



City of San Antonio

Legislation Details (With Text)

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Attachments: 1. AU15-005 CVB - Hosting Obligations

Date	Ver.	Action By	Action	Result
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AUDIT COMMITTEE SUMMARY

October 20, 2015

Audit of Convention & Visitors Bureau Hosting Obligations

Report Issued September 29, 2015

Background

The Convention & Visitors Bureau's (CVB) mission is to promote, market and assist in developing San Antonio as a premier leisure visitor and convention and meeting destination. In accordance with this mission, the CVB negotiates with various national associations and organizations to influence the selection of San Antonio as the destination for their annual meetings, conventions, and/or special events.

A hosting obligation is a contractual obligation the CVB negotiates with the event holder for choosing San Antonio as the host city for its convention, meeting or special event. Generally, hosting obligations are offered in order to fill need dates, because the convention has synergies with primary economic drivers of the San Antonio area, or because they will produce a significant visitor related economic impact which benefits the San Antonio economy. There are two types of hosting obligations: rental credits (discounts) and direct expenditures.

Rental credits are often based on a sliding scale based on square footage rented, attendance, room nights booked, catering purchases, or food and beverage sales. Rental credits are the largest category of hosting obligations and amounted to \$1,042,040 in FY 2014.

Direct expenditures can occur for items negotiated with the event holder. They include items like pole banners advertising the event, transportation costs, or the cost of a dinner for a board of the event holder. These are paid either to vendors or to the event holder. In FY 2014, the total amount paid for these obligations was \$343,128.

Audit Objective

Determine if hosting obligations are adequately managed and properly supported.

Audit Scope & Methodology

The audit scope included hosting obligations paid and rental credits given between October 1, 2013 and March 31, 2015. We interviewed staff and tested supporting documentation for rental credits given and direct hosting obligations expended.

Audit Conclusions

Yes, hosting obligations are managed well and properly supported. The CVB has an approval process in place to ensure that hosting obligations are given to event hosts only when warranted and are approved prior to the event. Additionally, actual expenditures and/or credits were properly supported by invoices, conference room rental records, food and beverage revenues, hotel night rented statistics, and other key documentation.

We made no recommendations.