



THE CITY OF SAN DIEGO

DATE: May 5, 2017

TO: Audit Committee Members, Honorable Mayor and Members of the City Council

FROM: Eduardo Luna, City Auditor

SUBJECT: Performance Audit of the Special Event Permit Application Process

Transmitted herewith is an audit report on the Special Event Permit Application Process. This report was conducted in accordance with the City Auditor's Fiscal Year 2017 Audit Work Plan, and the report is presented in accordance with City Charter Section 39.2. The Audit Results are presented on page 5 of the report. Management provided a response to the report and agreed with the recommendation.

We would like to thank the Special Events and Filming Department (SE&F) and the City Attorney's Office staff for their assistance and cooperation during this audit. All of their valuable time and efforts spent providing us information are greatly appreciated. The audit staff responsible for this audit are Luis Briseño, Shawneé Pickney, and Kyle Elser.

Results in Brief

The Special Events and Filming Department (SE&F) provides a number of services to support special events in San Diego, including the management of the special event permitting process for special events that take place on City outdoor public property.¹ SE&F is also responsible for ensuring the City's compliance with a 2014 lawsuit settlement agreement, which requires the City to perform environmental review, pursuant to the California Environmental Quality Act (CEQA), for all Special Event Permit Applications.

We found that SE&F has been meeting key elements of its special event permitting process, which includes environmental review. Specifically, we found that, within our sample, SE&F issued a Special Event Permit for all special events; SE&F correctly invoiced applicants for the Special Event Permit Application fee; the City collected the amounts invoiced; and that SE&F conducted an environmental review for all Special Events Permit Applications as required by the 2014 lawsuit settlement agreement. We also determined that the Special Event Permit—and its references to the Special Event Permit Application and the Special Event Planning Guide—include clauses that place event planning and implementation responsibilities,

¹ Prior to Fiscal Year 2017, the Special Events and Filming Department was known as the Office of Special Events. We refer to the department as the Special Events and Filming Department (SE&F) throughout this report.

including the proper completion of any necessary environmental mitigation requirements, with the permittee. In addition, we found that SE&F can improve the amount of time it takes to invoice an applicant after initiating the Special Event permitting process. We make one recommendation to improve the special event permitting process by developing a standard billing timeframe for Special Event Permit Application fees, and SE&F agrees with this recommendation. The Management Response Memorandum is included on page 18 of this report. A detailed audit objective, scope, and methodology is found on page 14 of this report.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

In accordance with the City Auditor's Fiscal Year 2017 Audit Work Plan, we performed an audit of the efficiency and effectiveness of the Special Events and Filming Department's (SE&F) special event permitting process. Specifically, our objectives were to:

- Assess whether SE&F invoiced applicants for the correct Special Event Permit Application fee;
- Assess whether the City collected the amounts invoiced;
- Determine if SE&F issued a special events permit for FY 2016 special events;
- Determine if SE&F developed an environmental review process and whether SE&F conducts an environmental review for all Special Event Permit Applications as required by the 2014 lawsuit settlement agreement;
- Assess the City's liability for environmental reviews completed by outside consultants; and
- Determine if applicants experience any time and money impacts as a result of the environmental review process.

SE&F provides a portfolio of services designed to support San Diego's neighborhoods and the City's special event, filming, business, and tourism industries. The department manages the special event permitting process for special events that take place on City outdoor public property.

SE&F's services help to generate economic impact and media exposure for San Diego. Event and film credits for the department include the support of:

- Comic-Con International;
- Community festivals for local artisans, performers, and merchants;
- Athletic events such as the 2016 Major League Baseball All-Star Game;
- Seasonal events such as Balboa Park December Nights holiday festival; and
- Television filming such as Fox Entertainment's scripted series "Pitch."

SE&F assesses a processing fee of \$150 for Special Event Permit Applications received sixty or more days prior to the event. Applications received less than sixty days prior to the event require an additional late fee of \$10 per business day.

Permit Issuance Timelines for Special Events Vary Based on Event Needs

According to the Special Event Guidelines regarding the California Environmental Quality Act (CEQA Guidelines), the special event permitting process, including environmental review, could take up to 285 days to complete. Moreover, per the CEQA Guidelines, timelines for receiving a Special Event Permit Application vary based on factors associated with each application, with more complicated or environmentally-sensitive elements requiring more time and/or a higher level of environmental review.

