Arizona State University
Office of University Audits
Sun Devil Athletic Ticket Sales/
Fulfillment Audit
April 23, 2019
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Summary: The Sun Devil Athletic Ticket Sales/Fulfillment audit was included in the Arizona State University (ASU) FY 2019 audit plan approved by the Arizona Board of Regents (ABOR) Audit Committee and ASU senior leadership. The audit focused on the design and operating effectiveness of processes governing Sun Devil Athletics ticket sales. This audit is in support of ASU’s goal to enhance our local impact and social embeddedness.

Background: Sun Devil Athletics (SDA) participates in multiple Division I sports that charge for admission including football, men’s basketball, women’s basketball, baseball, gymnastics, ice hockey, soccer, softball, track and field, volleyball, and wrestling. In 2017, SDA contracted with Ticketmaster, a third party ticket sales and distribution company, to facilitate the sale and distribution of tickets for SDA events through Ticketmaster’s system. SDA ticket sales and fulfillment are managed by four primary groups including the SDA Sales team, the Ticket Office, SDA Finance and SDA Compliance.

The Ticket Office is responsible for all Ticketmaster administration including event set up, ticket price configuration, fulfilling tickets (including printing where necessary) and managing access to the application. In addition, they are also responsible for in person sales including game day sales and for customer service related to seating during the actual sporting event. They also manage the complimentary admissions process including fulfilling and printing the tickets once authorized.

The SDA Sales team is primarily responsible for internal and external sales including processing transactions through the Ticketmaster application.

The SDA Finance team is responsible for all financial reconciliations related to SDA ticket sales as well as managing all contractual payments with Ticketmaster.

The SDA Compliance team is responsible for ensuring all complimentary admissions for student-athletes, student-athlete guests, and prospective student-athletes comply with the National Collegiate Athletic Association (NCAA) Bylaws regarding complimentary admissions. SDA Compliance also assists the Ticket Office with complimentary admission ticket distribution for football that are subject to NCAA Bylaws.

Audit Objective: The objective of this engagement was to assess the overall financial and operational processes related to SDA ticket sales. Specifically, the following areas were assessed:

- Ensure individuals involved in ticket sales have the necessary background check performed and complete required cash handling training
- Ensure appropriate controls to safeguard cash
- Confirm ticket sales align with approved pricing schedules and that appropriate financial reconciliations are in place
- Ensure complimentary admissions are properly controlled, authorized, and in compliance with NCAA bylaws where relevant
- Ensure payments to Ticketmaster are made in accordance with contractual provisions
- Ensure access to Ticketmaster is appropriately restricted
- Assess management oversight over the Ticketmaster agreement

Scope: The scope of the audit focused on the time period of July 2017 through October 2018.

SDA implemented Ticketmaster effective July 2017. At the time of our audit, they were still finalizing the agreement on some of the financial terms included in the contract. As a result, not all contractual payments due as part of the agreement had been settled. Outstanding amounts are not material; however, testing was limited in this area.

In addition, this audit did not address the controls related to allocating ticket proceeds to the individual sports nor did it address the reporting related to allocating ticket proceeds between the ticket value and donation component.

Methodology: Our audit consisted of tests and procedures necessary to provide a reasonable basis for expressing our opinion. Specifically, audit work consisted of interviews with the SDA Sales and Ticket Office staff, SDA Compliance, SDA Finance, and SDA Human Resources; observation of work processes; review of documented policies and procedures; and substantive tests including the following areas:

