



Audit of Visit Lauderdale Sports and Entertainment Section

Office of the County Auditor

Audit Report

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OFFICE OF THE COUNTY AUDITOR

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August 21, 2025

Honorable Mayor and Board of County Commissioners

Pursuant to the Annual Audit Plan, we conducted an audit of Visit Lauderdale, Sports and Entertainment Section. Our audit objectives were to determine whether funding and grants are accounted for properly; evaluate whether expenditures are reasonable, necessary, serve a public purpose, and are adequately supported; and evaluate whether operations comply with laws, rules, and regulations and are conducted in an efficient and effective manner.

We conclude that, except as noted in this report, funding and grants are accounted for properly; expenditures are reasonable, necessary, serve a public purpose, and are adequately supported; and operations comply with laws, rules, and regulations and are conducted in an efficient and effective manner. Opportunities for Improvement are included in the report.

We appreciate the cooperation and assistance provided by Visit Lauderdale staff throughout our audit process.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bob Melton".

Bob Melton
County Auditor

cc: Monica Cepero, County Administrator
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INTRODUCTION

Scope and Methodology

The County Auditor's Office conducts audits of Broward County's entities, programs, activities, and contractors to provide the Board of County Commissioners, Broward County's residents, County management, and other stakeholders, unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

Pursuant to the Annual Audit Plan, we conducted an audit of Visit Lauderdale, Sports and Entertainment Section. Our audit objectives were to:

1. Determine whether funding and grants are accounted for properly.
2. Evaluate whether expenditures are reasonable, necessary, serve a public purpose, and are adequately supported.
3. Evaluate whether operations comply with laws, rules, and regulations and are conducted in an efficient and effective manner.
4. Determine whether other Opportunities for Improvement exist.

To determine whether funding and grants are accounted for properly, we reviewed the revenues and budgets for fiscal years 2023 and 2024. We evaluated the budget process, including budgeted and unbudgeted expenditures, budget-to-actual monitoring, and the review and approval process. We also reviewed the grants received and performed independent confirmations of grants awarded.

To determine whether expenditures are reasonable, necessary, serve a public purpose, and are adequately supported, we reviewed expenditures for sponsorships, business entertainment, travel, marketing, conventions, trade shows, and association fees, as well as the purchasing of promotional items. Our testing of sponsorships included the evaluation and approval to sponsor events, compliance with agreements, and post-event proof of performance and approval of payments. We also selected samples of expenditures, obtained supporting documentation, and reviewed for compliance with policies and procedures and applicable laws and regulations.

To determine whether operations comply with laws, rules, and regulations and are conducted in an efficient and effective manner, we reviewed for potential conflicts of interest and any outside employment disclosed on the County's outside employment request forms. We also reviewed

the use of tickets to attend events, incentive plans and payments for selected employees, and the process of handling promotional items and managing related inventory. Our testing of these areas included selecting samples, obtaining supporting documentation, and reviewing for compliance with policies and procedures, and relevant laws, rules, and regulations. We also performed site visits and independent inventory counts.

Our audit focuses on the Sports and Entertainment Section of Visit Lauderdale. However, during the audit, we noted Opportunities for Improvement exist in other areas within Visit Lauderdale and related County policies and procedures. Therefore, we included these additional Opportunities for Improvement in this audit.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards except for the requirement for an external peer review which is planned for the current fiscal year. The standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The review period was October 1, 2022, through April 14, 2025. However, transactions, processes, and situations reviewed were not limited by the review period.

Overall Conclusion

We conclude that, except as noted in this report, funding and grants are accounted for properly; expenditures are reasonable, necessary, serve a public purpose, and are adequately supported; and operations comply with laws, rules, and regulations and are conducted in an efficient and effective manner. Opportunities for Improvement are included in the report.

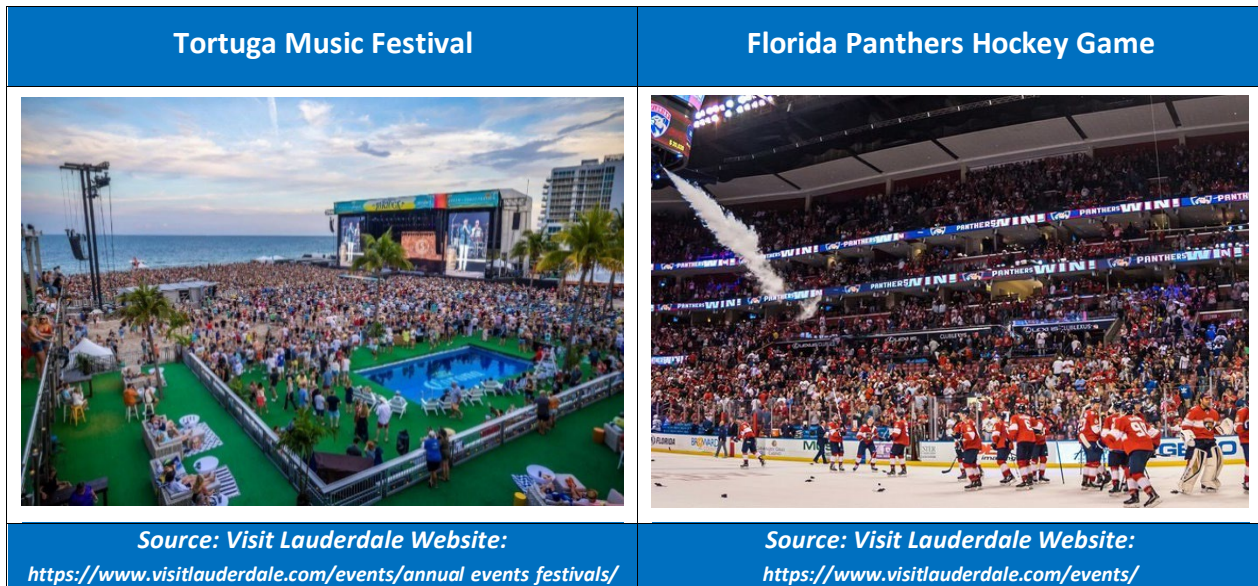
Background

Visit Lauderdale (VL), previously known as the Greater Fort Lauderdale Convention & Visitors Bureau, is a governmental agency created by the Board of Broward County Commissioners in 1987 and funded by a portion of the tax on hotel rooms (Tourist Development Tax). The VL team promotes the Greater Fort Lauderdale area as a premier year-round leisure and meeting destination.

The Sports and Entertainment Section (Sports Section) of VL is responsible for recruiting and supporting national and regional sporting events and local festivals. For fiscal years 2023 and 2024, the Sports Section sponsored 132 sporting events and 34 festivals. Examples of these

include the Tortuga Music Festival, Fort Lauderdale Food and Wine Festival, Coral Springs Gymnastics, Florida Panthers as host to the National Hockey League's All-Star Game, as well as cricket events hosted at Central Broward Regional Park & Stadium. **Figure 1** shows photos of the Tortuga Music Festival and a Florida Panthers Hockey game.

Figure 1: Photos of the Tortuga Music Festival and Florida Panthers Hockey Game



According to VL, these events have significant economic impacts for the County, bringing thousands of tourists and residents to the area, who enjoy the local restaurants, stay in area hotels, and explore Broward County.

For some of these events, grants may be awarded from the Florida Sports Foundation (Foundation), a non-profit corporation, who is the official sports promotion and development organization for the State of Florida. The Foundation assists communities and hosts organizations in attracting sports events to the state of Florida, by providing grant funding for professional, amateur, recreational sports, and physical fitness opportunities that produce a thriving Florida sports industry and environment. During fiscal years 2023 and 2024, VL received six grants totaling approximately \$587,000, which provided funding assistance for sports events throughout the County, including cricket, senior games, volleyball, and hockey.

Revenue

As noted above, VL is funded by a portion of the Tourist Development Tax (TDT), pursuant to Florida Statute 125.0104. TDT funds are to be used for tourist-related expenses such as marketing, advertising, and the promotion of Broward County as a tourist destination, as well as convention center construction, renovations, operations, maintenance, repairs, and debt service.

The allocation and usage of TDT funds depends on decisions at the local government level. Broward County Administrative Code, Volume 1, Chapter 3, Section 13.32, authorizes VL to use TDT funds to provide incentives, or sponsorships, to induce recipients to hold events at venues in Broward County. **Figures 2 and 3** summarize the budgeted revenues and appropriations of VL including the allocated TDT funds and specific budgeted appropriations for the Sports Section.

Figure 2: Visit Lauderdale Budgeted Revenue and Allocated TDT Funding and Appropriations

Visit Lauderdale Budgeted Revenues & Appropriations		
Revenues	2023	2024
TDT Revenue	\$ 32,078,650	\$ 39,002,370
Other Revenue	11,040,320	11,630,890
Total Revenue	\$ 43,118,970	\$ 50,633,260
Appropriations	2023	2024
Operating Expenses	\$ 24,998,650	\$ 26,733,890
Other Budgetary Reserves	10,780,000	15,500,000
Personnel Services	6,740,320	7,599,370
Transfers Out	600,000	800,000
Total Appropriations	\$ 43,118,970	\$ 50,633,260

Source: Prepared by the Office of the County Auditor with information obtained from FY2024 Broward County Adopted Operating Budget for VL.

