



November 2, 2020

Ms. Lindsey Perry, CPA, CFE
Auditor General
State of Arizona
2910 N 44th Street, Suite 410
Phoenix, Arizona 85018

RE: 2020 Performance Audit of the Arizona Sports and Tourism Authority

Dear Auditor General Perry:

On behalf of the Board of Directors and staff of the Arizona Sports and Tourism Authority (the "Authority"), we appreciate the opportunity to respond to the 2020 Performance Audit of the Authority. We commend the professionalism, diligence and hard work of the Auditor General's staff, and it was a pleasure to work with them.

We are pleased with the overall conclusions of the Performance Audit and note that all recommendations have been agreed to and implemented. Thank you again for the opportunity to respond to this Performance Audit report. The Authority's response to each of the recommendations is attached.

Sincerely,

Tom Sadler
President/CEO

cc: Teddy Eynon, Chairman, Arizona Sports and Tourism Authority
Board of Directors, Arizona Sports and Tourism Authority

Finding 1: Authority distributed some tourism and facility-related revenues inconsistent with statutory requirements

Recommendation 1: The Authority should take additional steps to ensure that it accurately distributes tourism and facility-related revenues according to statutory requirements. Specifically, the Authority should

Recommendation 1a: Develop and implement more detailed revenue distribution procedures to guide its revenue distributions.

Authority response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The recommendation has been implemented by the Authority. An internal procedure to guide revenue distributions has been developed and added to the policies and procedures library.

Recommendation 1b: Develop and implement a checklist identifying the specific items to review that a secondary reviewer, such as its Stadium management contractor staff, should use when reviewing the monthly distributions.

Authority response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The recommendation has been implemented by the Authority. An internal procedure, to include a review checklist, has been developed and added to the policies and procedures library.

Recommendation 1c: Request its auditors to more comprehensively verify the accuracy of revenue distributions during the Authority's annual financial audit.

Authority response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The recommendation has been implemented by the Authority. The annual financial auditors have been made aware of the finding and have added to their annual audit checklist.

Finding 2: Authority discontinued event settlement reviews and has not documented other facility management oversight practices

Recommendation 2: The Authority should implement its event settlement review procedures developed in June 2020, which requires it to monthly select and review an event settlement, once Stadium events resume.

Authority response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: A monthly event settlement review has been implemented by the Authority as recommended. Also, the internal event settlement review procedures have been developed and added to the policies and procedures library.

Recommendation 3: The Authority should continue the Stadium management oversight practices we observed, and that it formalized in its draft Stadium management oversight policy and procedures.

Authority response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Authority will continue conducting Stadium management oversight practices as observed. As recommended, a policy to formalize the Stadium Management Oversight procedures has been drafted.

Recommendation 4: The Authority should continue with its plans to seek Board approval of its Stadium management oversight policy and procedures during its next Board meeting.

Authority response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Authority has followed through in seeking approval for the aforementioned draft policy for Stadium Management Oversight as it is on the November 10, 2020 agenda for Board approval.