SE&F's permitting process includes an initial review of the Special Event Permit Application for completeness, invoicing for the Special Event Permit Application processing fee, coordinating with pertinent authorities, and final Special Event Permit issuance. See **Attachment C** for a description of this process.

SE&F is Responsible for Performing Environmental Review for All Special Event Permit Applications Pursuant to the California Environmental Quality Act (CEQA)

As part of managing the special event permitting process, SE&F performs environmental review pursuant to the California Environmental Quality Act (CEQA) for all Special Event Permit Applications. CEQA is a California state law that requires public agencies such as the City to consider the impacts of their actions on the environment. According to Title 14 of the California Code of Regulations, §15002(a)(1)(2)(3)(4), the basic purposes of CEQA are to:

- Inform governmental decision makers and the public about the potential, significant environmental effects of proposed activities;

- Identify ways to avoid or significantly reduce environmental damage;
- Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds changes to be feasible; and
- Disclose to the public the reasons why a governmental agency approved a project in the manner the agency chose if the project involves significant environmental effects.²

Due to special events having the potential to affect the environment and because SE&F, acting on behalf of the City, is authorized to condition, approve, or deny a Special Event Permit Application, CEQA requires the City to perform environmental review of a project prior to the issuance of a Special Event Permit.

Effective July 1, 2014, pursuant to CEQA, and to meet the terms of a 2014 lawsuit settlement agreement, the City added environmental review as another component to the special event permitting process.³ As of July 1, 2014, SE&F performs an environmental review of all Special Event Permit Applications received by the City on or after July 1, 2014 or that have special events dates on or after January 1, 2015.

SE&F's environmental review process—which is part of the larger permitting process shown in **Attachment C**—includes a review by a Senior Planner, the issuance of an environmental determination, and, when applicable, a public appeal period. See **Attachment D** for a description of this process.

² According to the CEQA Deskbook, a project is a discretionary action with potential physical effects on the environment.

³ In 2014, the City of San Diego settled several lawsuits alleging that the City had not complied with CEQA regarding special event and discretionary park use permitting.

Audit Results

Finding #1: The Special Events and Filming Department is Achieving Key Elements of its Special Event Permitting Process

Special Event Permit Application Invoicing, Fee Collection, and Permit Issuance

As part of our review, we assessed whether the Special Events and Filming Department (SE&F) invoiced applicants the correct Special Event Permit Application fee and whether the City collected the amounts invoiced. Applicants for a Special Event Permit are required to pay an application fee of \$150 for applications received sixty or more days prior to the event. Applications received less than sixty days prior to the event require an additional late fee of \$10 per business day. In all cases, applications must be substantially complete in order to initiate the permit review process. Special Event Permit Application fees for the 146 special events reviewed in our sample totaled \$25,070.⁴ We also verified that SE&F authorized special events by reviewing Special Event Permits for every event in our sample.

Based on our sample of special events held in FY 2016, we found that:

- In accordance with the application fees described in the Special Event Planning Guide, SE&F invoiced the correct Special Event Permit application fees for the special events in our sample. We noted a few immaterial exceptions that totaled less than one percent of the fees in the sample.
- In accordance with the City's Administrative Regulation 63.30, the City collected the Special Event Permit Application fees invoiced for the special events in our sample.⁵
- In accordance with San Diego Municipal Code Section 22.4004(a), SE&F issued a Special Event Permit for every special event in our sample.⁶ As a result, each special event in our sample had authorization to occur.

We also found that SE&F can improve the amount of time it takes to invoice an applicant after initiating the special event permitting process. The City's Administrative Regulation 63.30 requires departments that issue invoices, billings, or otherwise create receivables to issue invoices or billings when monies are owed. According to SE&F and the Special Event Planning

⁴ This includes fees for 135 special events in FY 2016 with a Categorical Exemption and 11 special events determined to be consistent with an existing environmental document between FY 2015 and FY 2017.

⁵ One of the purposes of the City's Administrative Regulation 63.30, "Accounts Receivables – Invoice Processing and Collection," is to assure maximum collections of all monies due to the City in a timely manner.