Figure 3: Sports Section Budgeted Appropriations

Sports & Entertainment Section Budgeted Appropriations		
Appropriations	2023	2024
Operating Expenses	\$ 4,619,900	\$ 3,958,900
Personnel Services	599,070	548,980
Total Appropriations	\$ 5,218,970	\$ 4,507,880

Source: Prepared by the Office of the County Auditor from information provided by VL.

Tourist Development Council

The Tourist Development Council ("Council"), established by the Broward County Ordinance 80-70, is the policy-making body of the VL. The Council establishes guidelines and application procedures for the use of TDT funds in accordance with the approved annual plan and budget as adopted by the Board of County Commissioners. The Council also reviews the annual budget proposed by VL and approves the annual marketing and promotion plan.

Prior Audit Related to the Sports Section

We previously issued an audit report of the Convention and Visitors Bureau Florida Sports Foundation Account (Report No. 20-06) on November 20, 2019, and subsequently conducted a follow-up review (Report No. 21-12), which concluded that all previous recommendations were fully implemented. During the current audit, we observed that VL has made notable progress in strengthening their standard operating procedures and internal controls. Additional Opportunities for Improvement were identified and are discussed in the following section.

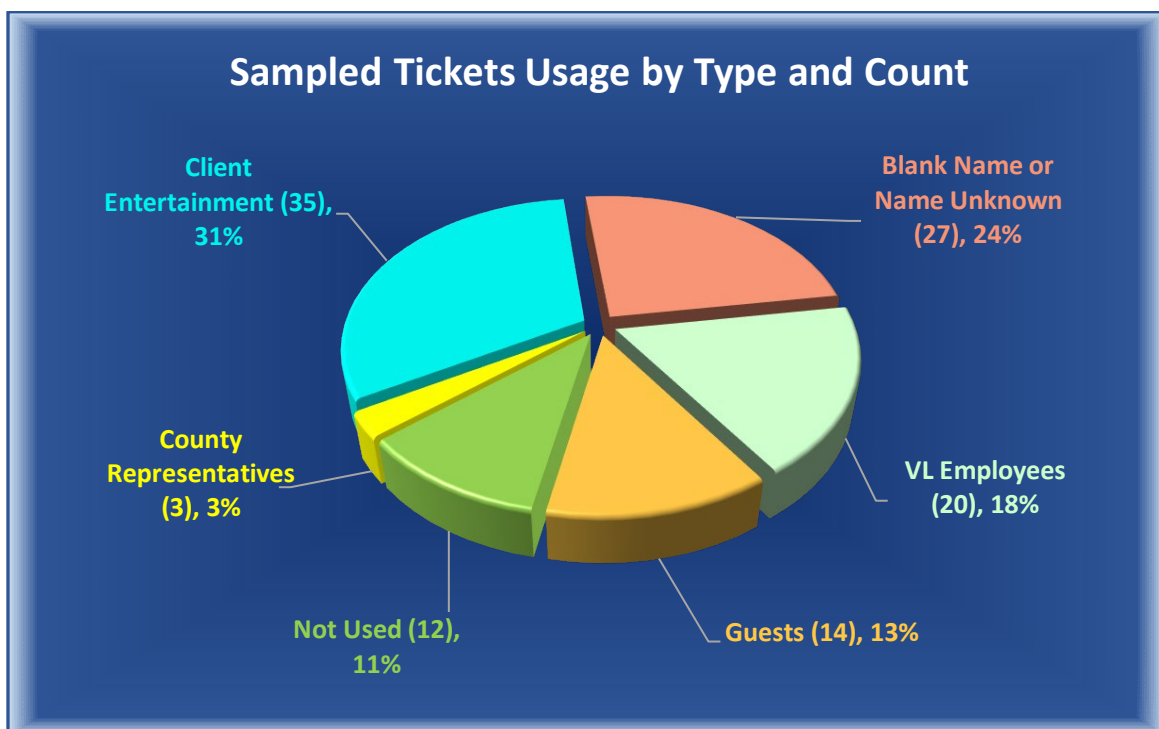
OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Usage of Event Tickets Should be Justified With Sufficient Documentation and Properly Monitored to Support Public Purposes.

Visit Lauderdale (VL) receives tickets to events as part of their sponsorship agreements. Our review found that the tickets were used by County officials, VL employees, clients, guests, as well as unknown individuals, without adequate documentation to justify the purposes of using the tickets. Therefore, we could not determine whether the tickets were used for valid public purposes and whether the usage complied with VL's Standard Operating Procedures (SOP). We tested a sample of 111 tickets for five events. **Figure 4** shows the breakdown of sampled tickets usage by type and count.

Figure 4: Sampled Ticket Use by Type and Count



Source: Prepared by the Office of the County Auditor from information received from VL.

VL staff use a Business Entertainment (BE) Form to justify and gain approval for the use of tickets to an event. According to VL, employees are required to complete a BE Form when tickets are used for the purpose of entertaining clients. The forms provide the names of attendees (those using a ticket to an event), their business affiliation and ties to the tourism industry, and the justification for attending the event, such as cultivating future business, supervising the event, or client entertainment. However, VL's SOP does not specify whether the BE Forms are required only for client business entertainment and whether the BE Forms or other documentation should be used by County officials or staff outside of VL to justify ticket uses (Refer to Opportunities for Improvement No. 3 for more discussions related to VL's SOP). **Figure 5** summarizes the 111 tickets tested by event, the number of tickets when BE Forms were utilized, and those tickets where no supporting documentation was available to justify the usage.

Figure 5: Tickets Tested by Event and Supporting Documentation for Ticket Uses

#	Events	Total Number of Tickets		
		Total Tickets Tested	No Support to Justify Ticket Use	BE Forms Completed
1	2023 Orange Bowl	12	12	0
2	2024 Live Nation Tortuga Music Festival	41	35	6
3	Jerk Festival	13	13	0
4	Rodeo 2023 - November	23	23	0
5	VL Food & Wine Festival	22	8	14
Totals		111	91	20
Percentage of BE Forms Completed				18%

Source: Prepared by the Office of the County Auditor from information received from VL.

As noted in **Figure 5** above, there was no supporting documentation for 91 (82%) tickets and only 20 (18%) tickets were included on BE Forms for two events. Therefore, we were unable to determine whether the tickets were utilized by an appropriate person for proper business activities or public purposes, as required by VL's SOP.

Of the 20 tickets that had complete BE Forms, we found none of these BE Forms were signed and approved appropriately. Specifically, two BE Forms used for 16 tickets were signed after the event took place, and one BE Form for four tickets was not signed by the employee, supervisor, and President, evidencing approval of the ticket use. **Figure 6** evidences the events, tickets, and signature dates for these BE Forms.

Figure 6: Business Entertainment Forms and Signatures Dates

Form	Event	Date of Event	# of Tickets on BE Forms	Dates Signed		
				Employee	Supervisor	President
1	2024 Live Nation Tortuga Music Festival	4/5 - 4/7 2024	6	5/15/24	N/A	5/15/24
2	VL Food & Wine Festival - Cocktail Conference (6) / Grand Tasting (4)	1/12 - 1/14 2023	10	1/25/23	1/30/23	1/31/23
3	VL Food & Wine Festival - Grand Tasting	1/12 - 1/14 2023	4	Not Signed	Not Signed	Not Signed

Source: Prepared by the Office of the County Auditor from information received from VL.

Per management, tickets may be used by County Commissioners, County Administration, and VL staff, which may include multiple tickets per person. The purpose of using tickets and attending events include event monitoring, business development (prospective events/clients or client entertainment), and employee recognition. The County Attorney's Office, in their opinion as noted in an email to the VL President, dated September 27, 2024, determined that these purposes qualify as a public purpose and constitute permissible uses of tickets to County-sponsored events. However, without the use of BE Forms or other documentation, there is no supporting documentation to ensure that all tickets were used for these purposes.

VL's Standard Operating Procedures, Admissions and Event Tickets Section, states that admissions to events and attractions may be used by VL for entertaining clients or performing other business activities. The business affiliation or ties to the tourism industry of guests and the business purpose for attending these events should be documented on a BE Form. In addition, approving ticket use prior to the event is critical in ensuring the tickets are used appropriately.

We recommend management require the use of the Business Entertainment forms or other form of documentation for all tickets used, including all attendees, to evidence approval and appropriately support the business affiliation or ties to the tourism industry, and the business and public purposes.

2. Event Tickets Should be Consistently and Accurately Tracked With Adequate Information in a Standardized Schedule to Support Appropriate Uses.

We reviewed the ticket tracking schedules for 31 sponsored events from January 1, 2022, to December 31, 2024, and noted the following:

- A. The tracking schedules are not standardized, creating inconsistent information between the schedules. We noted variances in the information required, such as names, titles, relationship to the tourism industry, and dates when tickets were received and/or used.
- B. The tracking schedules are incomplete. Specifically, the schedules do not list the names of each person receiving a ticket. In addition, some names are blank, first names are used, or Visit Lauderdale was used in place of a name. Further, the schedules do not always contain the business affiliation or ties to the tourism industry, the organization names, titles of individuals, and/or the fields are left blank.

Figures 7 and 8 evidence the inconsistencies in the schedules (section A above) as well as a lack of full names, organization names, and business affiliations (section B above).