- Validating all SDA Sales and Ticket Office staff had successfully completed cash handling training within the last 5 years as required by policy.
- Validating all SDA Sales and Ticket Office staff had fingerprinting/background checks performed prior to hire.
- Ensuring physical access to the Ticket Office was appropriately restricted.
- Performing a cash count of petty cash.
- Validating the accuracy and timeliness of reconciling and depositing cash receipts for a sample of five days.
- For a sample of 12 games (two football, men’s basketball, women’s basketball, baseball, volleyball, softball, ice hockey, wrestling, soccer, gymnastics, and track and field), confirming the accuracy of ticket prices by validating all sales activity to the defined pricing schedules.
• Confirming the accuracy of the donation component for the 2018 season for sports that assess a donation by validating the amount charged to the defined pricing schedules.
• Validating the accuracy and completeness of financial reconciliations to underlying Ticketmaster source reports and treasury statements for a sample of three months.
• Confirming payments for ticket sales made through payroll deduction by tracing a selection of 17 purchases to payroll deduction settlement reports.
• Assessing compliance with NCAA Bylaws regarding complimentary admissions for student-athlete guests, coaches and staff, and prospective student-athletes, by performing the following for each of the games referenced above:
  o Student-athlete guests: Reviewing game documentation including verifying the Ticketmaster source reports matched the count of tickets included in the approved guest reports, guest signatures indicating tickets were collected and performing ticket stub counts.
  o Prospective Student-athletes: Reviewing game documentation including verifying the Ticketmaster source reports matched the count of tickets included in the approved recruit listings, recruit signatures indicating tickets were collected and performing ticket stub counts.
  o Coaches and staff: Validating Ticketmaster source reports to Front Rush (formerly ACS) approved ticket requests to ensure complimentary tickets given to athletic staff was approved.
  o Observing ticket distribution processes for a sample of three games including football, men’s basketball, and women’s basketball.
• Confirming remaining complimentary admissions were appropriate and authorized by making a selection of tickets across the various categories from the same 12 games referenced above and assessing the supporting documentation and authorization.
• Assessing SDA oversight of Ticketmaster compliance to the defined security provisions included in the contract.
• Assessing appropriateness of Ticketmaster access.
• Confirming the Ticketmaster password complexity to the defined ASU password standard.

**Conclusion:** Overall, SDA has generally implemented effective controls over the ticketing process including ensuring appropriate segregation of duties between the Sales, Ticket Office and Financial staff; however, some improvement is required. In addition, further focus is required to ensure compliance with university cash handling training policy.
Testing indicated that ticket sales generally comply with the defined pricing schedules; however, individual game pricing adjustments that are made are not formally documented or approved. In addition, multiple exceptions were noted where the correct donation was not charged. While these exceptions were deemed isolated, it is recommended that formal monitoring procedures be put in place to identify these errors.

Complimentary admissions are generally appropriate; however, documentation should be improved in this area to ensure consistent and documented authorization exists for all categories. For one category, testing indicated controls are not in place to ensure donation amounts are collected as part of a former player engagement program. Specifically, 38% of the program participants required to pay a nominal donation had not done so; however, they still received complimentary admissions for the majority of the home football games. In addition, the defined process to control tickets related to student-athlete recruits requires further enhancement. While no NCAA violations were identified, processes are not being followed consistently to ensure all tickets have appropriate approval and that documentation is retained to support the existing ticket distribution process.

The SDA Finance team has established reconciliations to ensure SDA ticket proceeds are settled appropriately. Formal reconciliations are performed on a monthly basis for cash sales and credit card sales. The existing process ensures that ticket proceeds are materially accurate; however, there are reporting challenges that are still being resolved with Ticketmaster that result in unreconciled variances each month. At the time of the audit, the cumulative unreconciled variance was approximately $13,000.

It was also noted that logical access related to the Ticketmaster system was not appropriately restricted. There were eight instances of inappropriate privileged access noted in testing, in addition to four instances of terminated or transferred employees who still had access. At the time of the audit, the Ticketmaster system did not comply with the defined ASU password complexity requirements. This was remediated during the course of the audit. In addition, necessary oversight of the Ticketmaster agreement has not been implemented to ensure Ticketmaster is compliant with defined security provisions and that ASU is compliant with defined user considerations.

