



Inspector General Insights

Background: The Qualified Targeted Industry Tax Refund (QTI) Program is administered by the State of Florida as defined by F.S. 288.106. The Program is designed to provide tax refunds to companies that create high-wage jobs in targeted industries. For a company to be eligible for the QTI Program, the Board of County Commissioners (BCC) must enter into an agreement specifying a local funding commitment of at least 20 percent of the total award amount.

Once approved by the BCC, the application is forwarded to the Department of Economic Opportunity (DEO) for approval. The DEO is responsible for approving each QTI Program application. It also is responsible for certifying compliance with QTI Program requirements for all subsequent tax refunds. The BCC pays its share directly to the DEO.

Under agreement SB 17-017, ACI Worldwide, Inc. (ACI) was approved for three annual payments for the calendar years 2017, 2018 and 2019. Their final invoice was received July 1, 2020.

Objective: The audit objective was to ensure that payments proposed under the QTI Program complied with the agreement approved by the Board.

Scope: The audit scope was limited to the three payments made for the calendar years 2017, 2018 and 2019.

Observations: The OIG staff, as well as staff from the County Business and Economic Development office, met with ACI Worldwide at their headquarters to discuss the testing protocols. We discovered that DEO had outsourced the audit and verification of the employee files to RSMcGladrey (RSM), an international, independent CPA firm.

The Institute of Internal Auditors recognizes a concept of “combined assurance”, whereby the auditor considers:

1. Whether there is a common risk assessment and issue significance by both parties auditing or reviewing the data,
2. Whether there is a shared schedule or reporting period, and
3. Whether the auditor is comfortable with the work of other assurance providers.

The OIG obtained the work program directly from RSM, reviewed the work procedures outlined, and found these procedures to be sufficient. Were the OIG to perform our own audit of these employee files, we would perform very similar techniques. The reporting period was identical, and RSM is an internationally recognized auditing firm. Therefore, we chose to rely on the work of RSM.

ACI billed for cumulative jobs of 26, 37 and 57, for 2017, 2018 and 2019, respectively. These position thresholds were met or exceeded for each of these years, as validated by the independent CPA firm. We reviewed the calculations of the billings for all years, and we determined them to be compliant with agreement SB 17-017.

Conclusion: Based on the results of our testing of the payment amounts, and our reliance on the independent CPA firm for the detailed testing of the employees under the job creation program, we believe the payments proposed by the BCC under the QTI program complied with the BCC approved agreement. Accordingly, we advised the Clerk's Accounts Payable staff to proceed with their payment process.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	Observations / Recommendations
3	\$ 39,260.41	N/A	N/A	N/A