



DEPARTMENT OF INSPECTOR GENERAL  
OKALOOSA COUNTY, FLORIDA  
JD PEACOCK II, CLERK OF CIRCUIT COURT AND COMPTROLLER



January 24, 2023

John Hofstad, County Administrator  
Okaloosa County Administration Building  
1250 N Eglin Pkwy, Suite 102  
Shalimar, FL 32579

Mr. Hofstad,

Please find attached the report on our audit of the Tourist Development Department's Partner Program.

Our work served as a review of the programs internal controls, policies, and risk exposure.

I want to thank Jennifer Adams and her staff for the cooperation and accommodation they afforded us. Should you have any questions in the interim please do not hesitate to call me at (850) 689-5000 Ext. 3424.

Respectfully,

Brad E. Embry, Inspector General

CC: Jennifer Adams, TDD Director  
JD Peacock, Okaloosa County Clerk of Courts

# OKALOOSA COUNTY CLERK OF CIRCUIT COURT



**DEPARTMENT OF INSPECTOR GENERAL**



## **REPORT ON THE AUDIT OF THE TOURIST DEVELOPMENT DEPARTMENT PARTNER PROGRAM**

**REPORT NO. BCC 22-02**

**REPORT ISSUED JANUARY 24, 2023**

**ISSUED BY: BRAD E. EMBRY, INSPECTOR GENERAL**

## Background

Based on our 2021 audit of the Tourist Development Department (TDD), the Department of Inspector General found the TDD's Partner Program especially risky and should be the subject of a full examination due to its unique function within the TDD program area.

## Objective

The objective of our audit was to evaluate implementation, efficiency, and effectiveness of internal control over the Partner Program and assess the financial, reputational, and public perception risk associated with the Partner Program.

## Scope & Methodology

The scope of our examination included a review of all Partner Program activity during FY 22 and all current Partner Program policies and Partners as of 8-1-22. Examination methodology included interviews with TDD staff involved in the program, review of correspondence, and evaluation of the selection and utilization processes involved in the program.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, waste, or abuse. This includes the design, implementation, and maintenance of internal controls relevant to the objectives. This review was conducted in compliance with Standards for Offices of Inspector General issued by the Association of Inspectors General and the International Professional Practice Framework issued by the Institute of Internal Auditors.

## Process

The Partner Program offers valuable marketing initiatives to registered Partners in return for in-kind trade exchanges, there are no funds exchanged in the process. The program has increased from 60 to 135 participants since the program's creation. The program is expanding to cover the same area as the expanded Tourist Development District. Potential businesses wishing to partner with TDD register via the [destinfb.com](http://destinfb.com) website and are vetted by TDD staff based on current TDD branding. There have been no businesses rejected in the application process. New businesses in the area are approached by TDD staff and encouraged to register for the program. Once a Partner is approved, they are provided complimentary promotional opportunities including web and digital listings, ad inclusion, group and destination leads, advocacy, training, and programming without an in-kind expectation. In return for providing in-kind experiences for media, partners are afforded the opportunity to host media and influencers and receive additional media coverage and promotion. Partners may turn down any presented opportunity but are expected to fulfill the in-kind requirement. Previously the program had 5 levels of participation, but these were discontinued. Opportunities for partners have been expanded since the program's inception and additions such as hospitality, customer service and sales training have been added as partner benefits.

## Testing

We conducted interviews with TDD staff involved in the process to gain a full understanding of all aspects of the program. We diagrammed the Partner Program to identify and evaluate any existing controls in the process. We examined randomly selected Partner opportunities to ensure proper utilization of the program and that proper justification was used in the selection process of the partner. This testing identified the partner selected, the in-kind product or service offered and the TDD justification of the

partner selected for the opportunity. We reviewed the ad listings in the 2022 Visitor Guide to ensure the partners included on the partner participation list were appropriately included in the guide. The Partner Program marketing value calculation basis was reviewed for the 5 discontinued levels of participation to determine the justification of the calculations. A sampling of the TDD “all call” (opportunities for all partners) and specific (one partner or one type of service or product) partner requests were reviewed to determine the justifications between the two types of requests.

## Conclusion

Our audit found that the Partner Program selection process remains fair and unbiased, and that the selection process for Partner opportunities is made based on the justification of the event or visitor receiving the in-kind receipt of service or product. Because the program does not involve any exchange of funds and the previous levels of partner participation which provided differentiated in-kind service levels and benefit values have been removed, we believe there is minimal risk associated with the program.

**Finding:** To formalize the Partner Program process, additional documentation is needed.

**Criteria:** Government, and most publicly responsible programs, are most effective when policies and procedures support documentation requirements for program usage.