Figure 7: Sample Tracking Schedule Evidencing Missing Names of Ticketholders and Business Affiliations

	Name	Org	Ticket Link
1	Visit Lauderdale Staff		https://etlk.co/t/99c90828c3984cf8
2	Visit Lauderdale Staff		https://etlk.co/t/cd25ca6e3140d466
3			https://etlk.co/t/22a490bf338ff0a7
4			https://etlk.co/t/a490e03de868ab7c
5			https://etlk.co/t/9720941ef4d4eda9
6			https://etlk.co/t/599aec9ee38b1aab
7		NHL	https://etlk.co/t/b5e9fe3e0ea614d6
8		BaAm Productions	https://etlk.co/t/3a36dd409bf9693e
9		NHL	https://etlk.co/t/21b13b844e768ada
10		BaAm Productions	https://etlk.co/t/f3a0ca7ab622b1e3
11		BaAm Productions	https://etlk.co/t/69cd2b6d0f36a5ef
12		NHL	https://etlk.co/t/d867fd06432614a
13		Beach Majors	https://etlk.co/t/0ef9491853c8818a
14		Beach Majors	https://etlk.co/t/374db4fd8971540c
15		Insomniac Events	https://etlk.co/t/5a94fe7bab58fa8e
16		Insomniac Events	https://etlk.co/t/e7be38160708cbea
17	Visit Lauderdale		https://etlk.co/t/61cd0898505e57de
18	Visit Lauderdale		https://etlk.co/t/51373d9c188cbb30
19	Visit Lauderdale		https://etlk.co/t/68059d2d59ba8d7e
20	Visit Lauderdale		https://etlk.co/t/66eb02d88dd748bb

Source: Tracking schedule provided by VL.

Note: Individual names in the schedule have been redacted.

Figure 8: Sample Tracking Schedule Evidencing Missing Last Names, Multiple Tickets Without Individual Names, and no Business Affiliations

Jerkfest tix 11/13/22	
First Names Only	4 tix
	2 tix
	4 tix
	4 tix

Source: Tracking schedule provided by VL.

Note: Individual names in the schedule have been redacted.

Without accurate and complete information of individual and organization names and business affiliations in the tracking schedules, we cannot determine whether all tickets were utilized for permissible uses and qualify as a public purpose.

- C. The tickets received are not reconciled from the sponsorship agreements to the schedules. We tested five events and the associated ticket schedules and noted that, for four of five events (80%), the tickets per the agreement did not match the tracking schedules. **Figure 9** below evidences the ticket variances by event.

Figure 9: Comparison of Ticket Deliverables per Sponsorship Agreements to Tracking Schedules

Event	Tickets per Sponsorship Agreements	Tickets per Tracking Schedules	Difference
Orange Bowl 2023	38	32	6
2024 Live Nation Tortuga	123	123	0
Jamaican Jerk Festival 2023	30	13	17
Rodeo 2023	18	23	(5)
VL Food & Wine Festival 2023	124	112	12
Total	333	303	30

Source: Prepared by the Office of the County Auditor from information received from VL.

VL's Standard Operating Procedures (SOP) for Admissions and Event Tickets requires the following:

- "Required documentation: Admission and ticket tracking spreadsheet – created and maintained by the GFLVL president's assistant to track the use and inventory of admission and tickets.

- *GFLVL president's assistant procedures: Record the admissions handed out, who was approved to take them, for what purpose (including client information), and when."*

Event tickets should be consistently and accurately tracked with adequate information in a standardized schedule and properly monitored to ensure they are utilized for appropriate uses and public purposes and in accordance with laws, rules, and regulations. Further, reconciling tickets received to the sponsorship agreements ensures contractual requirements are met.

We recommend management implement procedures to consistently and accurately track tickets in a standardized schedule, including reconciling to the sponsorship agreements and recording adequate information to support appropriate uses and public purposes and comply with laws, rules, and regulations.

3. Standard Operating Procedures for Tracking, Using, and Monitoring of Event Tickets Need Strengthening.

We reviewed VL's Standard Operating Procedures (SOP), and while they are comprehensive, we identified the following areas for improvement pertaining to the tracking, usage, and monitoring of tickets:

- A. The sections in the SOP defining the proper use and inappropriate use of tickets do not align with VL's current operations. As noted in Opportunity for Improvement (OFI) No. 1 above, these sections specify that tickets used for entertainment or cultivating future business is considered a proper use. Further, inappropriate use is defined as tickets used for personal use, including friends, family, and spouses, that are not tied to the tourism industry. However, based on the discussion with VL management, it was noted that County Commissioners and Administrators are typically allowed a ticket plus one guest when space allows. Tickets are then offered to VL staff for the purpose of entertaining clients to promote and recruit future events to the County. If any tickets remain unused, VL staff are offered the tickets to attend the event. In addition, based on the opinion provided by the County Attorney's Office (discussed in OFI No. 1), tickets may also be used for employee recognition. Our review noted that these permissible uses of tickets are not included within the current SOP.

The SOP should accurately reflect operations in order to provide clear guidance to staff and ensure compliance with laws, rules, and regulations for the appropriate and inappropriate use of tickets.

- B. The requirements for completing the BE Forms are not consistent with operations or are not sufficient to adequately monitor ticket uses. Specifically, the SOP:

1. Does not specify whether the BE Forms are required only for client business entertainment, suggesting that the forms should be utilized for all ticket uses by VL staff.
2. Does not specify whether the BE Forms or other documentation should be used by County officials or staff outside of VL, such as Commissioners and County Administration, to justify their ticket uses.
3. Does not require approval in advance of attending an event.

Currently, the SOP requires a BE Form to be completed by VL staff to justify and gain approval from the VL President for the use of an admission or ticket to an event. The SOP should specify when the form is required, who is required to complete it, and require approval prior to the use of tickets.

- C. There are no specific procedures for storing tickets that are in electronic form versus paper form. Documentation detailing how tickets are stored and the person responsible for maintaining the tickets is essential in ensuring tickets are accurately tracked and secured. In addition, electronic tickets require a different mechanism for storing and tracking compared to paper tickets.
- D. The required procedures to reconcile ticket inventory are outdated and do not reflect operations. The current procedures require a report reconciling the inventory ticket quantities at the end of each month, including beginning and ending balances and all additions and subtractions. However, given that the ticket tracking schedules (schedules) are prepared for and tracked by each event, and not necessarily on a monthly basis, this reconciliation process is not being performed. Based on the discussion with VL management, the primary purpose for reconciling is to ensure the tickets received meet the requirements per the sponsorship agreements and are entered on the ticket schedules accurately. As noted above, this process is not performed nor required as part of the SOP. The SOP should include reconciliation procedures from the sponsorship agreements to the schedules to ensure compliance with the deliverables of the agreements and the accuracy of the schedules. Documentation of the reconciliations should be retained.

Detailed policies and procedures should accurately reflect operations and promote compliance with applicable laws, rules, and regulations. Defining how tickets are to be used, who can use them, the process to obtain approval and the required forms to justify the uses, provides for clear guidance to staff and those utilizing tickets. In addition, these procedures, in conjunction with reconciling to the agreements, facilitates the ability to accurately track tickets for appropriate business and public purposes.

We recommend management strengthen internal policies and procedures to accurately reflect operations and strengthen controls over the tracking, usage, and monitoring of tickets, including but not limited to, addressing the issues noted in this finding.

4. The Sponsorship Program Should be Enhanced to Ensure Required Terms are Included in Agreements and Sufficient Proof of Performance Documentation are Provided.

We tested 12 sponsorships from October 1, 2022, through December 31, 2024, and noted the following issues:

- A.** Sponsorship agreement requirements are not defined to facilitate post-event evaluation and payment of incentives in accordance with VL's Standard Operating Procedures (SOP). For 12 sponsorship agreements reviewed, we noted:
1. Two (17%) agreements did not require a compliance certificate from the recipient attesting to compliance with agreement terms, in accordance with VL's SOP.
 2. One (8%) agreement did not include deliverables that were proposed in the application for sponsorship, such as a hospitality suite and VIP passes. While these deliverables were provided, agreed upon terms should have been stated in the executed agreement.

The event promoter (recipient) and VL negotiate sponsorship terms, such as incentives, expected deliverables and required proof of performance. We noted that recipients typically commit to a number of event attendees, and for some events, a specified number of hotel room nights. Additionally, they agree to provide the designated proof-of-performance documentation outlined in the agreement, including a certificate of compliance. After the event, VL evaluates whether the promoter performed as required by the agreement, according to documentation submitted by the event organizer. Without clearly defined requirements in the agreement terms, County payments of incentives could appear arbitrary or subjective. In addition, although the vendors organizing these events may differ in scale, along with the size of the events themselves, recipients should still be obligated to submit documentation demonstrating the fulfillment of promised deliverables tied to the funding they were provided.

VL's SOP requires a sponsorship agreement and a compliance certificate from the event organizer certifying compliance with agreement terms, including supporting documentation in the form of hotel pickup reports and/or ticket sales reports, or other documentation.

Including all agreed-upon terms in a sponsorship agreement is essential because it establishes clear expectations and responsibilities for all parties involved. This prevents misunderstandings, disputes, or ambiguity about what has been promised or delivered. It also provides a legally enforceable framework, protecting everyone's interests if issues arise.

- B. Execution of sponsorships and enforcement of sponsorship agreements need strengthening. For one agreement, evidence of vendor expenses was not provided to support allowable grant expenditures. The event was funded by a VL sponsorship and a grant from the Florida Sports Foundation (FSF).

