

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2410 Scottsdale Arts			Issued: 11/8/2024	
1.1	The Tourism and Events Director should, as a new Management Services Agreement is negotiated, recommend to City Council the inclusion of specific performance objectives for the operation of the City-owned facilities. Develop measures for those objectives, such as target facility usage or financial position.	June 2025: Tourism is proposing a 6-month extension of the existing contract expiring this month. Any significant revisions will be addressed in the development of the next contract.	In Progress	<input type="checkbox"/>
1.2	The Tourism and Events Director should recommend for approval in the new Agreement, strategic priorities for arts and cultural events that take into consideration community interests and demand. Periodic community surveys and analysis of ticket sales could be used to evaluate the effectiveness of these efforts.	June 2025: Tourism is proposing a 6-month extension of the existing contract expiring this month. Any significant revisions will be addressed in the development of the next contract.	In Progress	<input type="checkbox"/>
1.3	The Tourism and Events Director should require Scottsdale Arts to regularly assess its rates and fees, including a market analysis of its facility rental rates, and submit them for Council approval.	June 2025: Tourism is proposing a 6-month extension of the existing contract expiring this month. Any significant revisions will be addressed in the development of the next contract.	In Progress	<input type="checkbox"/>
1.4	The Tourism and Events Director should further define requirements for evaluating Scottsdale Arts' progress towards reducing its reliance on City funding, such as clarifying whether restricted contributions should be included. A reasonable approach may be to exclude contributions restricted for long-term projects and restricted endowments.	June 2025: Tourism is proposing a 6-month extension of the existing contract expiring this month. Any significant revisions will be addressed in the development of the next contract.	In Progress	<input type="checkbox"/>

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2.1	The Tourism and Events Director should develop and recommend to City Council performance measures for key contract objectives and services as part of a newly negotiated Management Services Agreement, including adding clear definitions and methodology for calculating those measures. Also, require performance reports at least on an annual basis to monitor progress towards the achievement of contract goals.	June 2025: Tourism is proposing a 6-month extension of the existing contract expiring this month. Any significant revisions will be addressed in the development of the next contract.	In Progress	<input type="checkbox"/>
2.2	The Tourism and Events Director should clarify the requirement for calculating revenue sharing of Scottsdale Civic Center activities. To simplify the process, consider evaluating revenue sharing based on gross revenues rather than net revenues, similar to other City revenue sharing agreements.	June 2025: Tourism is proposing a 6-month extension of the existing contract expiring this month. The proposed extension contains clarifications to the revenue sharing calculation.	Implemented	<input checked="" type="checkbox"/>
2.3	The Tourism and Events Director should ensure the receipt of reports on the condition of City- owned artwork. Review needed conservation work with Scottsdale Arts to determine if a plan for completing the work has been developed, including items in the Museum collection that may need restoration.	June 2025: Scottsdale Arts submitted a 5-year plan for maintenance and conservation of public art in May. A similar plan for the Museum collection is also needed.	In Progress	<input type="checkbox"/>
2.4	The Tourism and Events Director should determine actions that should be taken when items from the Portable collection are identified as missing, including establishing responsibilities for reporting damage and relocation of portable art placed in City buildings.	June 2025:The Department is in process of developing a process for reporting missing art and establishing the actions that will be taken.	In Progress	<input type="checkbox"/>
2.5	The Tourism and Events Director should assess whether the Arts and Cultural Events calendar requirement should be continued or modified. If continued, require more active maintenance of the site and establish performance goals.	June 2025: The proposed contract extension eliminates the requirement for maintaining a cultural events calendar.	Implemented	<input checked="" type="checkbox"/>

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3.1	The Tourism and Events Director should ensure that Scottsdale Arts provides a separate accounting for these earmarked funds as required in the Agreement and tracks unspent restricted funds. Also, ensure restricted uses are formalized in Financial Participation Agreements or other City contracts.	June 2025: This recommendation is in progress. The next deadline for reporting of earmarked funds will be December 31st in the proposed contract extension (this report was normally due February 1st).	In Progress	<input type="checkbox"/>
3.2	The Tourism and Events Director should Develop a reporting format that captures financial information that will help inform performance evaluations and future funding decisions.	June 2025: Tourism is proposing a 6-month extension of the existing contract expiring this month. Discussions for the future agreement include enhancements to financial reporting.	In Progress	<input type="checkbox"/>
3.3	The Tourism and Events Director should develop a tracking tool for monitoring completion of deliverables and ensuring that required documentation has been provided in a timely manner.	June 2025: The department reported that it has drafted a Contract Management Plan. Implementation of this tool will be reviewed at the next status update.	In Progress	<input type="checkbox"/>
3.4	The Tourism and Events Director should, as a new Management Services Agreement is negotiated, work with the City Attorney's Office to develop and recommend to City Council the inclusion of options for contract remedies when key requirements are not met.	June 2025: The department reported that discussions are underway for inclusion in the next MSA.	In Progress	<input type="checkbox"/>