

# Audit Highlights

February 2016

*This audit was performed at the request of the City Manager as a result of high-risk incidents that occurred at the Summer Ends Music Festival held at Tempe Beach Park September 24-27th 2015, specifically on Saturday, September 26th, 2015.*

## Audit Objectives:

- **Determine the underlying conditions that led to the Summer Ends Music Festival incidents and assess future preventative measures to mitigate associated risks.**
- **Determine whether there is adequate management oversight and established procedures in place to identify and address risks, including potential safety concerns, with sufficient preventative measures prior to the commencement of special events.**
- **Ensure appropriate levels of granting authorization for individual special events commensurate with associated risk levels.**
- **Determine whether Special Events has a clear mission, vision, and strategic plan with associated goals and performance measures that align with Council Priorities.**
- **Review management best practices and compare to the City of Tempe Special Events Office's policies and procedures for potential areas of enhancing processes.**

## City of Tempe Internal Audit Office

### Audit of Special Events



#### Background:

Special events play an important role in the City of Tempe. Festivals, events, concerts, and civic celebrations can serve to provide cultural, social, and economic value to the community. Quality, well-planned and executed events add value to communities by increasing tourism, providing opportunity for notable branding, bonding people together, encouraging positive media coverage, enhancing economic impact, and adding quality to the lives of residents. Conversely, the opposite can occur if there are not sufficient internal controls in place to clearly identify and manage risks associated with special events.

This audit provides insight related to the management of special events in the City of Tempe as well as a review of the conditions that led to the incidents that occurred at a special event concert series, Summer Ends, held at Tempe Beach Park September 24th to 27th, 2015. Opportunities are identified where procedural and other changes can serve to identify and reduce risk associated with special events and enhance the overall process.

The majority of special events held within the City of Tempe are non-contracted events. The City has also entered into a few cost-sharing contractual agreements for the following annual special events: Ironman, Rock 'n Roll Marathon, and the July 4th celebration. Apart from these contracted events, the Special Events Office processes close to 300 special events each year as follows:

FY	# of Events
2013-2014	292
2014-2015	280
July 1-Sept 30/15	78

#### Conclusion:

Internal Audit identified opportunities for the City to reduce risks associated with special events through the inclusion of effective internal controls, including the enhancement of policies and procedures, throughout the cycle of customers' application requests to hold special events through to final payments for fees and services provided by the City of Tempe. Throughout the report we list additional opportunities to enhance operating effectiveness and efficiency and enhance the experience of special events in the City of Tempe.

City of Tempe Internal Audit Office



31 E. 5th Street  
Tempe, AZ 85281

Barbara Blue, City Auditor  
Phone: 480-350-8982  
Fax: 480-858-2375  
E-mail: barbara\_blue@tempe.gov



## SUMMARY OF AUDIT OBSERVATIONS:

(see full report for all observations and recommendations)

<b>Section 1: Summer Ends Music Festival</b>	<ol style="list-style-type: none"><li>1. A scientific approach to Tempe Beach Park and other outdoor venue capacity limits will significantly mitigate overcrowding risk.</li><li>2. The City's prompt action to address venue configuration associated risks has been effective.</li><li>3. Consideration of environmental factors is essential to a full analysis of special events risk.</li><li>4. Effective communication and adequate security are essential to ensure risk is effectively managed throughout an event.</li></ol>
<b>Section 2: Mission, Vision, and Organizational Structure</b>	<ol style="list-style-type: none"><li>5. A clear mission, vision, and flexible strategic plan that supports Council priorities will give the Special Events Office clear direction.</li><li>6. The Special Events Office reporting structure should be reviewed to optimize decision-making and oversight.</li></ol>
<b>Section 3: Operations and Risk Management</b>	<ol style="list-style-type: none"><li>7. A consistent framework for collecting and analyzing information related to risk vs. return for events (individually and collectively) will enhance management decision making.</li><li>8. Enhanced processes and formalized criteria for event approvals can serve to manage risk appropriately.</li><li>9. Enhanced roles, responsibilities, and processes of the Special Events Office and Special Events Task Force Committee can expedite risk mitigation.</li></ol>
<b>Section 4: Operating Efficiencies and Effectiveness</b>	<ol style="list-style-type: none"><li>10. City Code amendments and/or adherence to City Code are essential to efficiency, effectiveness and assurance that operations are in harmony with the intent of the City Council.</li><li>11. Clearly defined and communicated policies and procedures can help sustain effective and efficient operations of the Special Events Office and the SETFC.</li><li>12. Addressing staff requirements for success in fulfilling their obligations will enhance the Special Events Office's effectiveness.</li><li>13. Handbook revisions will enhance customer service.</li></ol>

	<p>14. There are opportunities to optimize the Special Events Task Force members' contribution.</p> <p>15. A comprehensive robust Information Management System can provide a framework that enhances internal controls, and contributes to more effective and efficient operations and resource utilization.</p>
<p><b>Section 5:</b> <b>Fees and Revenue</b></p>	<p>16. Authority and source for the establishment of various fees is elusive.</p> <p>17. Internal controls over revenue administration are critical to ensure appropriate fees and other revenues due the City are charged and collected.</p>