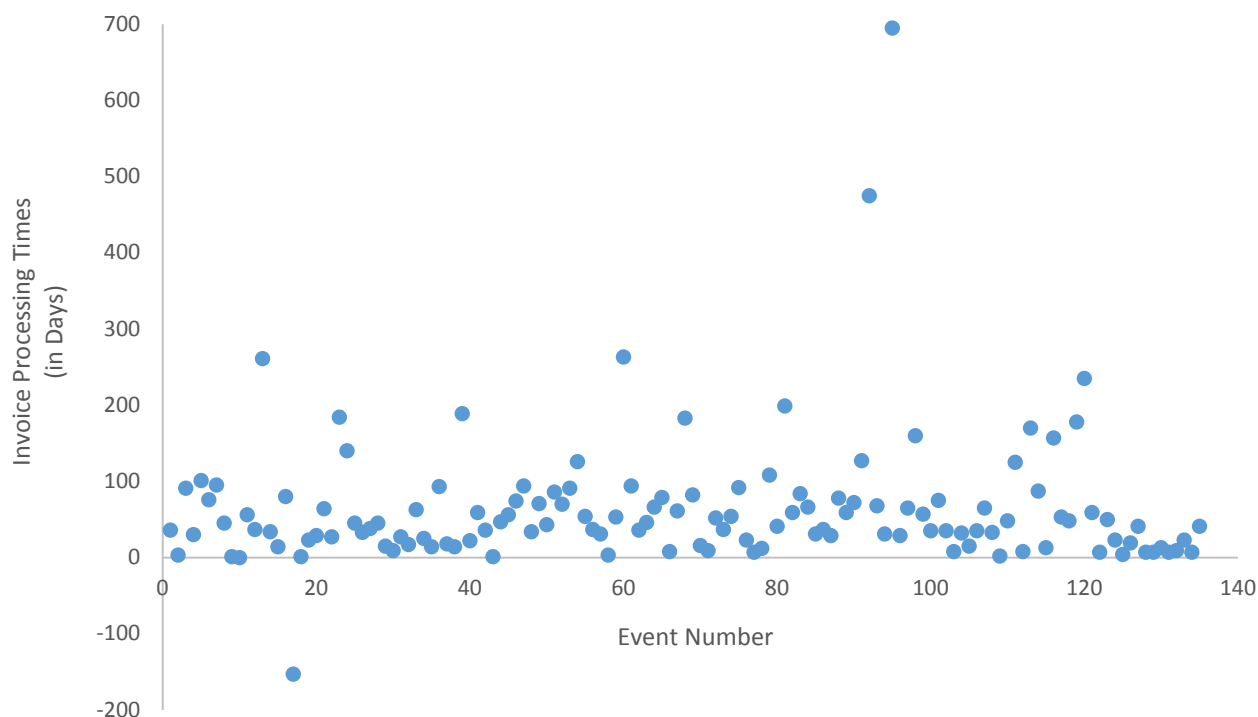
⁶ San Diego Municipal Code Section 22.4004(a) requires any person conducting, promoting, managing, aiding, or soliciting attendance at a Special Event to obtain a Special Event Permit from the City.

Guide, SE&F's services begin when SE&F deems a Special Event Permit Application to be substantially complete. As such, once SE&F services commence, it should invoice applicants.

As shown in **Exhibit 1**, we found that invoice processing times varied considerably—from one day to over a year—for Special Event Permit Application processing fees in FY 2016. On average, SE&F invoiced applicants approximately 63 days after initiating the review process.

Exhibit 1

Invoice Processing Times for FY 2016 Special Event Applications Varied from One Day to Over a Year



Source: OCA generated based on a review of Special Events Permit Applications and invoices generated from SAP.

Note: According to the Special Events and Filming (SE&F) Department, the outlier of -153 days resulted from a change in the special event date after SE&F deemed the Special Event Permit Application to be substantially complete and after initiating the special event permitting process.

According to SE&F, it had not been able to invoice applicants in a timely and consistent manner in the past due to limited staff resources, competing priorities, and the fast-paced nature of their work. Additionally, in cases where an applicant had not previously been established as a business partner in the SAP invoicing system, SE&F could not generate an invoice until this step was completed by another department. Moreover, SE&F did not have written internal policies or procedures that provide guidance for billing timelines. Finally, SE&F noted that in the department's efforts to ensure applicants paid Special Event Permit

invoices due to the City, from time to time the department determined an invoice may have been sent to an incorrect or no longer valid address for an applicant. In such cases, the department worked with the City Treasurer to cancel the original invoice and re-issue a new invoice, therefore affecting the invoice issuance date.

According to SE&F, to address the timeliness of invoicing and to establish improved checks and balances in the process, an Associate Management Analyst joined the department in November 2016. The analyst is responsible for administrative tasks that support the department, including invoicing applicants for the Special Event Permit Application processing fee. SE&F noted that it will comply with the City's current and future administrative regulations regarding accounts receivables with a goal of invoicing within 10 business days on average.

