

FOLLOW-UP REVIEW

Date:	January 11, 2022
Department:	City Manager
Subject:	Transient Lodging Tax (TLT)
Lead Auditor:	Sherry Thomas, Internal Auditor

OBJECTIVE

The objective of this follow-up review was to determine whether Visit Mesa effectively implemented the action plans based on the recommendations from the June 2020 Transient Lodging Tax (TLT) audit report.

SCOPE & METHODOLOGY

To accomplish our objective, we:

- Interviewed staff.
- Reviewed supporting documentation to verify TLT funded expenses are being monitored and to gain an understanding of processes and procedures.
- Reviewed supporting documentation to ensure performance metrics and deliverables are being met and evaluated.

BACKGROUND

On June 16, 2020, we issued a report on our audit of the Transient Lodging Tax. The objective of the audit was to determine whether Transient Lodging Tax (TLT) revenues were used in accordance with applicable laws and contractual agreements and whether reliable metrics were in place to measure program effectiveness. The audit concluded that controls for the Transient Lodging Tax could be further improved. The audit report included four recommendations to ensure TLT revenues are used in accordance with state statutes. The department agreed to the recommendations and developed action plans to implement the recommended changes.

CONCLUSION

All recommendations have been implemented and are summarized in the following table:

Recommendation	Implemented
1-1: Monitor Visit Mesa's TLT funded expenses to verify compliance with state statutes and contract terms. This should be done in a timely manner so that any exceptions identified can be corrected.	✓
1-2: Monitor metrics to evaluate Visit Mesa's performance.	✓

1-3: When negotiating contract deliverables and performance metrics, identify those that provide the most value, as well as the frequency in which they are desired. Follow-up with monitoring for compliance.	✓
1-4: Establish a formal communication process, designate the individual(s) who have authority to direct TLT spending, set clear expectations for each party in the contract agreement, and identify key activities that should be communicated between both parties. For example, accepting and/or approving the annual budget, identifying when the allocated budget has not been followed, and requesting the reason for the variance, etc.	✓