



Report Highlights

Louisiana Office of Tourism

Department of Culture, Recreation, and Tourism

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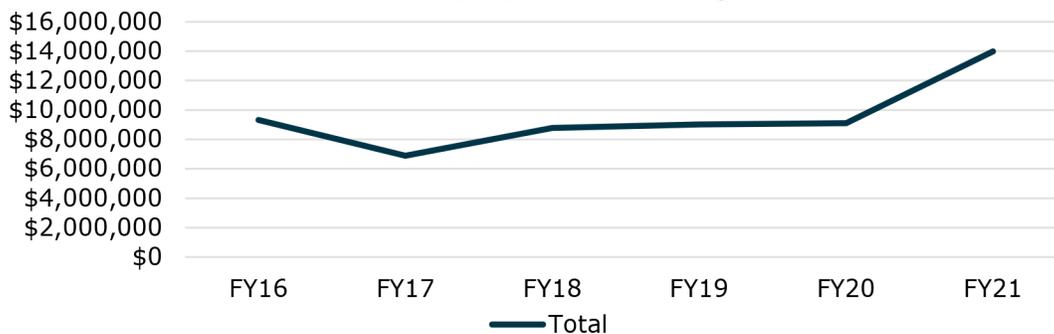
Why We Conducted This Audit

We evaluated the Louisiana Office of Tourism’s (LOT) management of tourism dollars. LOT is housed within the Department of Culture, Recreation, and Tourism (CRT) and is responsible for managing \$28.1 million in tourism dollars on average each year. We conducted this audit because tourism is an integral part of Louisiana’s economy. State law authorizes LOT to enhance the state’s economy by encouraging tourism, and LOT strives to derive the maximum return on investment from dollars invested in tourism, advertising, and promotion. In addition, LOT’s goals include increasing the number of visitors to Louisiana and number of jobs in the tourism industry. This report is the first in a series of reports on CRT.

What We Found

- **LOT could better measure the effectiveness of its advertising contracts. From fiscal year 2016 to fiscal year 2021, LOT spent on average \$9.5 million a year on advertising contract costs.** Independent reviews of advertising campaigns could help LOT ensure it is receiving a positive return on its investment. While LOT regularly collects overall Louisiana tourism statistics and receives industry metrics on advertisement campaigns from its contractor, LOT could better evaluate specific advertisement campaigns by engaging an independent vendor to evaluate their effectiveness.

**Advertising Contracts Expenditures
Fiscal Years (FY) 2016 through 2021**



Source: Prepared by legislative auditor's staff using information provided by LOT.

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What We Found (Cont.)

- **To improve transparency on how tourism dollars are spent, LOT should publicly report on what entities receive grants and sponsorships.** During fiscal years 2016 through 2021, LOT spent \$12.6 million on sponsorships and \$3.7 million on its two primary tourism grants.

| Number of Grants and Total Grant Spending Fiscal Years 2016 through 2021 | | | | | | |
|---|-----------------------------|--------------------|---------------------------|------------------|------------|--------------------|
| Fiscal Year | Cooperative Marketing Grant | | Competitive Grant Program | | Total | |
| | Number | Total Spent | Number* | Total Spent | Number | Total Spent |
| FY 16 | 27 | \$455,489 | 24 | \$151,500 | 51 | \$606,989 |
| FY 17 | 25 | \$409,416 | 30 | \$127,359 | 55 | \$536,775 |
| FY 18 | 30 | \$475,849 | 35 | \$138,353 | 65 | \$614,202 |
| FY 19 | 33 | \$535,257 | 40 | \$198,988 | 73 | \$734,245 |
| FY 20 | 33 | \$542,074 | 32 | \$114,138 | 65 | \$656,212 |
| FY 21 | 33 | \$526,468 | 24 | \$35,332 | 57 | \$561,800 |
| Total | 181 | \$2,944,553 | 185 | \$765,670 | 366 | \$3,710,223 |

*Fifty-five of the total awarded CGP grants were cancelled or withdrawn, most due to COVID-19.
Source: Prepared by legislative auditor's staff using information provided by LOT.

- **To increase transparency surrounding funding decisions, LOT should develop a structured process for awarding sponsorships.** This process should include clear eligibility criteria and how LOT determines which sponsorships are funded.
- **LOT could improve internal controls and overall documentation for tourism grants and sponsorships, including policies and procedures and record keeping.** In addition, LOT could better track the use of tickets provided to LOT as part of sponsorship deliverables as required by its Standard Operating Procedure.

| Number and Amount of Sponsorships Fiscal Years 2016 through 2021 | | |
|---|--------------|---------------------|
| Fiscal Year | Number | Total |
| FY 16 | 24 | \$2,950,856 |
| FY 17 | 24 | \$3,046,569 |
| FY 18 | 29 | \$2,535,750 |
| FY 19 | 40 | \$2,154,325 |
| FY 20 | 28 | \$1,443,701* |
| FY 21 | 19 | \$427,500* |
| Total | 164** | \$12,558,701 |

*Twenty-four sponsorships were cancelled in FYs 2020 and 2021 due to COVID-19, which would have totaled \$1.6 million.
 **Seven sponsorships were in-kind agreements.
Source: Prepared by legislative auditor's staff using information provided by LOT.