If uncorrected, inconsistent or untimely billing may increase the risk that SE&F lapses in billing for its services, which may result in the City not collecting all Special Event Permit revenues. Developing policies and procedures for invoicing that include a standard billing timeframe can help SE&F improve its permitting process and ensure it bills applicants in a timely and consistent manner.

Recommendation

#1: To ensure all applicants for a Special Event Permit are consistently billed for the Special Event Permit Application fee in a timely manner, the Special Events and Filming Department should develop and implement an invoicing policy and operating procedure that includes a standard billing timeframe. (Priority 3)⁷

The Special Events and Filming Department Developed an Environmental Review Process and Conducts an Environmental Review for All Special Event Permit Applications

As part of our review, we assessed whether the Special Events and Filming Department (SE&F) developed an environmental review process and conducts a review for all special events as required by a 2014 lawsuit settlement agreement.

We found that SE&F, in consultation with the City Attorney's Office, developed an environmental review process to evaluate all Special Event Permit Applications. To oversee the implementation, consistency, and efficiency of this process, in FY 2015, SE&F hired a Senior Planner to serve as the primary point of contact with special event organizers. According to SE&F, when completing an environmental review, the Senior Planner can also

⁷ Priority Class 3 means operation or administrative process will be improved. See **Attachment A** for a Definition of Audit Recommendation Priorities.

consult with the Planning Department as necessary. As part of review protocols, the Senior Planner: 1) uses a screening document, based on California Environmental Quality Act (CEQA) regulations; 2) notices the public (when applicable) about events exempt from further environmental review; 3) is included in Production Meetings with applicants; and 4) is a party that must sign off in the Special Event Permitting System (SEPS) prior to the issuance of a Special Event Permit.⁸ Within this system, we found that SE&F conducted an environmental review for all special events in our sample.

The Special Event Permit Application, the Special Event Planning Guide, and the Special Event Permit Include Indemnification Language That Reduce the City's Liability for Environmental Reviews Completed by Outside Consultants

Based on a review of the Special Event Permit Application, the Special Event Planning Guide, and the Special Event Permit, the use of an outside consultant, if necessary, for conducting environmental review is the responsibility of the permittee. In totality, the Special Event Permit—and its references to the Special Event Permit Application and the Special Event Planning Guide—include clauses stating the permittee releases the City “from and against all lost [sic], damages, liability, claims, suits, costs and expenses...arising from or in any manner connected to the requested activity.” By signing the Special Event Permit, the permittee also agrees to be knowledgeable about, fully understand, and to meet or exceed all local, state, and federal codes, laws, policies, and regulations” associated with the special event.

Time and Cost Impacts to the Applicant Depend on Environmental Review Results

As part of our review, we examined a sample of special events that took place in FY 2016 to determine if applicants experience time and cost impacts as a result of the environmental review that SE&F completes for all applications. We found that time and cost impacts to the applicant vary and depend on the results of SE&F's environmental review. **Attachment D** outlines the three types of outcomes: categorically exempt, consistent with an existing environmental document, or requiring further environmental analysis.

Based on our sample, the total application processing time for special events that qualified for a categorical exemption averaged 106 days.⁹ However, environmental review has the potential to add more time to the permitting process if the special event requires the preparation of a new environmental document.

⁸ Production Meetings serve as a mechanism for SE&F to communicate application and permit issuance status updates to event organizers. Discussions include pre-event coordination, post-event evaluation, and discussion of special needs or issues unique to an event or community.

⁹ The total application processing time refers to the period of time between when a Special Event Permit Application is considered substantially complete and when a Special Event Permit is signed by the SE&F Director.