Both the FSF grant agreement and sponsorship agreement required the following:

"Recipient will provide County with documentation demonstrating use of at least \$250,000 of incentive funds for FSF "allowable expenses." According to FSF's Major Grant Program policy, allowable expenses include:

- 1. Promotion, marketing & programming*
- 2. Paid advertising & media buys*
- 3. Production & technical expenses; officials*
- 4. Site fees, venue rentals, costs (contract help)*
- 5. Rentals, insurance, rights fees, bid fees, sanction fees, non-monetary awards."*

Without supporting documentation of expenditures of the grant funds, we were unable to verify that the funds were spent in accordance with the grant terms and requirements.

We recommend management:

- A. Strengthen sponsorship agreement terms to include requirements for performance and acceptable evidence of such performance, in accordance with Standard Operating Procedures.
- B. Strengthen sponsorship program procedures to require that sufficient proof of performance documents are provided to ensure compliance with agreement terms.

5. Standard Operating Procedures Require Strengthening to Provide Specific Guidance on Evaluating Sponsorship Applications, Monitoring Sponsorship Activities, and Conducting Post-Event Evaluations.

We reviewed VL's Standard Operating Procedures (SOP), and while they are comprehensive, the procedures related to the evaluation of applications and performance for sponsorships should be enhanced to:

- A. Include guidance as to how projected economic data is identified and evaluated to calculate an event's anticipated economic impact, to support the recommended sponsorship incentive.
- B. Specify minimum requirements for evidence of performance, such as event expense reports, attendance counts, photographic evidence of marketing efforts, and verifiable third-party evidence such as hotel pickup reports or geo-fencing statistics of attendance.
- C. Promote VL staff's attendance at sponsored events and completion of internal affidavits of event success and promoter performance of marketing/promotion efforts to support efforts to verify compliance with agreement terms.
- D. Require promoter/organizer completion of a Foreign Entity Affidavit, as recommended and required by the Office of the County Attorney.
- E. Establish minimum requirements for documentary evidence to support full, partial, or no payments, in the event of cancellation or changes in the scheduled event.

Objective criteria used to evaluate applications and performance for sponsorships is critical to facilitate funding decisions and evaluations of recipient performance. This enables management to ensure the sponsorship program is administered equitably among applicants and to achieve effective benefits to the local tourism economy.

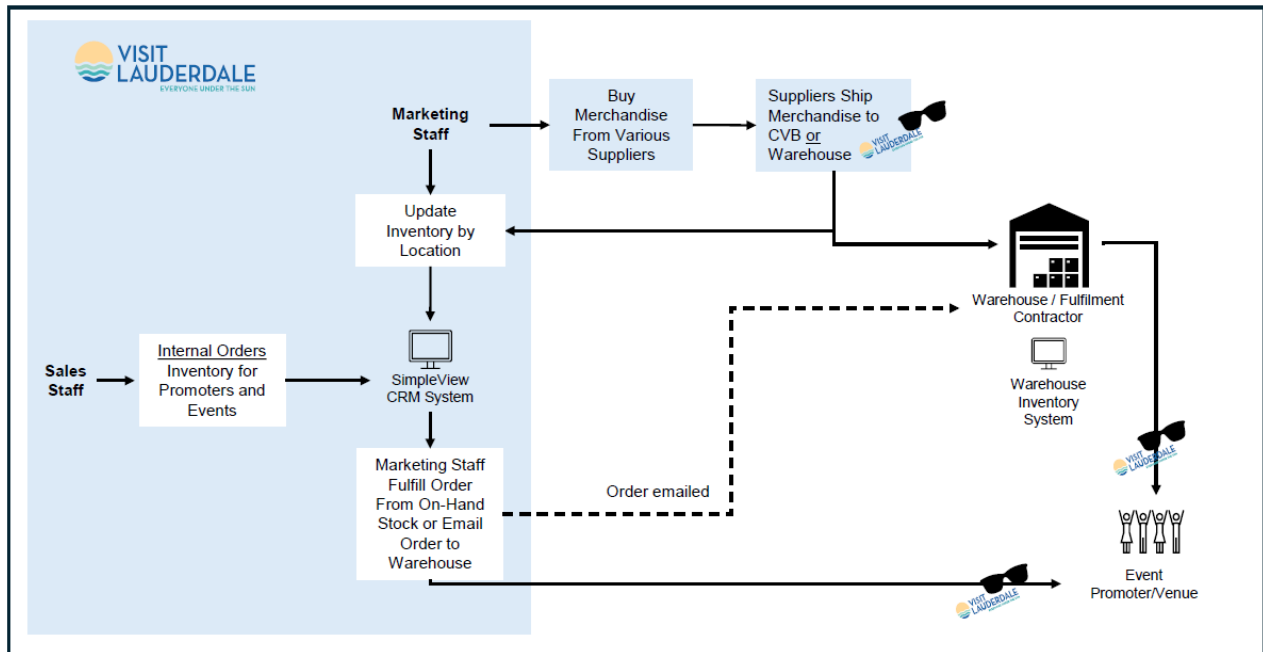
We recommend management strengthen Standard Operating Procedures to accurately reflect sponsorship operations and provide specific guidance in the sponsorship funding evaluation, sponsorship activities monitoring, and incentive payment processes.

6. The Inventory Management System and Internal Controls Over Promotional Items Should be Strengthened.

We reviewed the policies and procedures over inventory handling, including segregation of key functions, counting and reconciling, storage and security, as well as the recording of assets. VL utilizes an external warehouse through a third-party vendor, who provides inventory storage as well as kit assembly and shipping/delivery services for events and other needs of the agency. In

addition, VL maintains some inventory of promotional items within their offices. **Figure 10** represents a flow chart of the inventory process, including ordering, receiving, system entry, and internal staff orders to remove inventory for use of promotional items at events.

Figure 10: Flow Chart of the Inventory Process



Source: Prepared by the Office of the County Auditor from information received from VL.

The promotional items inventory, as of February 18, 2025, had a total value of \$148,178. **Figure 11** shows the value and quantities by location.

Figure 11: Inventory Quantities and Value by Location

Inventory Location	Quantity	Value
VL Office	7,836	\$ 31,119
Warehouse	63,880	117,059
Total Inventory at 2/18/2025	71,716	\$ 148,178

Source: Prepared by the Office of the County Auditor from inventory reports received from VL.

Our testing identified the following opportunities for improvement:

- A. We noted a lack of segregation of duties for ordering, receiving, recording, and storing inventory, as well as distribution of promotional merchandise to VL staff for use at events. One individual, the Warehouse Supervisor, has the primary responsibility for these functions and is also the primary contact for the external warehouse contractor. During

our audit, the inventory function was assigned to the Marketing Manager, who now oversees the Warehouse Supervisor, which assists in segregating these functions.

According to Standards for Internal Control in the Federal Government, as published by the U.S. Government Accountability Office (GAO), Principle 10 – Design Control Activities, control activities should be designed to separate key duties and responsibilities to reduce the risk of error, misuse, or fraud. For inventory assets, this requires separating responsibilities such as authority for, custody of, and accounting for inventories. This would help ensure that employees who purchase inventory are not responsible for also receiving and storing inventory, while keeping records of inventory. If segregation of duties is not practical because of limited personnel or other factors, the GAO recommends that management should design alternative control activities, such as management reporting and oversight of inventory responsibilities, with periodic physical observation and reconciliation to control records.

B. The recording of inventory purchases and inventory counting and reconciling needs improvement. Specifically:

1. Inventory purchases of promotional merchandise are not recorded as an asset for inventories on hand at year end, as required by County Administrative Policies and Procedures.

The County Administrative Policies and Procedures, Volume 1, Chapter 10, Physical Count of Consumable Inventory, Section 1.8, A, requires that: *“...all significant inventories (greater than \$25,000) must be reported, regardless of the accounting method to record the purchase and valuation of inventory.”*

2. Management does not perform regular inventory counts nor are monthly reconciliations of inventory records to external warehouse records performed. Management stated that the last comprehensive physical inventory count of promotional items was performed in January 2021. During the audit, we identified variances between VL's inventory system (SimpleView) and the external warehouse. Specifically, we noted the following:

- a. For 20 product SKU's, we noted a variance of 2,459 in quantities on hand. The Warehouse showed a quantity of 34,832, where SimpleView showed 32,373. In addition, these variances contained inventory location errors from the Warehouse system to SimpleView, including some inventory split between the two locations or all located at the VL office.

- b. The Warehouse system inaccurately showed inventory quantities of 790 that were removed due to obsolete items, distribution, or moved to the VL office location.
- c. SimpleView showed an inventory quantity of 581 located at the Warehouse in error. The inventory was located at the VL Office.
- d. The Warehouse system listed 2 item SKU's that did not match SimpleView. Management was able to correct the SKU's and the inventory was located.

The County Administrative Policies and Procedures (CAPP), Volume 1, Chapter 10, Physical Count of Consumable Inventory, requires, for significant inventories (valued at \$25,000 or more), that the inventory must be counted annually prior to Sept. 30th, significant discrepancies investigated, and results submitted to the Accounting Division. Further, the CAPP specifies it is the responsibility of the agency director to identify obsolete, surplus or damaged inventory and remove these items from inventory at least once a year prior to taking and reporting the September 30th year-end inventory.

