



Columbus Consolidated Government

Georgia's First Consolidated Government

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Final Audit Report

TRANSITION AUDIT OF COLUMBUS CIVIC CENTER

January 14, 2020

AUDIT AUTHORIZATION

Councilor House motioned for authorization of a Transition Audit of the Columbus Civic Center due to the departure of the Director, Jon Dorman. Councilor Woodson seconded the motion. City Council unanimously approved the motion at the June 11, 2019 City Council Meeting.

AUDIT SCOPE

The Transition Audit includes reviews of Operations, Budgetary Performance, Fixed Asset Verification, Payroll Audit, and Access Controls. The purpose of a transition audit is to assess the status of the aforementioned items upon the departure of the Department Head and benchmarks the beginning status of the incoming appointed leader. Additionally, the audit includes a follow-up review on any items previously noted as deficient to ensure that corrective actions and internal controls are working correctly.

The Civic Center Director reports to the Deputy City Manager of Operations. The Civic Center also has an Advisory Board with its members appointed by City Council.

The Director is responsible for the general management and direction of the Civic Center, Ice Rink Operations, an intermittent involvement with Golden Park and Memorial Stadium. Managers of each functional area support the Director:

Operations, Marketing, Finance, Box Office, Events, and Food & Catering. The Civic Center is an Enterprise Fund, operating as a business within the City. As such, it has revenues, expenses, assets, liability and equity to manage.

The Audit Process includes the evaluation of several aspects through the review of information obtained directly from the department or another source within or outside of the city government. Asset listings, financial statements, and payroll information is obtained from the City's Finance Department, and access control information is obtained for departments such as the Information Technology and the Sheriff's Office. The information was reviewed, tested, and evaluated to develop the audit findings and recommendations. Portions of the audit are performed through inspection of records, assets, and physical observation during or immediately following the incumbent's departure from the enterprise or department. Payroll audits are performed on an unannounced basis, requesting and intercepting the department's payroll vouchers from the source of preparation, and the physical distribution of such to employees, with their identity confirmed by a government issued photo identification card, such as an employee identification badge, driver's license or military identification card. Asset listings are used to verify the physical existence of the assets under control of the departmental leadership. The management inspected portable office equipment, vehicles, electronic devices and keys to ensure that such remains with the office as the leader vacates it. Management requested the deactivation of employee badge access to the premises and computer access upon departure of the Director. The controlling departments verified the control items for the auditor. We reviewed financial reports of the enterprise for the latest three years to assess adherence to appropriated budgets.

AUDIT FINDINGS

The operations of the Civic Center reflected normal operations occurring. The Office has recently experienced turnover in several mid-level positions since the departure of the Director in May 2019. The Marketing Manager, the Events Manager and an Event Coordinator positions are noted changes. While turnover is not necessarily good or bad, it does present the issue of time for these new employees to work through a learning curve as they take on new and different responsibilities. Deputy City Manager of Operations, Lisa Goodwin currently serves as the Interim Director of the Civic Center.

The enterprise has operated within its appropriated budget for each of the latest three years. The outgoing Director had some challenges in finding new events to replace the financial impact of losing professional ice hockey during his tenure. Fortunately, a new hockey team is now in the building to fill that void during the current fiscal year and hopefully for future years, as well.

The payroll audit indicated that all persons being paid were authorized and on the job.

The auditor verified each of the scheduled fixed assets assigned to the Civic Center.

The auditor verified the deactivation of the purchasing card, computer and building access of the outgoing leader at the time of his departure.

A review of Box Office vault security provided assurance of adequate controls of monetary funds and ticket stock.

The auditor performed a review of the handling and recording of Venue Complimentary Tickets by sampling a dozen events of differing types and sizes occurring during 2019. The number of complementary tickets used complied with the number allowed in the event contract.

AUDIT RECOMMENDATIONS

The auditor recommends that Management fill the Director position with a candidate possessing the requisite education, professional certification(s) and work experience in a similar facility, can be selected and hired.

AUDITEE RESPONSE

1. Audit Findings Statement:

The Office has recently experienced turnover in several mid-level positions since the departure of the Director in May 2019. The Marketing Manager, the Events Manager and an Event Coordinator positions are noted changes. While turnover is not necessarily good or bad, it does present the issue of time for these new employees to work through a learning curve as they take on new and different responsibilities.

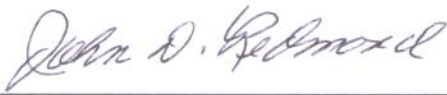
Department Response: Yes, there have been several departures of mid-level positions since April of this year. Each of these departures have proven to improve the level and quality of the services provided by the Civic Center Team. The new Events and Marketing Team came in with a new and fresh set of eyes and zeal for creating a great experience for those attending events and hosting events here in the building. I've included just a couple of the many comments we received from Promoters regarding their event experience since the new Team has been put in place:

Merri Sherman, Columbus Sports Council: *As you know the GHSA State Cheerleading Championships hosted at the Columbus Civic Center is one of the largest events of the year! The timing and precision required to showcase each of the classifications and teams within the two days is critical to the success and it takes teamwork to make that happen! I wanted to share with you our experience in working alongside the staff at the Civic Center this year. We were greeted with smiles, not only each day of the competition but also in the weeks leading up to the event in preparation. We found the staff willing to learn the needs of this incredible event and deliver! We walked into the Civic Center on Thursday (setup day) and everything we planned for was in place. Both Jeremy and Nixon were very visible before, during, and after the event and ready to assist at any given minute. As with any event sometimes things do not go exactly according to plan; Jeremy and Nixon truly excelled in this area, stepping in when needed to ensure smooth operations. I am truly excited about the future of the Civic Center with their attitude for greatness!*

Terri Roberts, VP of Business Development/Columbus Hospice of Georgia & Alabama Denim and Diamonds: *Our Denim and Diamonds fundraiser this past June went smoother than ever. It was a pleasure working with Nixon, Jeremy and the rest of the team. They were responsive, helpful and professional at all times.*

Financial Outlook: *According to Angelica Alexander, Finance Director, FY19 is the first time in 10 years the Civic Center has ended the fiscal year with a positive operating cash balance.*

Director's Position: *The City Manager will make the determination when to advertise and fill the position.*



John D. Redmond, Internal Auditor



Date