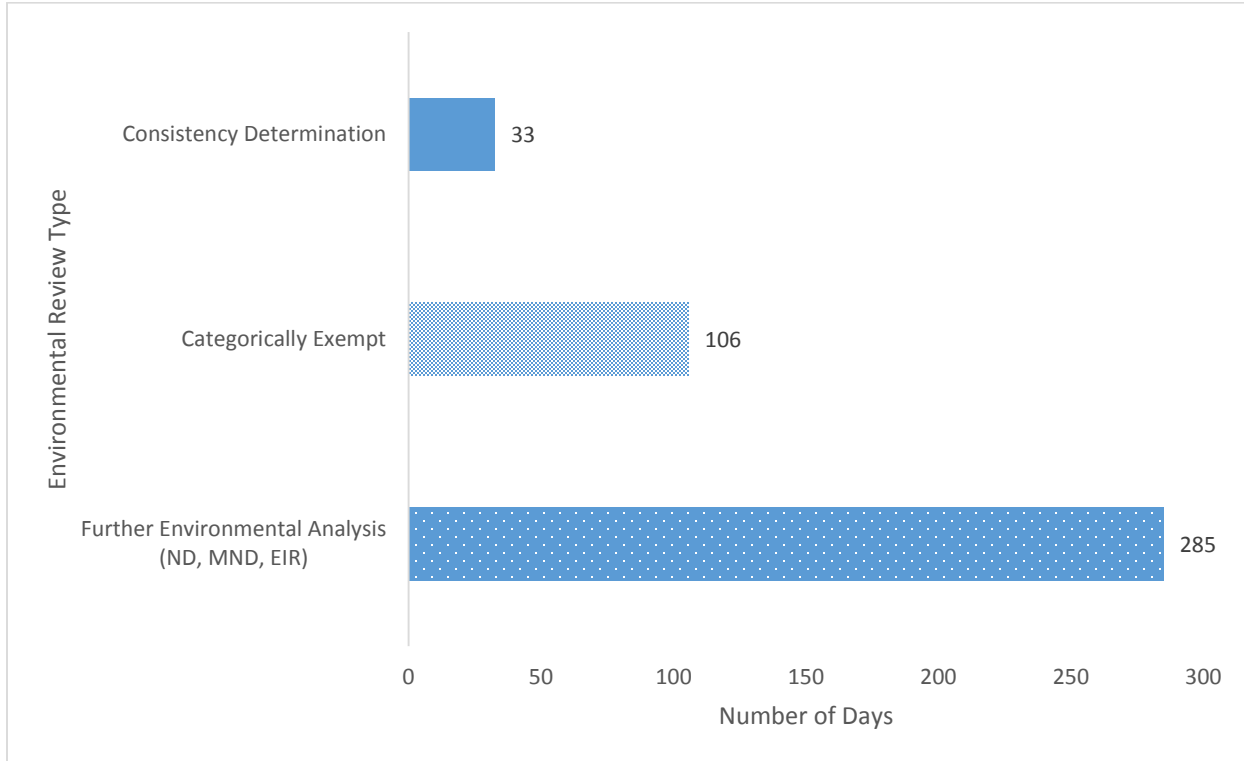
We also examined all special events that were determined to be consistent with an existing environmental document. These totaled only 10 special events since July 1, 2014. Based on our review of events within in our sample, the total application processing time for special events reviewed for consistency with an existing environmental document averaged 33 days.

According to SE&F, since the environmental review process was implemented at the beginning of FY 2015, no special events have received an environmental determination of Negative Declaration (ND), Mitigated Negative Declaration (MND), or Environmental Impact Report (EIR). As a result, there were no special events in our sample with these environmental determinations, and we were unable to estimate the Special Event Permit Application processing times for such events based on actual performance. Instead, we used estimates from SE&F's CEQA Guidelines for the amount of time required to process a Special Event Permit Application that receives an environmental determination of ND, MND, or EIR. SE&F estimates that these special events could take up to 285 days for permit issuance.

Exhibit 2 shows the timeline for permit processing for special events that are categorically exempt, special events that are consistent with existing environmental documents, and events requiring further environmental analysis.

Exhibit 2

Estimated Special Event Permit Application Processing Time Depends on Results of Environmental Review



Source: OCA based on sample of special events with categorically exempt and consistency review determinations, the Special Events and Filming Department's May 2014 Guidelines for the California Environmental Quality Act, and discussions with SE&F management.

Note: Time estimates for special events determined to be categorically exempt or consistent with an existing environmental document are based on actual data averages compiled from source documents used in the environmental review process. The time estimate for special events that require new environmental analysis is based solely on SE&F's May 2014 CEQA Guidelines publication.

In terms of costs, currently, the City absorbs the cost of conducting environmental review for Special Event Permit Applications. However, should the City's review require an applicant for a Special Event Permit to retain the services of an outside consultant or any other private service(s) to conduct a technical study or any other environmental review, the applicant is fully and solely responsible for any and all such expenditures.

Conclusion

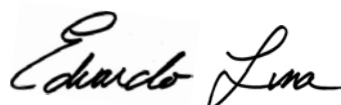
The Special Events and Filming Department (SE&F) provides services in support of the City's special event, filming, business, and tourism industries. It also helps to generate economic impact and media exposure for San Diego.