In addition, VL's Standard Operating Procedures (SOP) require a recount of inventory at the end of each fiscal year and cross-referenced with numbers in the inventory management system for both in-house inventory and inventory with the fulfillment vendor. Both the Warehouse Supervisor and VL Manager should conduct the recount together, with final documentation of findings reported. Also, at the end of each month, a report should be compiled that reconciles the inventory quantities at the VL offices and at the fulfillment contractor. The report should include details, such as a product inventory summary, order history, and inventory transactions, which include staff information, product descriptions and quantities, location, and available inventory, etc.

- 3. Internal controls over inventory purchases need strengthening. We tested a sample of 30 promotional type purchases and noted the following:
 - a. The purchases are not entered into inventory timely or accurately. Of the 30 purchases tested, 16 were considered merchandise that should have been entered into inventory. We noted:
 - i. 13 of 16, or 81%, of items purchased were not entered into SimpleView timely. We considered timely entry to be within three business days from receipt, excluding weekends. The total number of days late, after the three-business day allowance, ranged from

one to 313 business days, with a median of 17 business days after receipt.

- ii. Five of 16, or 31%, of items purchased, the quantities were not accurately entered into inventory. **Figure 12** shows the variances in the quantity received and the quantity entered into inventory.

**Figure 12: Comparison of Inventory Quantities
Received and Entered Into the Inventory System**

#	Quantity Received	Quantity Entered	Inventory Variance
1	9,500	10,040	(540)
2	970	173	797
3	270	243	27
4	23	-	23
5	65	50	15
Total	10,828	10,506	322

*Source: Prepared by the Office of the County Auditor
from information received from VL.*

Strong internal controls suggest the need to enter newly received inventory into the system of record timely and accurately. This ensures inventory is recorded accurately and available for use.

- b. For 15 of 30 purchases, there was no evidence that the items received were verified for accuracy (i.e. comparison of items received to the invoice) and of these 15 purchases, 10 did not have evidence of who received the delivery. **Figure 13** shows these 15 purchases without evidence of receivers and verification of orders received.

**Figure 13: Purchases Without Evidence of Receivers
and Verification of Orders Received**

#	Date	Name	Amount	Item Description	Order Placed By	Receiver / Signer	Verification of Order Received
1	11/1/2022	Sharp Marketing	\$ 7,488.89	Branded Light-up Necklaces	Marketing Manager	Employee S.S.	N
2	2/9/2024	Sharp Marketing	1,124.97	Branded Table Throws	Marketing Manager	Not Known	N
3	4/7/2023	IDDeal Foundation	7,920.00	Branded Candles / Gift Sets	President	Not Known	N
4	3/4/2024	PayPal	1,694.64	Cruise Luggage Tags	Warehouse Supervisor	Not Known	N
5	3/29/2024	PayPal	51.81	Cutlery Set Sample	Warehouse Supervisor	Not Known	N
6	2/21/2023	Sharp Marketing	66.00	Branded Name Badges	Marketing Manager	Employee F.D.	N
7	10/19/2023	Sharp Marketing	60.85	Branded Name Badges	Marketing Manager	Employee E.E.	N
8	11/16/2023	Amazon	173.05	Polos / Jackets	Vice President	Not Known	N
9	12/4/2023	Macys	266.26	Fleece Vests	Vice President	Not Known	N
10	12/15/2023	Sharp Marketing	363.42	Lapel Pins w/ Rose	Marketing Manager	Not Known	N
11	1/4/2024	Googdot.Com	174.80	Scarfs	Warehouse Supervisor	Not Known	N
12	3/15/2024	PayPal	47.03	Scarf Sample Item	Warehouse Supervisor	Not Known	N
13	4/8/2024	ALIBABA	937.21	Logo Silicone Wristbands	Warehouse Supervisor	Not Known	N
14	4/17/2024	Sharp Marketing	36.95	Branded Name Badge	Marketing Manager	Employee V.V.	N
15	5/3/2024	Sharp Marketing	2,989.40	Branded T-Shirts	Marketing Manager	Employee E.S.	N
Total			\$ 23,395.28				

Source: Prepared by the Office of the County Auditor from information obtained from VL.

The VL's Standard Operating Procedures require that purchased goods should be received by a person who did not order the items; this person is responsible for verifying and signing that the items received match the order. The assigned receiver personnel are the Administrative Officer Senior and the Warehouse Supervisor.

During our review, we noted that inventory management is largely a manual process in updating inventory records when items are purchased and removed from inventory, and ensuring the external warehouse inventory is also updated to reflect VL's internal inventory system. In addition, as noted above, obsolete items are not identified and removed from inventory timely. For this reason, it is critical to perform regular inventory counts and reconciliations to ensure inventory is accurately reflected in both SimpleView and the Warehouse systems. This also enables staff to know what inventory is on hand and available for use, evaluate when purchases are needed to fill low quantities or out-of-stock items, and prevent excessive or unnecessary purchases.

- C. VL staff's orders of promotional items out of inventory need enhancement. VL staff order promotional items from either the warehouse or VL located inventory for use at events, trade shows, conventions, or other activities. We tested a sample of 30 inventory orders noting that 21, or 70%, did not include a description of how the items were to be used

(e.g., the event in which promotional items were distributed) as required by VL's Standard Operating Procedures (SOP). We noted the organization receiving the merchandise was specified, but the specific event and use of the merchandise was not included with the orders.

VL's SOP require the following information to order and remove inventory from stock:

- A "required by" date.
- Who the items will go to, including the name of group/partner and a description of how the items will be used.
- Method of shipment/delivery.
- Products and quantities.
- VL Section and staff requested.

Documenting how the inventory items are to be used and specifying for which event on the inventory orders provide support for the usage and accounting of inventory to ensure promotional items are ordered and used for intended and appropriate business purposes.

D. VL's SOP over inventory needs strengthening. We noted the procedures surrounding the inventory function do not provide for the following requirements:

1. Entering purchases into the inventory system after receipt, including both the warehouse and VL locations.
2. Handling of obsolete and/or damaged inventory items including removal from the inventory system and disposal.
3. Classification of inventory types and defining the types of items required to be entered into inventory. Based on discussions with VL management, sample items are frequently purchased to determine colors and quality prior to ordering in bulk. In addition, certain types of items are considered supplies for trade shows or conventions, which are reusable and not meant for public distribution. Another item noted is clothing for staff to wear with VL branding. Defining the types of items purchased and differentiating between office supplies or other uses and inventory can assist in ensuring inventory records are accurate and complete.
4. References to County inventory administrative policies and procedures, including inventory counting and reporting to the Accounting Division.

Comprehensive internal policies and procedures establish the foundation for accountability and help ensure compliance with management controls. Any updates to procedures should reference the applicable guidance noted above to ensure compliance with the County's policies and procedures and align with best practices for operations.

We recommend management implement procedures to:

- A. Segregate inventory functions between ordering, receiving, and recording of inventory.
- B. Accurately record and enter inventory timely, as well as count and reconcile inventory to ensure records are accurate and complete in accordance with County and internal policies and procedures.
- C. Ensure inventory orders are adequately documented in accordance with internal policies and procedures.
- D. Strengthen internal policies and procedures to include, at a minimum, timely entry of purchases into the inventory system, handling of obsolete and/or damaged inventory, defined classifications of inventory, and reference to relevant County requirements.

7. Use of the County's Arena Suite Should be Properly Tracked and Documented to Ensure it Supports Valid Public Purposes and Complies with Applicable County Administrative Policies and Procedures.

We reviewed VL's usage of the County's Arena Suite (Suite) and evaluated whether the uses were consistent with the intended purpose of economic development and tourism promotion, as required by County policies and procedures. During the audit, we also noted that the Greater Fort Lauderdale Alliance (Alliance) is assigned the responsibility of scheduling use of the County Suite. Our review found the following:

- A. VL does not properly report the number of attendees, names and business affiliations, and business purpose of events to the Alliance within five business days after using the County Suite, as required by the County Administrative Policies and Procedures (CAPP).

The CAPP, Volume 15, Arena Suite Use and Acceptance of Tickets to Events at the Arena, requires that, "Within five business days following a County Event, the using agency must provide the Greater Fort Lauderdale Alliance the following information: Number of Attendees, Name of All Ticket Recipients and Business Affiliation, Description of Business Purpose of Hosted Event, including Desired Outcome."

The use of the County Suite should be properly reported with the required information after the event to ensure it was used for authorized purposes and in compliance with CAPP requirements.

- B.** The Suite reservation schedule that we received from the Alliance does not contain the full names of attendees, titles, their business affiliations or the business purpose of attending each event. Without such information in the tracking schedule for all using agencies, we could not determine whether the County Suite was utilized for permissible uses and public purposes. **Figure 14** shows an example of the reservation schedule received from the Alliance.

