



Internal Audit Office

Date: October 17, 2016

To: Andrew Ching, City Manager

Cc: Steven Methvin, Deputy City Manager - Chief Operations Officer
Shelley Hearn, Community Services Director
Ralph Remington, Deputy Community Services Director – Arts/Cultural Services
Luis Ruiz, Cultural Facilities Manager, TCA

From: Barbara Blue, City Auditor

Subject: Tempe Center for the Arts Follow-up Audit

Background

An audit of the Tempe Center for the Arts (TCA) was completed in November 2014. As part of our approved Internal Audit Plan for fiscal year 2015/16, an audit follow-up was conducted to review the progress made by staff to implement the fifty-eight (58) audit recommendations included in the audit report.

Audit Objective, Scope, and Methodology

Objective

The objective of this follow-up was to determine whether the action plans established by TCA management in response to our recommendations were implemented.

Scope

Recommendations made by Internal Audit, and agreed upon by the TCA management were reviewed. Testing was completed, where appropriate. Our work did not provide any guarantee or absolute assurance against material errors, loss or fraud.

Methodology

We reviewed and analyzed management's evidence of implementation by interviewing staff responsible for addressing recommendations and reviewing various supporting documentation.

Conclusion

We found that of the fifty-eight (58) recommendations made, only twenty-two (22) or 38% have been fully implemented, thirty (30) or 52% are in the process of implementation, and six (6) or 10% have not been implemented.

Progress has been made to implement actions to address the majority of Internal Audit's recommendations. The completion of the Arts Plan and a transition in management has contributed to a delay in implementation efforts. We encourage staff to continue working on the remaining recommendations that have not been implemented. We will continue to follow up on the status of recommendations until all items have been addressed or management decides to accept the risk of not taking corrective action.

The attached **Appendix I** details the implementation status for each of the fifty-eight (58) recommendations.