**Condition:** While the Partner Program is effective and well-utilized, the program does not have suitable procedures in place to ensure continuity of operations in the absence of the program manager. Additionally, program usage and selection justification is not thoroughly documented.

**Effect:** If the program manager is unavailable for an extended period or leaves the TDD, the department must select someone to take over and learn the program. Well documented and thorough procedures would significantly reduce risk during the transition. We did not discover any material issues during our audit, but the development of documented procedures helps to reduce the potential for inadequate systems or deficiencies within the program.

**Recommendation:** The TDD should fully document all policies and procedures related to the operation of the Partner Program and should include usage and selection justification in conjunction with preparation and updating the Partner Participation document.

## Management Response


The TDD appreciates the IG’s review of the Partner Program and agrees the Partner Program would benefit from documented policies and procedures for the mutual benefit of partners and staff. The IG’s audit occurred during a staff transition and was helpful in identifying procedural deficiencies.

*Received via email 1/17/2023*

Attachment:

2022 Partner Program Informational Flyer





**DESTIN  
FORT  
WALTON  
BEACH  
FLORIDA**

## **Let's Partner!**

### **The Destin-Fort Walton Beach Partner Program**

Destin-Fort Walton Beach Tourism is excited to partner with you and help promote your tourism business! Destin-Fort Walton Beach strategically places targeted marketing to reach our visitors before they get here. Let us help you attract more customers and increase sales.

From presenting your company at area Welcome Centers to featuring you on the destination website and social media, the Destin-Fort Walton Beach Partner Program offers valuable marketing initiatives with only a small contribution. Becoming a member of the program is easy! All we ask is that you are willing to partner with us on hosting opportunities that will in turn, promote you. There are no funds exchanged.

What does that mean? We will reach out with opportunities to host media and influencers and in return you'll receive media coverage and promotion! As a partner, all that is required is an in-kind/trade exchange for media opportunities throughout the year.



### **Easy Sign-Up**

To sign up, visit [destinfwb.com/partners](https://destinfwb.com/partners). Then, click on the Destin-Fort Walton Beach Partner Program link to fill out a short form. After you submit your form, a member of the Destin-Fort Walton Beach team will follow-up with you.

**DEADLINE IS DECEMBER 30, 2022**

**Stacey Young, Community + Media Relations Strategist**  
slyoung@myokaloosa.com | 850.609.5389



# DESTIN FORT WALTON BEACH FLORIDA

## What's included?

### Partner Contributions

**Dining, Attractions,  
+ Charter Guides:**  
Up to 5 in-kind media  
experiences

**Accommodations:**  
Up to \$1,000 in-kind in  
hosted media stays

\*All bed-tax participating accommodations may opt-in for a complimentary website listing and participate in training opportunities without an in-kind expectation. Hosting selection is based on content + media relevancy.

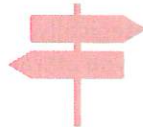
### Web + Digital



- Listing with direct link and images to your website
- Website content inclusion
- Promotion on DFWB social channels through live videos, story features, + posts
- Shared digital reports

### Visitor Guide

- Ad inclusion

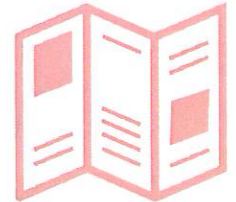


### Public Relations

- Inclusion in media pitching
- Media + influencer hosting opportunities
- Regional promotions + in-market events
- Trade show discounts + partnerships

### DFWBCC + Welcome Centers

- Featured partner rotation at Welcome Center
- Group + destination leads
- In-person presence at Welcome Center
- Utilize touch points at DFWBCC



### Advocacy + Training + Programming

- Documents, tools, + assistance in event of crisis
- Opportunities to participate in Destination Stewardship + Little Adventures programming
- Access to select research
- Complimentary courses such as hospitality, customer service, + sales training

While partners may turn down any presented opportunity, there is an expectation partners will fulfill up to 5 experiences for dining + attractions and \$1,000 for accommodations. Destin-Fort Walton Beach reserves the right to refuse assets or presented trade if it does not appropriately fulfill the presented opportunity. Collaborative efforts, such as earned media opportunities, regional promotions, and events, cannot be guaranteed. Opportunities will be presented equitably on a case-by-case basis. Dates of inclusion in opportunities such as newsletters, social media and PR pitching to be determined by Destin-Fort Walton Beach. Visitor Guide 2023 inclusion is limited to those partners who enroll in 2023 Partner Program before December 30, 2022 and who provide sufficient assets by presented deadline. Partners are auto-renewed each year. To opt out of the program, email [marketing@myokaloosa.com](mailto:marketing@myokaloosa.com).

Stacey Young, Community + Media Relations Strategist  
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