



Agenda Report

18-1166

Agenda Date: 11/27/2018

REPORT TO COUNCIL

SUBJECT

Action on Presentation by TAP International, Inc. of "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention"

BACKGROUND

TAP International, Inc. (TAP) was hired by the City to conduct a performance audit on the Santa Clara Convention Center (SCCC) and Convention-Visitors Bureau (CVB). As part of the initial data gathering for this audit, TAP noted that the Santa Clara Chamber of Commerce (Chamber) administered all funds for the TID, in accordance with the TID Bylaws designating the Chamber as the manager of the TID program with the responsibility to among other items receive and disburse TID funds.

Based on TAP's early review of information for the SCCC and CVB performance audit, TAP suggested, and the Council approved on August 28, 2018, an audit of the TID.

The financial audit of the TID included an examination of the following questions:

1. Have the hotels participating in the TID accurately remitted TID revenue to the City for FY15/16, and FY16/17?
2. Are the expenses of the TID consistent with TID bylaws and policies since FY12/13?
3. What is the nature and extent of any outstanding bills and payables, if any, that have not yet been recorded in the TID's financial system.

DISCUSSION

TAP will make a presentation to Council on the audit and its findings. Prior to the issuance of the final report, "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention" (attached), entrance and exit conferences were held with the Chamber of Commerce, TID Advisory Board and City and a draft report was provided for review and comment.

Separately, City staff has prepared a companion report (#18-1371) with a response and implementation matrix based the audit's findings.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

There is no fiscal impact associated with the presentation of the audit.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Action on the audit "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention"

Reviewed by: Ruth Shikada, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Tourism Improvement District Audit - November 19, 2018