Figure 14: Example of the Alliance Reservation Schedule of the County Suite at Arena

Date	Day	Time	Team/ Concert	Administration	Alliance	CVB	Port	Airport
01/02/25	Thu	7:00 PM	<i>Panthers vs Carolina</i>		First Name Only			
01/03/25	Fri	7:00 PM	<i>Panthers vs Pittsburgh</i>			Section / First Name Only		
01/08/25	Wed	7:00 PM	Jeff Dunham		First Name Only			
01/11/25	Sat	1:00 PM	<i>Panthers vs Boston</i>		First Name Only			
01/16/25	Thu	7:00 PM	<i>Panthers vs Detroit Red Wings</i>		First Name Only			
01/18/25	Sat	6:00 PM	<i>Panthers vs Anaheim</i>	First Name Only				
01/29/25	Wed	7:00 PM	<i>Panthers vs Los Angeles</i>		First Name Only			
01/31/25	Fri	7:00 PM	Toby Mac's Hit Deep 2025					
02/01/25	Sat	1:00 PM	<i>Panthers vs Chicago</i>			Section / First Name Only		
02/02/25	Sun	6:00 PM	<i>Panthers vs New York Islanders</i>		First Name Only			
02/08/25	Sat	7:00 PM	<i>Panthers vs Ottawa</i>	First Name Only				
02/13/25	Thu	7:00 PM	BIG Meech Welcome Back Legacy Concert					
02/16/25	Sun	8:00 PM	Andrea Bocelli					
02/21/25	Fri	8:00 PM	We Them One's Comedy Tour					
02/22/25	Sat	6:00 PM	<i>Panthers vs Seattle</i>				Agency / No Names	
02/27/25	Thu	7:00 PM	<i>Panthers vs Edmonton</i>			Section / First Name Only		

Source: : Prepared by the Office of the County Auditor from the schedule of suite reservations received from the Greater Fort Lauderdale Alliance.

Note: For the five columns on the right side of the schedule, we removed the actual individual and agency names where a first name or agency information was shown and added the general descriptions.

- C. During the review of areas discussed in Parts A and B above, we also identified inconsistencies in the Suite reservation process, guidance provided in the CAPP, and requirements per the Alliance agreement. According to County Administration, they assist County agencies in making reservations and work with the Alliance in scheduling. However, the CAPP requires reservations to be made through the Alliance. In addition, the Alliance agreement does not include these responsibilities within the scope of their agreement with the County. As advised by County Administration, a new CAPP for the reservation and usage of the Suite is in process, which should provide clear and consistent guidance and accurately reflect current operations.

The CAPP states: “The Greater Fort Lauderdale Alliance is assigned the responsibility of scheduling use of the County Suite. Authorized agencies may request by submitting an Arena Suite Reservation Request form to the Alliance.”

We recommend management direct:

- A. VL to implement procedures to ensure reporting of the County Suite usage with required information to the Alliance is performed and retained in compliance with the CAPP.
- B. County Administration to amend the CAPP to require proper tracking of the usage of the County Suite with adequate information to ensure the Suite is utilized appropriately and consistent with its authorized purpose of economic development and tourism promotion.
- C. County Administration to amend the CAPP to accurately reflect operations and provide clear and consistent guidance for County agencies to follow, and ensure that the agreement with the Alliance includes defined responsibilities of scheduling the use of the County Suite to comply with the CAPP requirements.

8. The Annual Established Goals for the Sales Incentive Program Should be Signed and Approved Within a Required Timeframe.

We reviewed the sales incentive policies and procedures, established goals, and incentive payments for 2022 through 2024 for four Sports Section employees, as shown in **Figure 15**.

Figure 15: Incentives Paid to Sports Section Employees by Fiscal Year

Employee	2022	2023	2024
1	N/A	\$ 15,000	\$ 15,000
2	12,500	12,500	12,500
3	12,500	12,500	12,500
4	N/A	N/A	12,500
Total	\$ 25,000	\$ 40,000	\$ 52,500

Source: Prepared by the Office of the County Auditor from information received from VL.

Our testing identified that the incentive forms establishing individual sales goals are not signed timely. We reviewed the 2023 and 2024 incentive forms for the four employees noted above. The forms are used to establish employee sales goals for the fiscal year and are compared to performance at year-end to determine if the goals were met and if the incentive should be awarded. **Figure 16** shows the number of days late the forms were signed by the employee and President, following the beginning of each fiscal year.

Figure 16: Incentive Form Approval Dates by Employee per Fiscal Year

Fiscal Year (Goal Period)	Employee	Date Signed By VL President	Date Signed By Employee	Days Between Employee Signature and Beginning of FY	Days Between President Signature and Beginning of FY
FY 2023 (10/1/22 - 9/30/23)	Employee 1	2/14/23	2/13/23	135	136
	Employee 2	2/14/23	12/20/22	80	136
	Employee 3	2/14/23	12/15/22	75	136
FY 2024 (10/1/23 - 9/30/24)	Employee 1	5/7/24	5/22/24	234	219
	Employee 2	1/10/24	2/27/24	149	101
	Employee 3	1/10/24	2/22/24	144	101
	Employee 4	1/10/24	6/18/24	261	101
Average days lapsed since beginning of FY				154	133

Source: Prepared by the Office of the County Auditor from information received from VL.

Based on the discussion with VL management, a reasonable timeframe to establish sales goals and sign the incentive forms is 60 days from the start of the fiscal year. However, the incentive plan does not establish a timeline for setting goals and signing/approving the goals for the year.

Strong incentive plans provide a required timeframe for setting and approving goals within the start of the measurement period, which prevents any uncertainty of expectations and allows those individuals the full time period to obtain their goals.

We recommend management:

- A. Implement procedures to ensure the annual established goals are signed and approved timely within a required timeframe of the start of the goal period.
- B. Strengthen the incentive plan to establish requirements for setting goals and signing/approving the goals within a required timeframe of the start of the goal period.

9. County Administration Oversight of Sponsorships is Necessary When Potential Conflicts of Interest Arise.

We noted the VL President is a voluntary board member of the Museum of Discovery and Science (Museum) and also has authority to approve sponsorship funding for the Museum. The President approved two sponsorships for the Museum, one for \$150,000 in fiscal year 2023 and another for \$245,000 for fiscal year 2025. The sponsorships were also reviewed by the Tourist Development Council (TDC) as part of the VL budget process. In addition, the President appropriately disclosed the relationship to the TDC and the County Administrator.

In our review of sponsorship funding to the Museum, we determined that the amounts awarded were supported by projections of event economic impact. However, an independent review of sponsorships will help ensure that incentives are fairly awarded in relation to the projected economic impact of sponsored events and are consistent with similarly sponsored tourism activities. Also, the related approval to pay incentives based on promoter performance should be subject to independent review, free from any potential conflicts of interest.

To avoid any conflicts in appearance, County Administration should review and approve sponsorships, including post event evaluations and the incentives awarded, when potential conflicts arise.

In addition, the County Administrative Code Chapter 14.251 requires that *"Any conflict between personal interests and official responsibility is to be resolved by consciously avoiding possible conflicts or disclosing the basis of a possible conflict to a supervisor. The foregoing restrictions are not intended to stand in the way of active participation in community organizations or the pursuit of personal affairs by employees. Rather, these policies are aimed at insuring [sic] the public's business is faithfully and ethically carried out."*

We recommend management implement procedures to ensure all sponsorships are reviewed and approved by County Administration, including approval of funding and post-event payment decisions, for circumstances where VL executives have a potential conflict of interest with the sponsored organization.

10. Grant Funding Obtained for Sponsorships Should be Distributed in Accordance with Agreement Terms and Grant Agreements Should be Signed by an Authorized Individual.

We reviewed two of the six grants received during the audit period, one from fiscal year 2023 and the other from fiscal year 2024, and identified the following:

- A.** Payment of grant funds were distributed to a sponsored event, prior to receipt of the grant from the Florida Sports Foundation. A sponsorship award of \$750,000 included \$500,000 from County funds and \$250,000 from grant funds. The \$250,000 incentive was contingent upon the County receiving the grant, which is not approved until after the event is held and all post-event supporting documentation is submitted for review and approval. The County disbursed the total incentive payment of \$750,000 on July 10, 2023, before receipt of the \$250,000 grant funds, which were received on August 23, 2023. Based on the discussion with VL management, this was likely an error in processing the invoice, which included the total of \$750,000.

The Sponsorship agreement required the following:

- Monetary Incentive: *“The \$250,000 Incentive payable by County utilizing FSF grant funds is contingent upon County receiving the grant funds from FSF. If County does not receive payment of the FSF grant funds for the Event, this portion of the Incentive will not be owed, and the Incentive will be reduced to \$500,000.”*
 - Payment Timing: *“\$250,000 incentive from grant funds received from FSF payable the earlier of 120 days after conclusion of the Event or within 45 days of County’s receipt of the grant funds from FSF.”*
- B.** The 2023 grant agreement was signed by the Sports Manager of VL, who was not authorized to sign on behalf of the County. On December 13, 2022, the Board of County Commissioners approved a motion to authorize the County Administrator to execute a grant agreement. Upon inquiry of VL management, the Office of the County Attorney, and the County Records Office, a copy of the agreement with the County Administrator and County Attorney signatures could not be found. It was also noted that the employee who signed the grant agreement has since separated from the County.

County Administration Policies and Procedures, Volume 15, Chapter 5, Grant Management Procedures, Section 2.2.9 establishes the designated authority for execution of grant agreements as the County Administrator or Mayor.

Failure to follow the County's grant and sponsorship agreement requirements may result in misappropriation of assets. In addition, noncompliance with grant requirements may result in loss of revenue due to the grant not being approved. As such, the County may not have been able to recover the grant-funded portion of the sponsorship that was paid in advance.

