

August 13, 2001

Jim Hackett, Commissioner:

The Department of Audit and Control has reviewed the Arena Box Office cash handling procedures as requested by the Parks and Recreation Department.

The principle objective of our review was to provide reasonable assurance that the Arena Box Office has appropriate cash handling procedures and the cash is adequately safeguarded.

Only processes related to cash handling were tested. The activity that we reviewed was for the month of March 2001.

Based on the results of our examination, it is our opinion that the Arena Box Office is properly managing the cash activity. It is also our opinion that some procedures should be modified to better achieve internal control and safeguarding of the assets at the Box Office.

Sincerely,

Alex J. McLaughlin
Comptroller

cc: Daniel A. Schofield, Chairman of the Legislature
Members of the Legislature
Louis P. Augostini, Clerk of the Legislature
Jeffrey P. Kraham, County Executive

During the course of our review, we noted the following conditions where current practice is either not optimal or at variance with management's control design:

- ↓ Cash handling is not adequately separated from record keeping functions.
- ↓ Arena Box Office does not have written policies and procedures related to cash handling.
- ↓ Positions within the Box Office that have authority to handle cash are not required to take vacations in blocks of time.
- ↓ The safe is too old and dysfunctional and too many people have keys to the room in which the cash is held.

We believe that these conditions can be improved by implementing the following changes:

- ↓ Reorganize the scheduling of clerks to ensure the separation of cash handling from record keeping functions. The Box Office Manager should not have the authority to sell tickets and to record the cash transactions.
- ↓ Prepare, implement and maintain written cash handling procedures.
- ↓ Work with the Personnel Department to incorporate a requirement that vacation time be taken in blocks of time for cash handling positions.
- ↓ Locks should be changed with fewer keys being issued. Only employees with a well defined need for access should be provided a key. A new safe has been purchased, but should have been purchased before the existing one became dysfunctional.