The control standards University Audit considered during this audit and the status of the related control environment are provided in the following table.
<table>
<thead>
<tr>
<th>General Control Standard</th>
<th>Control Environment</th>
<th>Finding No.</th>
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<tbody>
<tr>
<td>Reliability and Integrity of Financial and Operational Information</td>
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<tr>
<td>• Petty cash processes are implemented and ensure compliance with cash handling policy</td>
<td>Reasonable to Strong</td>
<td>N/A</td>
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<td>and guidelines.</td>
<td>Controls in Place</td>
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<tr>
<td>• Daily cash receipts are reconciled and deposited in compliance with FIN 305</td>
<td>Reasonable to Strong</td>
<td>N/A</td>
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<tr>
<td>and related Best Practices.</td>
<td>Controls in Place</td>
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<tr>
<td>• Third party payments are accurate and in compliance with defined contractual</td>
<td>Reasonable to Strong</td>
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<td>provisions.</td>
<td>Controls in Place</td>
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<tr>
<td>• Financial reconciliations are accurate and complete to ensure SDA ticket proceeds</td>
<td>Reasonable to Strong</td>
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<td>are appropriately settled.</td>
<td>Controls in Place</td>
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<tr>
<td>• Payroll deduct reconciliations are accurate and complete to ensure SDA ticket sales</td>
<td>Opportunity for</td>
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<td>funded through payroll deduct are appropriately settled.</td>
<td>Improvement</td>
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<td>Effectiveness and Efficiency of Operations</td>
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<td>• SDA athletic events are centrally managed to ensure consistent and accurate pricing.</td>
<td>Reasonable to Strong</td>
<td>N/A</td>
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<tr>
<td>and authorized.</td>
<td>Controls in Place</td>
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<td>• Complimentary admissions are appropriately controlled and authorized.</td>
<td>Opportunity for</td>
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<td>8,11</td>
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<td>and authorized.</td>
<td>Improvement</td>
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<td>Safeguarding of Assets</td>
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<td>• Required cash handling training is completed by those required at least every 5 years</td>
<td>Opportunity for</td>
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<td>12</td>
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<td>as required by FIN 305.</td>
<td>Improvement</td>
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<td>• Physical access to the Ticket Office and cash funds is appropriately reisted.</td>
<td>Reasonable to Strong</td>
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<td>and restricted.</td>
<td>Controls in Place</td>
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<tr>
<td>• Ticketmaster logical access is appropriately restricted.</td>
<td>Opportunity for</td>
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<td>and restricted.</td>
<td>Improvement</td>
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<tr>
<td>• Ticketmaster password complexity is in compliance with the ASU Password Standard.</td>
<td>Opportunity for</td>
<td>N/A</td>
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<td>and restricted.</td>
<td>Improvement</td>
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<td>• Management oversight is effective to ensure Ticketmaster is compliant with the</td>
<td>Opportunity for</td>
<td>3</td>
<td>10</td>
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<td>contractual security provisions.</td>
<td>Improvement</td>
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<td>Compliance with Laws and Regulations</td>
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<td>• Fingerprint/background checks are conducted at time of hire.</td>
<td>Reasonable to Strong</td>
<td>N/A</td>
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<td>and restricted.</td>
<td>Controls in Place</td>
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<td>• Complimentary admissions for student-athlete guests, coaches and staff, and</td>
<td>Reasonable to Strong</td>
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<td>prospective student-</td>
<td>Controls in Place</td>
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We appreciate the assistance of Sun Devil Athletics and Athletics Compliance staff during the audit.

Lisa Grace, Executive Director, University Audit and Advisory Services
Kim Prendergast, Internal Auditor Senior, University Audit and Advisory Services
Audit Results, Recommendations, and Responses

1. Processes governing complimentary admissions to SDA events require further improvement to ensure tickets are authorized and appropriate.

**Condition:** Processes have been implemented to ensure complimentary tickets are generally appropriate including implementing segregation of duties between those granting the admission and those fulfilling the tickets; however, these processes are informal and at times lack supporting documentation to document approval.

In addition, it was noted that complimentary admissions related to former players were not being consistently administered resulting in multiple donations not being collected as part of the program.

**Criteria:** Various categories of complimentary admissions have been set up that have different criteria and approval. Depending on the program, the Ticket Office will collect the underlying support and then process the request through Ticketmaster and distribute the ticket based on the specific program.

**Cause:** The existing process for complimentary admissions is informal and often based on discussions or institutional knowledge. In addition, the existing workflow process utilized to approve complimentary admissions for SDA staff is not consistently followed.

