| 1. Document the procedures for controlling and selling tickets through the secondary market. Are there any written procedures? How are monies reconciled with the amount of tickets sold online?
2. Re-compute online sales for a period of time
3. Request a copy of a settlement report prepared by athletics.
4. Trace deposit amount to the bank statement and FIS
5. Verify timeliness of deposit
 | JC | 5/23/16 | See Ticket Office Procedures 11A below |
| 1. Review voided tickets. Ensure management approval was received for voids. Review for any tickets voided after the date of the game.
 | JC | 12/20/16 | See Ticket Office Procedures 12A and 12B below |