In order to fulfill its duties in providing support services to special event stakeholders, such as event organizers, host committees, and business and residential communities, SE&F has developed and implements various mechanisms that assists in its day-to-day efforts. We found that as part of its special event permitting process, SE&F incorporated a system that ensures it issues permits for all special events, correctly invoices applicants for the Special Event Permit Application fee, and assists the City with collecting amounts due. We found that SE&F conducts an environmental review for all Special Event Permit Applications as required by a 2014 lawsuit settlement agreement. Moreover, we also determined that the Special Event Permit—and its references to the Special Event Permit Application and the Special Event Planning Guide—include clauses that place event planning and implementation responsibilities, including the proper completion of any necessary environmental mitigation requirements, with the permittee.

While SE&F is achieving key elements of the permitting process, it can improve this process by developing policies and procedures for invoicing that include a standard billing timeframe. Doing so would help ensure that SE&F consistently bills applicants in a timely manner. Additionally, while the added environmental review component has not contributed significant time or cost to applicants when securing a Special Event Permit, it has the potential to do so. For this reason, SE&F strongly encourages applicants to submit completed Special Event Permit Applications as soon as reasonably possible so that there is sufficient time to address any unanticipated or unforeseen circumstances.

With minor improvements, SE&F can continue to deliver a special event permitting process that ensures compliance with regulations while allowing for quality special events to take place.

Respectfully submitted,



Eduardo Luna
City Auditor

cc: Scott Chadwick, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Mary Lewis, Chief Financial Officer
Rolando Charvel, City Comptroller
Carolyn Wormser, Director of Special Events
Mara Elliot, City Attorney
Monica Willian, Deputy City Attorney
Ken So, Deputy City Attorney

ATTACHMENT A: Definition of Audit Recommendation Priorities

DEFINITIONS OF PRIORITY 1, 2, AND 3 AUDIT RECOMMENDATIONS

The Office of the City Auditor maintains a priority classification scheme for audit recommendations based on the importance of each recommendation to the City, as described in the table below. While the City Auditor is responsible for providing a priority classification for recommendations, it is the City Administration's responsibility to establish a target date to implement each recommendation taking into considerations its priority. The City Auditor requests that target dates be included in the Administration's official response to the audit findings and recommendations.

Priority Class¹⁰	Description
1	Fraud or serious violations are being committed. Significant fiscal and/or equivalent non-fiscal losses are occurring. Costly and/or detrimental operational inefficiencies are taking place. A significant internal control weakness has been identified.
2	The potential for incurring significant fiscal and/or equivalent non-fiscal losses exists. The potential for costly and/or detrimental operational inefficiencies exists. The potential for strengthening or improving internal controls.
3	Operation or administrative process will be improved.

¹⁰The City Auditor is responsible for assigning audit recommendation priority class numbers. A recommendation which clearly fits the description for more than one priority class shall be assigned the higher number.

ATTACHMENT B: Audit Objectives, Scope, and Methodology

In accordance with the City Auditor's Fiscal Year 2017 Audit Work Plan, we performed an audit of the efficiency and effectiveness of the Special Events and Filming Department's (SE&F) special event permitting process. Our audit focused primarily on special events that occurred in FY 2016. However, a portion of our review covered special events held between FY 2015 and FY 2017. The objective of this audit was to determine the efficiency and effectiveness of the special event permitting process, pertaining to permit issuance and the completion of environmental reviews. Specifically, our audit objectives were to:

- Assess whether SE&F invoiced applicants for the correct Special Event Permit Application fee;
- Assess whether the City collected the amounts invoiced;
- Determine if SE&F issued a Special Events Permit for FY 2016 special events;
- Determine if SE&F developed an environmental review process and whether SE&F conducts an environmental review for all Special Event Permit Applications as required by the 2014 lawsuit settlement agreement;
- Assess the City's liability for environmental reviews completed by outside consultants; and
- Determine if applicants experience any time and money impacts as a result of the environmental review process.

To assess whether SE&F correctly invoiced applicants and whether the City collected invoiced amounts, for each special event in our sample, we reviewed the invoices issued to applicants for the Special Event Permit Application fee, reviewed account balances and payment verification reports in SAP, and compared our calculations against SE&F's invoice amounts.

We also evaluated the mechanisms in place for SE&F to oversee permit issuance and conduct environmental reviews. To assess whether SE&F issued Special Events Permits for authorized special events, for each event in our sample, we checked the Special Event Permitting System (SEPS) to determine if each event had a signed and recorded permit.

