

**18-04 Special Events Audit - Second Follow-up**

**Status of Management Responses**  
**Second Follow-up - May 2020**  
**Original Report Issuance - February 2019; First Follow-up - November 2019**  
**Follow-up result: All findings are closed.**



**City Auditor's Office**  
**Emily E. Kidd, CIA, CFE, CGAP**  
**Internal Auditor**

Finding (condensed)	Recommendations	Management Response	Follow-up Status
<p><b>13 Cost Recovery of Bar Crawls</b>                      City services expended on non-permitted events do not have a cost recovery methodology.</p>	<p>We recommend executive management determine if: a cost recovery methodology for bar crawl activities are available through the current RMC, additional rules and regulations governing bar crawl activities should be added to RMC, and/or an alternative method for bar crawl cost recovery is appropriate.</p>	<p>We will determine if a cost recovery methodology for bar crawl activities are available through the current RMC, additional rules and regulations governing bar crawl activities should be added to RMC, and/or an alternative method for bar crawl cost recovery is appropriate. Decisions will be made regarding:                      1) How we may recover more direct costs;                      2) How direct costs may be reduced by implementing additional policies; and                      3) The benefits of the indirect revenues to the City outweighing the direct cost recovery                      Determination will be memorialized and followed - completion date by May 2019.</p>	<p><u>This item is ongoing. Additional follow up requested in 6 months.</u></p>
<p><b>15 Interlocal Agreement Not Maintained</b>                      Reno Municipal Code Article III – Room Taxes, Sec. 2.10.260(a) states, in part, “The [Reno-Sparks Convention and Visitors Authority] shall collect and pay over to the city on a timely basis, such proceeds as established by an interlocal agreement.” The interlocal agreement was not available for review as it was not maintained by the City. Compliance with the agreement is indeterminable without access to a current version of the agreement.</p>	<p>We recommend the interlocal agreement described in RMC be obtained and maintained in accordance with the record retention schedule.</p>	<p>The interlocal agreement referenced in RMC Article III does not exist with the City of Reno or with the Reno Sparks Convention and Visitors Authority (RSCVA). Both entities searched for the agreement and no documents were found leading staff to believe the interlocal agreement may not have existed. The City Clerk’s Office, City Attorney’s Office, City Finance and RSCVA were asked for a copy of the agreement and no copy was located. The absence of a contract will not change the way business is conducted. RMC Article III may have to be amended to exclude the reference to the interlocal agreement. Contracts will continue to be forwarded to the City Clerk’s Office to be retained according to the document retention policy.</p>	<p><u>City Manager’s Office Staff has reached out to RSCVA and will begin the process of crafting a new interlocal agreement to reflect current practices. Once in place, new interlocal will be maintained in accordance with the record retention schedule.</u></p> <p><u>Second Follow-up May 2020</u>                      Staff report and submitted for the June 10, 2020 City Council meeting that will omit reference to an interlocal agreement in the RMC. An operating agreement will be the driving document between the City of Reno and the RSCVA.</p>