**Effect:** Testing indicated that complimentary admissions were generally appropriate and processes consistently followed (except as noted below); however, in many instances, there was no formal documentation to support the complimentary admission or the support lacked formal approval. In these instances, approval is collected verbally or is assumed due to the history of the category. Other items noted included the following:

- There was an inconsistent use of the comp codes within Ticketmaster. The Ticket Office communicated that an expanded list of comp codes were implemented mid-year for FY2018-2019. As a result, sports were handled differently for the year in addition to individuals using the codes inconsistently during the transition period.
- The process to ensure all SDA coach/staff tickets are entered and approved within Front Rush is not being followed consistently. Testing indicated that approximately 21% of both the single game as well as new season tickets were not requested and approved through Front Rush. Season ticket renewals are also not processed through Front Rush.
- The process to reconcile complimentary admissions for high school coaches was not followed resulting in tickets not being accounted for related to the OSU and UCLA football games.
Non-SDA staff, such as sponsorship employees and Sun Devil Club employees, are classified as SDA staff as it relates to complimentary tickets.

Isolated instances of the Ticket Office entering tickets to the incorrect account.

It was also noted that the defined process is not being followed for the Former Player program. As a result, the required donation to participate in the program was not collected for 38% of the participants. In addition, two of the participants did not qualify for the program, as they were not former players.

**Recommendation:** The Ticket Office should strengthen and formalize their process to issue complimentary tickets to ensure consistent documentation is maintained for all complimentary admissions including documented approval.

In addition, SDA should implement formal tracking processes to ensure funds are collected for the Former Player program. Actual tracking and reconciliation of donation funds should be done by the Ticket Office or the Finance team similar to all other financial transactions related to ticket sales.

**Management Response:** During the 2018 football season, the Ticket Office created more distinctive comp codes. In prior years, only two codes existed and the new codes were instituted for better tracking and monitoring. Moving forward, the Ticket Office has documented and distributed the new codes including what the required documentation and approval is for each of the codes. The codes will be consistent across all sports. The Ticket Office will review the codes yearly to ensure they are accurate. In addition, for the specific exception areas, the following actions have been implemented:

- Beginning in 2019 all staff will request tickets through the comp ticket approval process every year as long as they are an employee – previously renewing season tickets did not have to submit a new approval. There will be one exception for the coaching staff of their own sports. For example: Football head and assistant coaches will automatically have their football season tickets put on their accounts without having to go through the request system. Large group like marketing comps, car dealers, golf accounts, etc. will be submitted as a list and then approved by the Senior Associate AD of ticketing.

- For the OSU and UCLA games, the graduate assistant responsible for HS coaches did not use the new comp code and forgot to return the unused tickets in the system. Beginning with the 2019 football season, not only will the GA responsible for the area reconcile, it will also be double-checked by a full-time SDA Ticket Office staff member.
• The Ticket Office will implement additional procedures to validate all late requests from administration and staff members are processed through ACS to support the ticket distribution.

• The SDA Ticket Office created a new comp code for the non-ASU employees that SDA allows to receive comp tickets based on their partnership role within athletics. The new comp code will allow them to be tracked separately from athletics employees. Their requests go through the same comp request system and the compliance office has procedures to ensure that only current employees receive access to the system.

• There will be a new defined process for Former Player ticket requests in 2019 to ensure the recipients are current members and receiving the correct benefits. The Former Player request list will be submitted by the Sun Devil Club in the comp request system and the SDA Ticket Office will have access to a Sun Devil Club report from Advance of everyone who has given to the fund. The SDA Ticket Office will verify all the names and keep a record of how many games each Former Player requests.

2. Ticketmaster system access is not appropriately restricted.

Condition: Logical access to the Ticketmaster system is managed through the Ticket Office; however, formal access management processes have not been implemented resulting in inappropriate privileged access and end user access not removed when individuals are terminated.

Criteria: System access should be reviewed and granted at the lowest level needed in addition to being removed on or before the termination effective date.

Cause: Formal access management processes including periodic access reviews have not been implemented.

Effect: Access was not appropriately restricted. Specifically, eight instances of inappropriate Super User access were noted where not required. In all instances, access was not needed in general or could be granted at a lower level. In addition, four instances were noted where access was tied to a terminated or transferred employee. There was also one instance of a test account in the production environment.