In order to determine if SE&F developed an environmental review process, we interviewed SE&F management and staff and the City Attorney's Office (CAO). We inquired about SE&F and CAO efforts for ensuring compliance with a 2014 lawsuit settlement agreement.¹¹ We also reviewed other documents and resources used by the Senior Planner to conduct environmental reviews, including: 1) relevant sections of Title 14 of the California Code of Regulations pertaining to the California Environmental Quality Act (CEQA); 2) an internal screening document modeled after CEQA guidance

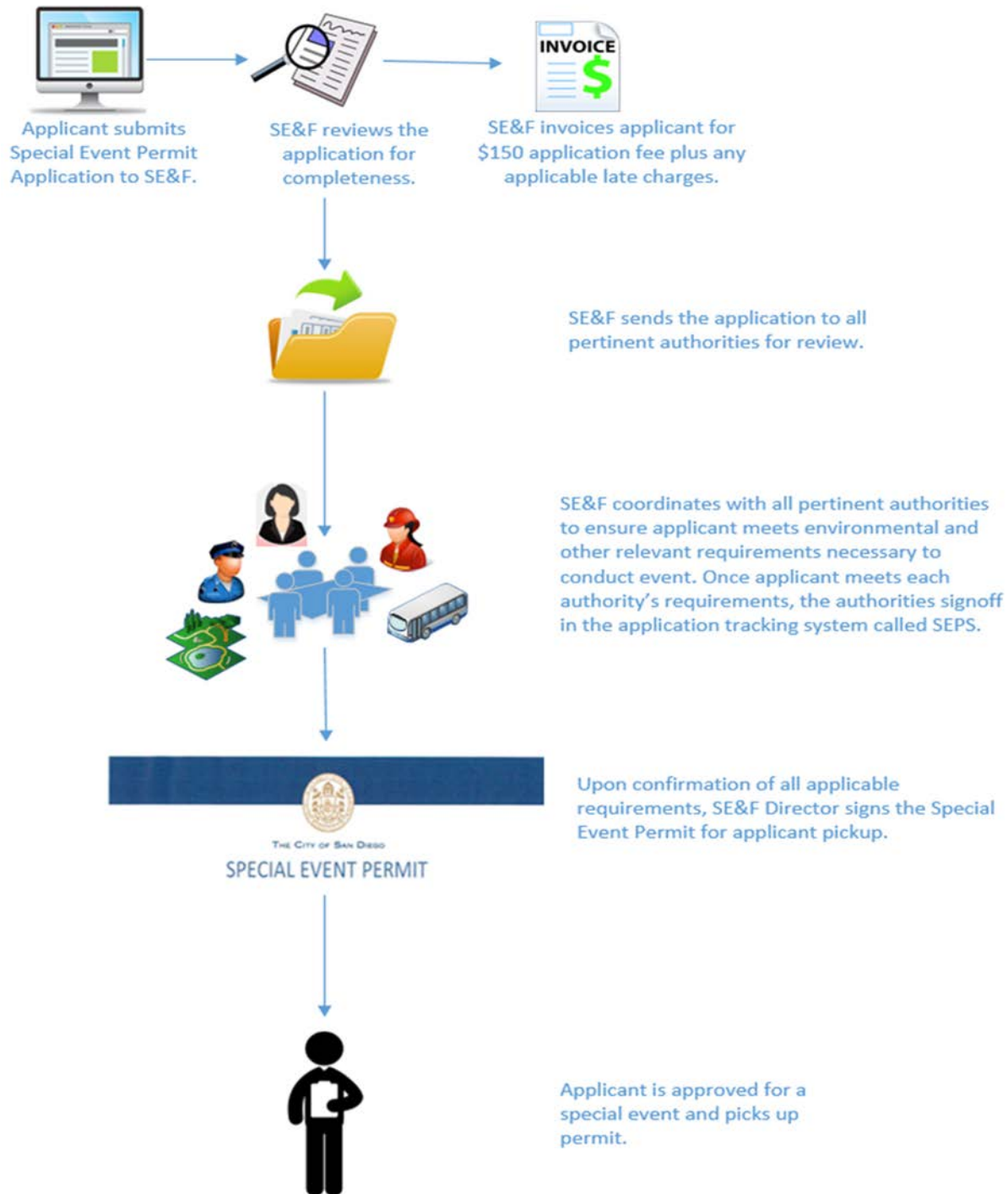
¹¹ In 2014, the City of San Diego settled several lawsuits alleging that the City had not complied with the California Environmental Quality Act (CEQA) with regard to Special Event and Park Use Permitting. The settlement agreement requires the City to conduct an environmental review for all Special Event Permit Applications and all discretionary Park Use Permit Applications that: 1) were received by the City on or after July 1, 2014; or 2) had activity dates on or after January 1, 2015.

for determining the exemption status of special events; 3) Notice of Right to Appeal (NORA) documents for each special event within our sample; 4) Special Event Permit Applications; and other source documents. We also interviewed the City Attorney's Office to assess the City's liability for environmental reviews completed by outside consultants.