We recommend management implement procedures to ensure:

- A. Grant funding obtained for sponsorships is not distributed until the grant funds are received.
- B. All grant agreements are properly executed by an authorized individual and officially recorded to ensure compliance with County requirements for approval authority.

11. Business Entertainment Policies and Procedures Need Improvements to Ensure Prior Written Approval is Obtained and Business Entertainment Justification Forms are Properly Completed and Signed.

We reviewed internal business entertainment policies and procedures as well as a sample of business entertainment expenses and identified the following:

- A. Payments for two of 22 (9%) business entertainment expenses were not appropriately approved in accordance with the County Administrative Policies and Procedures and VL's Standard Operating Procedures. Both expenses were over \$100, which required the signature of the VL President on the Business Entertainment Justification (BE) Form, evidencing approval. **Figure 17** shows an example of one form noting the total expense and the missing signature.

Figure 17: Picture of the BE Form Evidencing the Dollar Amount and Missing President Signature for Approval

Date	Expense	\$ Value	Method of payment
11/02/2022	The Bol	\$ 153.40	P-Card

<div> <div>Digitally signed by [Redacted]</div> <div>Date: 2022.11.07 08:45:34 -05'00'</div> </div> <div>Employee signature / date</div>	<div> <div>Digitally signed by [Redacted]</div> <div>Date: 2022.11.07 10:51:18 -05'00'</div> </div> <div>Supervisor signature / date</div>
--	--

GFLCVB President signature / date
\$100.00 or greater GFLCVB President must approve

Source: Business Entertainment Form provided by Visit Lauderdale.

- B.** There was no evidence of prior approval for 19 (86%) of the 22 business entertainment expenses. According to VL management, employees typically have conversations with their supervisors regarding site visits and potential client entertainment to obtain approval prior to incurring expenses. However, this is typically a verbal discussion. The current SOP does not require evidence of prior approval for client entertainment to be retained. While it may be difficult to estimate if the entertainment cost will exceed \$100, it would be a good practice to obtain prior approval in writing as a precautionary measure and retain the approval documentation.

Failure to obtain appropriate and timely approval for entertainment expenses may result in unallowable costs being incurred or entertainment of individuals who do not meet the requirements as established by policies and procedures.

County Administration Policies and Procedures, Chapter 3, Section 2.1.6(J)(4), requires that any entertainment expense over \$100 be approved by the Agency Director.

In addition, VL's Standard Operating Procedures (SOP) require the following:

"Employees are authorized to incur entertainment expenses at their own discretion, within the law and restrictions listed herein, up to \$99.99. When entertainment expenses are \$100.00 or greater the GFLVL president must approve."

The SOP also provides for the following entertainment procedural requirements:

1. *"Gain approval for entertaining from your supervisor; if the expense is greater than \$100.00 your supervisor should ensure the GFLVL president will approve."*
2. *Entertain.*
3. *Complete the Business Entertainment Justification Form.*
4. *Submit the form to your section leader and the GFLVL President for review and approval/signature.*
5. *Submit the signed Form with any requests for payment (attach to P-Card reconciliation, expense reimbursement, travel authorization, etc.).*
6. *Keep your own copy and original receipts indefinitely."*

We recommend management:

- A.** Implement procedures to ensure all entertainment expenses over \$100 are approved prior to entertaining and the Business Entertainment Justification Form is completed and signed by the President.
- B.** Update Standard Operating Procedures to require evidence of prior written approval and retention of all approvals for entertainment expenses exceeding \$100.

MANAGEMENT'S RESPONSE



KEVIN B. KELLEHER, Deputy County Administrator
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MEMORANDUM

DATE: August 20, 2025

TO: Robert Melton, County Auditor

FROM: Kevin B. Kelleher, Deputy County Administrator

**SUBJECT: Management Response to County Auditor's Report – Visit
Lauderdale Sports and Entertainment Section Audit**

The Greater Fort Lauderdale Convention and Visitors Bureau (GFLCVB) has reviewed the above referenced Audit of Visit Lauderdale Sports and Entertainment Section (Audit) and respectfully submits the following as Management's response.

In summary, Management concurs with the Audit conclusion that funding and grants are accounted for properly; expenditures are reasonable, necessary, serve a public purpose, and are adequately supported; and operations comply with laws, rules, and regulations and are conducted in an efficient and effective manner. The Audit report identified 11 opportunities for improvement, mostly to strengthen the County's policies.

Overall, Management concurs with the opportunities for improvements and has implemented or is in the process of implementing many of the recommendations. Below, please find detailed responses to each of the 11 opportunities for improvement and recommendations:

Opportunity for Improvement 1: *Usage of Event Tickets Should be Justified With Sufficient Documentation and Properly Monitored to Support Public Purposes.*

Recommendation: *Require the use of the Business Entertainment forms or other form of documentation for all tickets use, including all attendees, to evidence approval and appropriately support the business affiliation or ties to the tourism industry, and the business and public purpose.*

Management's Response: ***Management concurs and has partially implemented this recommendation.*** GFLCVB has updated the Business Entertainment form, as also discussed in response to Opportunity for Improvement 11, to enhance documentation and oversight. The revised form is now used for all client ticket requests and must be

approved by the GFLCVB President/CEO prior to the event. This ensures that ticket usage is properly justified and aligned with tourism-related business purposes. For GFLCVB staff, GFLCVB is actively working on strengthening internal policies and procedures to ensure consistent documentation, approval, and alignment with public purpose. These enhancements are being addressed in response to Opportunity for Improvement 3 and are currently in development. One of the enhancements came directly from the audit team's recommendation for GFLCVB staff to submit a post-event report/affidavit summarizing event success and promoter performance. (Also listed in the auditor's report within Opportunity for Improvement 5.) Management anticipates that this recommendation will be fully implemented by the end of Fiscal Year 2025.

Opportunity for Improvement 2: *Event Tickets Should be Consistently and Accurately Tracked With Adequate Information in a Standard Schedule to Support Appropriate Uses.*

Recommendation: *Implement procedures to consistently and accurately track tickets in a standardized schedule, including reconciling to the sponsorship agreements and recording adequate information to support appropriate uses and public purposes and comply with laws, rules, and regulations.*

Management's Response: *Management concurs and has partially implemented this recommendation.* GFLCVB has designated the GFLCVB Business Manager as the central point of contact for sponsorship-related ticketing. In this role, the Business Manager conducted an audit of FY25 sponsorships to identify ticket deliverables and developed a standardized tracking schedule that will be used moving forward to ensure consistency, accuracy, and alignment with sponsorship agreements. The new tracking schedule includes key data points such as event contact, assigned GFLCVB sales manager, ticket type, date of distribution, and the date the signed business entertainment form was received.

The Business Manager has also been integrated into the sponsorship workflow and plays a key role in drafting and enforcing internal policies and procedures related to ticket usage and documentation, as further addressed in Opportunity for Improvement 3. Management anticipates that this recommendation will be fully implemented by the end of Fiscal Year 2025.

Opportunity for Improvement 3: *Standard Operating Procedures for Tracking, Using, and Monitoring of Event Tickets Need Strengthening.*

Recommendation: *Strengthen internal policies and procedures to accurately reflect operations and strengthen controls over the tracking, usage, and monitoring of tickets, including but not limited to, addressing the issues noted in this finding.*

Management's Response: *Management concurs.* GFLCVB recognizes the importance and need to revise and strengthen the internal controls related to ticket tracking, usage, and monitoring. GFLCVB is actively working to update its policies and procedures to ensure alignment with current operational practices. At a minimum, the revised policy will include enhancements that clarify the definitions of ticket use, expand requirements of the usage of the business entertainment form, define ticket storage procedures, and update reconciliation processes. Mandatory employee training will accompany the rollout of the new policies and procedures to ensure consistent understanding and application.

These revisions, as well as the others listed in subsequent Opportunities for Improvement, are part of a broader initiative to update GFLCVB's Policies and Procedures Manual. Full implementation is anticipated by the end of Fiscal Year 2025.

Opportunity for Improvement 4: *The Sponsorship Program Should be Enhanced to Ensure Required Terms are Included in Agreements and Sufficient Proof of Performance Documentation are Provided.*

Recommendation:

- A) *Strengthen sponsorship agreement terms to include requirements for performance and acceptable evidence of such performance, in accordance with Standard Operating Procedures.*
- B) *Strengthen sponsorship program procedures to require that sufficient proof of performance documents are provided to ensure compliance with agreement terms.*

Management's Response: *Management concurs and has taken action to address both recommendations.* While GFLCVB acknowledges the need for continued improvement in the consistency and clarity of its legally binding agreements, it is important to recognize that a standardized, one-size-fits-all approach is not feasible. GFLCVB has a dedicated manager to oversee agency-wide incentive sponsorships, ensuring proper agreement execution, post-event performance tracking, and collection of acceptable evidence of performance. GFLCVB is actively working with the County Attorney's Office to ensure that each sponsorship agreement includes clearly defined performance requirements tailored to the nature of the event. Each sponsored event delivers unique value to Broward County—some generate high-return marketing exposure, while others yield direct local economic impact. As such, performance terms must be customized to reflect the specific goals and outcomes of each sponsorship. For example, sports groups often do not operate under formal hotel contracts, making traditional lodging metrics less applicable. Instead, their value is more accurately measured through attendance figures, which serve as a proxy for economic impact and community engagement. In contrast, other sponsorships may be tied directly to room-

night generation or media impressions. As such, performance terms must be customized to reflect the specific goals and outcomes of each sponsorship. GFLCVB's Policies and Procedures Manual has been updated and full implementation is anticipated by the end of Fiscal Year 2025.