Testing also identified isolated instances where Ticket Office employees utilized privileged access to process personal ticket purchases. While the transactions were appropriate, privileged access should not be utilized in this manner.
**Recommendation:** A full access review should be performed to ensure all access is appropriate. In addition, periodic access reviews should be performed at least annually. In addition, the Ticket Office should utilize the existing reports that are generated daily through the Identity and Access Management team related to terminations and transfers to ensure access is being removed in a timely manner.

If feasible, single sign on should be implemented to further streamline managing Ticketmaster access.

**Management Response:** The identified incorrect accesses were immediately corrected. The SDA Ticket Office contacted the Identity and Access Management team to receive daily reports detailing the hiring/termination of employees to ensure access is granted or removed in a timely manner. In addition, all roles will be assessed to ensure they are established as the lowest access necessary to perform the related job function.

Beginning immediately, the SDA Ticket Office will conduct a full access review to ensure all access is appropriate. Additionally, the SDA Ticket Office will also conduct an annual access review of all users.

3. **SDA has not implemented appropriate vendor management processes over Ticketmaster to ensure compliance with required security provisions.**

**Condition:** SDA has not implemented adequate third party oversight monitoring processes of Ticketmaster to ensure they are compliant with the required security provisions of the contract.

**Criteria:** Contractually, Ticketmaster is required to provide a SOC 1 review at least annually. They are currently performing the review; however, SDA had not requested nor reviewed the report to ensure Ticketmaster meets ASU’s security requirements. SDA, as the vendor owner, is responsible for monitoring Ticketmaster to ensure security provisions are met.

**Cause:** SDA has not implemented oversight processes to ensure Ticketmaster is compliant with defined security provisions.

**Effect:** SDA does not have adequate visibility into Ticketmaster’s security environment to ensure contractual provisions are met. In addition, SDA had not reviewed the defined user considerations included in Ticketmaster’s SOC 1 report. User considerations are
specific end user controls that must be in place for an organization to rely on Ticketmaster’s SOC 1 report.

The security environment and the resulting user considerations are important as they directly support the accuracy of the financial reporting necessary to ensure all ticket sales have been properly accounted for and settled.

**Recommendation:** SDA should implement formal procedures to monitor Ticketmaster’s compliance with security provisions. This should include reviewing the annual SOC 1 report to ensure no material risks exist within Ticketmaster’s security environment as well as mapping the SDA control environment to the defined user considerations.

In addition, Ticketmaster communicated that they will also be providing a SOC 2 review of their environment starting in 2019. Once this report is available, both reports should be requested and reviewed annually.

**Management Response:** SDA requested that Ticketmaster provide the update SOC 1 and SOC 2 reports. In addition, SDA scheduled an annual reminder to request and review Ticketmaster’s security reports through the duration of the contract.

4. **Processes to ensure complimentary admissions for prospective student-athletes are appropriately tracked and documented are not being consistently followed.**

**Condition:** A full reconciliation of tickets distributed for prospective student-athletes could not be performed in some instances due to incomplete tracking, missing ticket stubs, and incomplete updates within Ticketmaster. In addition, defined processes are not being consistently followed to ensure unused tickets are appropriately accounted for in Ticketmaster.

**Criteria:** The Ticket Office has implemented processes to ensure all complimentary admissions for prospective student-athletes are approved and accounted for in Ticketmaster. The process includes utilizing system reporting from Front Rush (system used to approve all complimentary admissions), collecting recruit signatures when tickets are picked up and retaining ticket stubs for all utilized tickets to ensure a complete reconciliation can be performed of all tickets after the event.

**Cause:** For all sports except football, the Ticket Office is responsible for distributing complimentary tickets to prospective student-athletes. For football, this process is
generally handled by the SDA Compliance office to provide greater oversight over the process due to the increased volume and involvement of other sport recruits. SDA Compliance staff was not fully aware of the existing process related to the tracking and reporting and as a result did not retain the ticket stubs.

In addition, the Ticket Office has not consistently updated Ticketmaster for unused tickets to ensure the system accurately reflects the tickets issued to recruits.

Effect: A full reconciliation of tickets issued to prospective student-athletes could not be performed to ensure all tickets are accounted for. This in itself is not a NCAA violation; however, consistent reporting and reconciliations are the primary methods ASU would demonstrate compliance to the bylaws governing complimentary admissions for prospective student-athletes.

Recommendation: The Ticket Office should formally document the procedures related to managing complimentary admissions and perform training with Ticket Office employees and SDA Compliance to ensure a consistent understanding of the process. In addition, the existing process should be further enhanced to ensure the complete reconciliation is performed including updating Ticketmaster for unused tickets.

Management Response: Beginning with the 2019 football season, the Ticket and Athletics Compliance Offices will both have departmental representatives at the recruit gate. The Ticket Office representative will be there to oversee ticket distribution and ensure that all Ticket Office policies are followed and will perform the reconciliation process. The Compliance Office personnel will be there to perform monitoring functions relating to complimentary tickets for prospective student-athletes and other related recruiting legislation.

The SDA Ticket Office will train all ticket office employees on the procedures related to complimentary admissions and reconciliations. A review of the procedures will also be given by the SDA Ticket Office at each event.

5. SDA is not compliant with FIN 305 and related Best Practices as it relates to Cash Handling training.

Condition: SDA employees involved in ticket sales are not compliant with FIN 305 and related best practices as it relates to Cash Handling training.
Criteria: Per FIN 305 and Best Practices, employees who handle cash as part of their regular duties or who supervise employees that do, must complete cash handling within three months of hire, and every five years thereafter.

Cause: SDA management has not implemented processes to monitor and track training completion by required employees.

Effect: 69% (37 of 54) of SDA staff that have been identified as requiring cash handling training have not taken the training or have not taken the training within the last 5 years as required by policy.

Recommendation: SDA management should implement formal monitoring and tracking of cash handling training to ensure employees take required training as required.

Management Response: The SDA Ticket Office will monitor cash handling training for all employees using the Cash Handling Completion Report that is released quarterly by the Business and Finance Department. All new part-time and student workers hired by the SDA Ticket Office or Ticket Sales will be required to complete the cash handling training during the onboarding process. All returning full-time staff, part-time staff, and student workers will meet with their supervisor in August to review the cash handling policies. Upon completion of the review, each employee and his/her supervisor will sign the annual certification that will be kept on file with the SDA Ticket Office. When applicable, the SDA Ticket Office will alert employees that their five-year cash handling training has expired and they must complete the training again.

6. Tracking and monitoring of ticket sales through payroll deduction requires improvement.

Condition: Employees have the ability to pay for SDA tickets through payroll deduction. The Ticket Office processes the transactions through Ticketmaster at time of purchase and then tracks the settlement of those transactions manually outside of Ticketmaster; however, the existing manual tracking is not working effectively.

Criteria: Season tickets purchased through payroll deduction are settled over six pay periods at the start of the season, mini-season packages are settled over four pay periods at time of purchase and single game purchases are settled over one pay period at time of purchase.
**Cause:** Payroll deduction requires the Ticket Office to enter transactions through PeopleSoft at the time settlement should occur. While the volume is not extensive, it does require manual tracking and effort to ensure ticket purchases are settled appropriately. Due to the manual nature of the process, transactions have been missed resulting in funds not being collected for ticket purchases.

**Effect:** Testing identified that 18% (3 of 17) of the payroll deduction sale transactions tested were not processed resulting in payments not being made. While these were detected by the Ticket Office in March 2019 as part of their year-end validation processes, this was 5 months after settlement should have occurred.

**Recommendation:** The Ticket Office should improve their current tracking process by utilizing a report from Ticketmaster to ensure all payroll deduction transactions have been identified and are part of the tracking file. Due to the delayed settlement process allowed, this completeness check should be performed monthly for the current year. In addition, other enhancements should be made to the existing tracking file including adding the purchase date, as well as the specific payment dates funds are received to help identify if a purchase has not settled appropriately based on the type of purchase.

**Management Response:** The SDA Ticket Office built a new report in Ticketmaster under Standard Report Selection. The SDA Ticket Office runs this report every two weeks before a pay period ends and enters the amounts into the payroll system by noon on that Friday, which is the deadline.