Lastly, to determine if applicants experience any time and money impacts as a result of the environmental review process, we analyzed different segments of the special event permitting process—including the environmental review process—based on data compiled from Special Event Permit Applications, permit signoff dates within SEPS, public postings associated with CEQA requirements, and other source documents.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

ATTACHMENT C: City of San Diego Special Event Permit Application Review and Invoicing Process

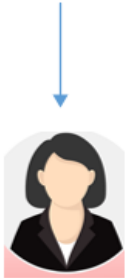


Source: OCA based on review of the Special Event Planning Guide and discussions with Special Events and Filming management.

ATTACHMENT D: City of San Diego Special Event Environmental Review Process



SE&F sends the application to all pertinent authorities for review.



SE&F Senior Planner conducts an environmental review to make a determination for the event.

As Part of the Special Event Permitting Process, the Senior Planner Makes an Environmental Determination for the Special Event

Is the event exempt from environmental review?

The project falls within a class of projects determined to have no significant effects on the environment. This determination is known as a Categorical Exemption.

Is the event consistent with an existing environmental document?

The project is adequately covered by an existing certified environmental document that may include required mitigation measures to minimize the potentially significant effect of the project on the environment. This is known as a Consistency Determination.

Does the event require further environmental analysis?

The project is not Categorical Exempt, is not consistent with an existing certified environmental document, and is determined to require a more detailed environmental review and possible mitigation measures due to its potentially significant effect on the environment. The determination may require what is known as a Negative Declaration, a Mitigated Negative Declaration, or an Environmental Impact Report.



Date of Notice: February 25, 2016

NOTICE OF RIGHT TO APPEAL ENVIRONMENTAL DETERMINATION

For Categorical Exemptions, the Senior Planner publicly posts the Notice of Right to Appeal (NORA) for 10 business days giving the public an opportunity to voice concerns. If appealed, the City Council is the final administrative remedy for challenging the exemption.

For events determined to be consistent or that require further environmental analysis, other review steps may be necessary. In these cases, the Senior Planner coordinates with appropriate entities to complete review.



The Senior Planner coordinates with pertinent authorities to ensure applicant meets environmental requirements necessary to conduct event. Once completed, the Senior Planner signs off in the application tracking system called SEPS.

Source: OCA based on review of the Special Events and Filming (SE&F)'s May 2014 Guidelines for the California Environmental Quality Act and discussions with SE&F management.



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: May 2, 2017
TO: Eduardo Luna, City Auditor
FROM: Carolyn Wormser, Executive Director, Special Events & Filming Department
SUBJECT: Performance Audit of the Special Event Permit Application Process

The purpose of this memorandum is to provide Management's Response to the Performance Audit of the Special Event Permit Application Process. There was one recommendation within the Audit which is outlined below.

Recommendation 1: To ensure all applicants for a Special Event Permit are consistently billed for the Special Event Permit Application fee in a timely manner, the Special Events and Filming Department (SE&F) should develop and implement an invoicing policy and operating procedure that includes a standard billing timeframe.

Management Response: Agree with recommendation.

The Performance Audit determined that all Special Event Permit Applicants were assessed the correct City Council approved Special Event Permit Application fee with few immaterial exceptions and that the department collected all invoiced amounts.

However, the Performance Audit did determine that applications were not invoiced within a consistent timeframe.

As staff conveyed during the audit, staff identified a similar inconsistency issue and has been working on developing the standard operating billing procedures. The department will ensure invoicing procedures are developed that comply with the City's current and future Administrative Regulations regarding Accounts Receivables and Invoicing with a goal of invoicing applicants, on average, within 10 business days.

Date to be complete: July 1, 2017

A handwritten signature in blue ink, appearing to read "Carolyn Wormser".

Carolyn Wormser
Executive Director, Special Events & Filming Department

cc: Scott Chadwick, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer