



Internal Audit Department

Audit Report 2015-6

Job Creation Investment Program: Florida Specialties, LLC

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The files and draft versions of audit reports are confidential and exempt from public records requests during an active audit under *Nicolai v. Baldwin (Aug. 28, 1998 DCA of FL, 5th District)* and Section 119.0713, Florida Statutes. Workpapers supporting the observations in this report become public record and will be available upon request once the final audit report has been issued.

Internal Audit provided a draft of this report to the Office of Business and Economic Development for management response on July 23, 2015. County management provided that response on July 28, 2015.

Summary

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

- The Office of Business and Economic Development and Internal Audit conducted a site visit to examine payroll records for Florida Specialties, LLC. We recorded names, job titles, employment dates, and wages for all employees in created jobs. We averaged wages for all jobs created, and compared that average to the minimum requirements of the Program. We found no exceptions to the minimum average wage requirements.
- During the site visit, Business and Economic Development and Internal Audit staff vouched payroll data to the personnel records for five new employees who replaced separated workers in three previously created positions. We validated payroll data for the other nine employees in formerly created jobs. The verified data consisted of employees' names, job titles, employment dates, wages, and lawful US residency. Our procedures revealed no exceptions.
- These tests validated nine jobs created in Phase Two and three jobs created in Phase Three at Florida Specialties, LLC. Those twelve jobs qualify Florida Specialties for a Job Creation Investment Program incentive payment of \$12,000.

Objective

The objective of the engagement was to determine to what extent Florida Specialties, LLC, remained eligible for participation in the Job Creation Investment Program.

Scope

This audit consisted of validating jobs and wages, including, but not limited to, the following:

- Reviewing section 125.045, Florida Statutes;
- Reviewing Collier County Ordinances 2003-60, 2006-36, and 2008-46;
- Visiting Florida Specialties, LLC and interviewing management;
- Examining payroll and personnel records of Florida Specialties, LLC;
- Scheduling data from payroll records for all employees holding jobs claimed as created; and
- Tracing payroll data, such as names, job titles, hire dates, and lawful US residency, to the personnel records.

Internal Audit tested 100% of applicable payroll and personnel records for Florida Specialties, LLC.

Background

Internal Audit and the Office of Business and Economic Development validated 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, as amended. This ordinance provides general revenue funding to local businesses for the creation of jobs that meet the specified criteria. Those criteria, which vary by geographic location within the county, include a minimum number of new jobs at or exceeding specific wage levels that must be created by the participating business entity, in this case, Florida Specialties, LLC.

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 2006-36 defines jobs as "limited to individual permanent legal residents of the United States who are employed in each new created position of employment at a primary location in Collier County, and as applicable maintained, as a result of the program." 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. For this location, the general fund pays \$3,000 over three years (\$1,000 per year) to qualifying businesses for each job created.

Management Response

“I have reviewed the submitted Audit Report #2015-6 regarding Florida Specialties, LLC’s compliance with incentive criteria established by Job Creation Agreement in place with Collier County. I concur with the audit findings and consider the Florida Specialties, LLC, currently in compliance with the obligations within the Job Creation Agreement up to including specified Phases Two and Three.

Staff appreciates the professional and pragmatic approach exhibited by the Internal Audit Department for this performance validation process.”

Conclusion

Florida Specialties, LLC, complied with the requirements of the Job Creation Investment Program ordinances; therefore, there are no adverse observations to report.