An excel document was set up by the SDA Ticket Office set up under each sport for the current season and the products (full season, mini plan, single game tickets) are tabbed at the bottom. Each excel report contains the faculty/staff members ID, name, and the amount owed. The SDA Ticket Office also receives a list from USB after each pay period of all faculty/staff that were charged during that pay period and their payment is highlighted in the excel documents.

At the end of each month the SDA Ticket Office verify that all pay plans have been accounted for from the previous two pay periods. If there is a variance, the SDA Ticket Office will submit the paperwork for the funds to be paid in the next pay period.

7. Financial reconciliations for ticket sales have been implemented and are being performed; however, further development of reporting is required.
**Condition:** Monthly reconciliations are in place to ensure funds received through ticket sales are materially accurate; however, reporting challenges exist with Ticketmaster resulting in unreconciled variances each month.

**Criteria:** Reconciliations are performed for daily activity and provide validation of sales activity and payments received. Sales activity is based on Ticketmaster reporting by payment type and event, which is validated against ASU treasury statements reflecting cash deposits and settled credit card activity.

**Cause:** While reconciliations ensure settlement is materially accurate, there are reporting variances that have not been fully vetted to determine the root cause. As a result, there are generally inconsequential variances each month that have not been resolved.

**Effect:** At the time of the audit, there was a cumulative unreconciled variance of approximately $13,000.

**Recommendation:** SDA Finance should work with Ticketmaster to identify the underlying cause for the reporting variances and implement necessary changes to resolve the issue. Formal updates on the status of this work should be provided to SDA management until resolved.

**Management Response:** SDA has worked with Ticketmaster since Fall 2017 to develop and obtain accurate settlement reports that tie out to the amounts received through cash deposits and credit card settlements. Progress has been made with these detailed reports but smaller monthly variances still exist and SDA continues to insist on a single report showing all settlement activity by sport and event. This has been elevated to the top management of SDA’s Ticketmaster account, with numerous in-person meetings held, but a satisfactory resolution has yet to be obtained. SDA will continue to work with Ticketmaster and request that formal weekly updates be provided until these concerns are satisfied. Additionally, SDA will engage with ASU Procurement to see what remedies exist from a contractual standpoint to resolve the reporting issues.

**8. The Ticket Office has implemented physical controls; however, additional enhancements could be made.**

**Condition:** The Ticket Office has implemented various physical security controls including having secured entrances and petty cash secured with a combination lock; however, further enhancements could be implemented to ensure the space, which contains ticket stock and petty cash funds, is secure.
Criteria: Policy FAC-205 defines responsibilities for colleges and business units related to key management, including the requirement to maintain accurate records related to key assignment.

Cause: While the Ticket Office confirmed established processes are in place to collect keys, they have not provided updates to ensure central inventory records are updated.

In addition, the combination lock used to store petty cash has not been changed since implementing the lock.

Effect: Of the three areas secured in the Ticket Office by keys, 43% (21 of 49) individuals identified as key holders in the central system utilized are no longer Ticket Office employees.

Recommendation: The Ticket Office should request a current inventory listing for their space from Facilities Management and perform a comprehensive review for appropriateness. Necessary changes for assignment should be made and records managed appropriately going forward.

In addition, The Ticket Office should assess if implementing ISAAC access for this location is a better alternative than the physical key approach currently in place.

Management Response: SDA has internal processes for managing keys including logging and securing keys not assigned to an individual; however, has not consistently updated the FACMAN system for related changes. As such, a full inventory of ticket office keys will be performed and necessary updates will be submitted to FACMAN. Updates will be submitted as needed going forward.
Distribution:

Arizona Board of Regents Audit Committee
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Morgan R. Olsen, Executive Vice President, Treasurer and Chief Financial Officer
José A. Cárdenas, Senior Vice President and General Counsel
Ray Anderson, Vice President for University Athletics and Athletic Director
Dave Cohen, Senior Associate Athletic Director
Frank Ferrara, Senior Associate Athletic Director/SDA CFO
Kimberly Demarchi, Senior Associate General Counsel
Stephen T. Webb, Chief Athletics Compliance Officer and Special Counsel
Mike Meitin, Associate Athletic Director, Ticketing
Kelli Sampson, Assistant Athletic Director, Ticket Operations
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