

Cultural Arts Contract Monitoring



Objective

The objective of this audit was to determine if cultural arts contracts are being administered and monitored effectively to ensure compliance with contract requirements.

Background

The Cultural Arts Division of the Economic Development Department (the Division) is responsible for managing the City's cultural arts programs and promoting the economic development of creative industries in the City of Austin. The Division oversees four main cultural arts funding programs.

The Division provides financial support to organizations and individuals through a competitive application and review process. Following the approval of funding, the City enters into a contract with the organization or individual for specific services. These contracts are developed based on templates and establish responsibilities for both the City and the contractor. The Division conducts monitoring to verify compliance with the contract requirements.

What We Found

The Cultural Arts Division's contract monitoring practices are generally aligned with best practices, and Division staff generally follow these practices. However, we identified three areas for improvement.

- While the Division has a monitoring manual, the manual has not been updated with current monitoring practices.
- The Division does not document how contracts are selected for monitoring.
- The Division does not review documentation to verify that the information reported by the contractor is accurate, including information used in a performance measure.

The cultural arts contracts for three programs do not use a contract template developed by the Law Department, and therefore contracts for these programs are lacking some clauses that protect the City's interests.

What We Recommend

- The Director of the Economic Development Department should strengthen the monitoring process for cultural arts contracts by ensuring the monitoring manual is up-to-date and developing risk-based approaches for contract monitoring and verification of the reported information.
- The Director of the Economic Development Department should work with the Law Department to ensure all cultural arts contract templates include clauses that safeguard the City's interests.