Opportunity for Improvement 5: *Standard Operating Procedures Require Strengthening to Provide Specific Guidance on Evaluating Sponsorship Applications, Monitoring Sponsorship Activities, and Conducting Post-Event Evaluations.*

Recommendation: *Strengthen Standard Operating Procedures to accurately reflect sponsorship operations and provide specific guidance in the sponsorship funding evaluation, sponsorship activities monitoring, and incentive payment processes.*

Management's Response: *Management concurs.* GFLCVB will strengthen the current policies and procedures to include criteria for identifying and evaluating projected economic impact data, minimum documentation requirements to demonstrate evidence of performance, requirements of compliance by the promoter/organizer and establish minimum requirements for documentary evidence for incentive payments. This policy update is expected to be finalized and implemented by the end of Fiscal Year 2025.

Opportunity for Improvement 6: *The Inventory Management System and Internal Controls Over Promotional Items Should be Strengthened.*

Recommendation:

- A) Segregate inventory function between ordering, receiving, and recording of inventory.*
- B) Accurately record and enter inventory timely, as well as count and reconcile inventory to ensure records are accurate and complete in accordance with County and internal policies and procedures.*
- C) Ensure inventory orders are adequately documented in accordance with internal policies and procedures.*
- D) Strengthen internal policies and procedures to include, at a minimum, timely entry of purchases into the inventory system, handling of obsolete and/or damaged inventory, defined classifications of inventory, and reference to relevant County requirements.*

Management's Response: *Management concurs in part and has taken action to address all four recommendations.* It is noted that this recommendation relates to thousands of promotional items with minimal individual value, but when added together total up to over the \$25,000 threshold. As such, at some point, there is minimal return on time and money spent tracking these low-dollar volume items. Notwithstanding, GFLCVB's Marketing Manager, who oversees the promotional item program, has

rewritten the internal policies and procedures to strengthen inventory controls and align with County requirements – particularly regarding annual physical inventory counts. GFLCVB recently completed a procurement solicitation for a Warehouse and Fulfillment Vendor. The awarded vendor uses an inventory tracking system that will significantly enhance GFLCVB's ability to monitor inventory movement, ensure timely data entry, and maintain accurate records. It is anticipated that GFLCVB will transition to the awarded vendor within the next 60 days. Additional updates to the policies and procedures will be made following the vendor's onboarding to incorporate their operational processes and system capabilities. Mandatory employee training will be conducted after these updates are finalized to ensure consistent understanding and application of the revised procedures. In addition, GFLCVB has initiated internal coaching and mentoring for the Warehouse Supervisor to reinforce expectations, strengthen operational oversight, and support successful implementation of improved inventory practices. These efforts are part of a broader commitment to professional development and continuous improvement within the team.

Opportunity for Improvement 7: *Use of County's Arena Suite Should be Properly Tracked and Documented to Ensure it Supports Valid Public Purposes and Complies with Applicable County Policies and Procedures.*

Recommendation:

- A) *VL to implement procedures to ensure reporting of the County Suite usage with required information to the Alliance is performed and retained in compliance with the CAPP.*
- B) *County Administration to amend the CAPP to require proper tracking of the usage of the County Suite with adequate information to ensure the Suite is utilized appropriately and consistent with its authorized purpose of economic development and tourism promotion.*
- C) *County Administration to amend the CAPP to accurately reflect operations and provide clear and consistent guidance for County agencies to follow, and ensure that the agreement with the Alliance includes defined responsibilities of scheduling the use of the County Suite to comply with the CAPP requirements.*

Management's Response: **Management concurs** and has partially implemented. GFLCVB has implemented a policy and supporting procedures that align with the current published County Administrative Policy and Procedure (CAPP) governing Arena Suite usage. These procedures ensure that Suite usage is properly tracked, documented, and reported to the Alliance with all required information. County Administration will amend the CAPP consistent with the suggestions from this audit report. Further, County Administration will ensure that the upcoming agreement with the Alliance will be amended to include the Alliance's role and responsibility of scheduling the use of the County Suite.

Opportunity for Improvement 8: *The Annual Established Goals for the Sales Incentive Program Should be Signed and Approved Within a Required Timeframe.*

Recommendation:

- A) *Implement procedures to ensure the annual established goals are signed and approved timely within a required timeframe of the start of the goal period.*
- B) *Strengthen the incentive plan to establish requirements for setting goals and signing/approving the goals within a required timeframe of the start of the goal period.*

Management's Response: *Management concurs and has implemented.* The GFLCVB Sales Incentive Program has been revised to ensure timely execution of the incentive program by including the following:

- All goals must be finalized, and incentive forms signed by both the GFLCVB President/CEO and the employee within 60 days of the start of the fiscal year.
- Within 45 days of the fiscal year's end, the GFLCVB President/CEO and the Administration Department's designee will review employee performance and supporting documentation to make final recommendations for incentive payments.

These updates will be reflected and executed in the FY26 GFLCVB Sales Incentive Program.

Opportunity for Improvement 9: *County Administration Oversight of Sponsorships is Necessary When Potential Conflicts of Interest Arise.*

Recommendation: *Implement procedures to ensure all sponsorships are reviewed and approved by County Administration, including approval of funding and post-event payment decisions, for circumstances where VL executives have a potential conflict of interest with the sponsored organization.*

Management's Response: *Management concurs and has implemented.* At the advice of the County Auditor, the GFLCVB President/CEO disclosed to the Tourism Development Council during its May 14, 2025, meeting that the President/CEO holds a voluntary board position with an entity receiving sponsorship funding from GFLCVB.

To further strengthen oversight and transparency, GFLCVB is revising its Sponsorship procedures to include a 'conflict of interest' verification step on the internal review form for all sponsorships. This revision will ensure that any potential conflicts are identified and appropriately reviewed and approved by County Administration prior to funding decisions and post-event payments. This updated policy is anticipated to be completed and implemented by the end of Fiscal Year 2025.

Additionally, in addition to the employee obligation to request approval of outside employment when initiated, GFLCVB will now require all employees to resubmit their Outside Employment Disclosure Form every 24 months to ensure ongoing compliance and timely identification of potential conflicts. This updated policy is anticipated to be completed and implemented by the end of Fiscal Year 2025.

Opportunity for Improvement 10: *Grant Funding Obtained for Sponsorships Should be Distributed in Accordance with Agreement Terms and Grant Agreements Should be Signed by an Authorized Individual.*

Recommendation:

- A) *Grant funding obtained for sponsorships is not distributed until the grant funds are received.*
- B) *All grant agreements are properly executed by an authorized individual and officially recorded to ensure compliance with County requirements for approval authority.*

Management's Response: *Management concurs.* To enhance compliance and ensure proper oversight, GFLCVB is implementing the following actions:

- Grant funds will not be disbursed for sponsorships until the funds have been received and verified. To support this, GFLCVB's workflow diagram has been revised to clearly define the process for proper disbursement of grant funds. This updated workflow diagram was shared with GFLCVB's Administration team responsible for processing disbursements and will be incorporated into GFLCVB's written policies and procedures. These revisions are anticipated to be completed and fully implemented by the end of Fiscal Year 2025.
 - GFLCVB is collaborating with the County's Grants Office to ensure alignment with County policies governing approval authority. Additionally, GFLCVB has developed a grant checklist for employees applying for grants. This checklist will help ensure proper execution and documentation of grant agreements. This checklist will be included in the GFLCVB's revised policies and procedures, expected to be completed and fully implemented by the end of Fiscal Year 2025.
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Opportunities for Improvement 11: *Business Entertainment Policies and Procedures Need Improvements to Ensure Written Approval is Obtained and Business Entertainment Justification Forms are Properly Completed and Signed.*

Recommendation:

- A) *Implement procedures to ensure all entertainment expenses over \$100 are approved prior to entertaining and the Business Entertainment Justification Form is completed and signed by the President.*

August 20, 2025

Robert Melton, County Auditor

Management Response to County Auditor's Report – Visit Lauderdale Sports and Entertainment Section
Audit

B) Update Standard Operating Procedures to require evidence of prior written approval and retention of all approvals for entertainment expenses exceeding \$100.

Management's Response: *Management concurs and has implemented.* GFLCVB expanded their Business Entertainment policy and procedures to include a two-step approval process:

1. Pre-approval of entertainment expenses by the employee's supervisor. If the expense is greater than \$100.00, the pre-approval form must also be signed by the GFLCVB President/CEO.
2. Post-expense review of the entertainment expenses by the employee's supervisor to ensure proper documentation and business justification. If the expense is greater than \$100.00, the post-expense report must also be signed by the GFLCVB President/CEO.

GFLCVB conducted two staff training sessions (May 16 and May 29) to ensure employees understand the revised policy and approval requirements. The updated policy and procedures are in effect and included in the refreshed GFLCVB Policy and Procedures Manual, anticipated to be completed by the end of Fiscal Year 2025.

Thank you for the opportunity to respond and provide Management's comments to the Audit. Should you have any questions, please do not hesitate to contact me.

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