



# **Internal Audit Department**

## **Report 2012 – S2**

### **Impact Fee & Economic Development**

### **Job Creation Investment Program**

**December 2011**

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Workpapers supporting the observations noted within this report are public record and can be made available upon request once the final audit report has been issued. The files and draft versions of audit reports remain confidential and protected from public records requests during an active audit under Nicolai v. Baldwin (Aug. 28, 1998 DCA of FL, 5<sup>th</sup> District) and Section 119.0713, Florida Statutes.

## BACKGROUND

The Clerk's Finance Director requested Internal Audit to observe the Impact Fee & Economic Development Office's validation of jobs created in accordance with the Job Creation Investment Program. This program is a performance-based Collier County initiative authorized in Board of County Commissioners (BCC) Ordinance 2003-60. It provides general revenue funding to local businesses for the creation of jobs that meet the criteria specified in the Ordinance. Those criteria, which vary by geographic location within the county, include minimum numbers of new jobs at specific wage levels. Ordinance 2003-60 states that the program's purpose is "to promote and foster economic diversification through the retention and creation of high wage jobs in targeted industry clusters." Ordinance 2003-60 originally terminated this program on October 1, 2008, but on September 9, 2008, the BCC enacted Ordinance 2008-46, which extended the Job Creation Investment Program to October 1, 2013.

To be eligible, businesses must apply to the County Manager prior to making the decision to locate or expand within Collier County. The general fund pays \$1,000 to \$3,000 over a three year period to qualifying businesses for each job created.

## SUMMARY

This examination generated the following observations for the Job Creation Investment Program:

- Payroll records were reviewed for Animal Specialty Hospital, Florida Specialties, Guadalupe Center, Haynes Corporation, and NCH/Anchor Health Center. Haynes Corporation requested that its records remain confidential, in accordance with section 288.075, Florida Statutes. For all employees in created jobs, names, addresses, hire dates, job titles, and pay rates were captured. Average rates of pay were calculated for all jobs created, and compared to the minimum requirements of the Ordinance.  
On July 28, 2010, the Board of County Commissioners approved a waiver from the 150% of average private sector wage requirement for Haynes Corporation. At the request of the Economic Development Council, the BCC accepted Haynes into the Job Creation Investment Program at 87% of the average private sector wage. Due to that waiver, no exceptions from the average wage requirements were noted.
- Site visits were conducted to vouch payroll record data to the personnel records of all employees in created jobs. The verified data consisted of employees' names, addresses, hire dates, job titles, and pay rates. The procedures revealed no exceptions. These tests documented the following numbers of jobs created: 24 at Animal Specialty Hospital, 10 jobs at Florida Specialties, 25 at Guadalupe Center, 12 at Haynes Corporation, and 15 jobs at NCH/Anchor Health Center.

## SCOPE

This examination consisted of validating jobs created, including, but not limited to, the following:

- Reviewing sections 125.045, 288.075, and 688.02, Florida Statutes;
- Reviewing Collier County Ordinances 2003-60 and 2008-46;
- Validating payroll records from the following businesses;
  - Animal Specialty Hospital
  - Florida Specialties
  - Guadalupe Center
  - Haynes Corporation
  - NCH/Anchor Health Center
- Visiting the respective businesses and interviewing applicable management;

- Scheduling data from payroll records for all employees holding jobs claimed as created; and
- Tracing payroll data, such as names, addresses, hire dates, job titles, and pay rates, to the personnel records.

Internal Audit tested 100% of applicable payroll and personnel records for each of the five companies in the Job Creation Investment Program. The objectives of this special request were to validate the wages paid for jobs claimed to have been created by eligible employers, and to confirm the 94 employees in those created jobs.

## **CONCLUSION**

Due to the Job Creation Investment Program's compliance with the requirements of Ordinance 2003-60, there are no adverse observations to report.