



CHARLIE CRIST  
GOVERNOR

STATE OF FLORIDA

# Office of the Governor

THE CAPITOL

TALLAHASSEE, FLORIDA 32399-0001

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June 29, 2007

Honorable Charlie Crist  
Governor of Florida  
The Capitol  
Tallahassee, FL 32399

Dear Governor Crist:

Enclosed is Audit Report No. 2007-17 detailing the findings from the audit of selected performance measures and measurement data of the Florida Commission on Tourism by the Office of the Chief Inspector General. The Commission's and the Office of Tourism, Trade and Economic Development's responses to the audit findings and recommendations are included in this report.

I am available to discuss this report with you at your convenience.

Sincerely,

Melinda M. Miguel  
Chief Inspector General

MMM/kbm

Enclosure

cc: George LeMieux, Chief of Staff  
Keisha Rice, Deputy Director, Office of Tourism, Trade and Economic Development  
Donna Ross, Vice Chair, Florida Commission on Tourism  
Cliff Nilson, General Counsel, VISIT FLORIDA  
William Monroe, Auditor General

THE FLORIDA COMMISSION ON TOURISM  
AUDIT OF SELECTED PERFORMANCE MEASURES

of Florida and Progressive Communications Inc.; and,

- performed other tests as appropriate.

The eight measures, standards, and reported data that we tested are as follows:

**TABLE 1: Eight Performance Measures Tested for Validity and Reliability**

Performance Measure	Standard	Data Reported 2005-2006
<p>Sustained growth in the number of travelers who come to and go through Florida - Out of State</p> <p><i>Source: Overseas visitor data collected by the U.S. Department of Commerce and the Canadian National Statistics Agency. Domestic visitor estimation methodology provided through a contract with George Washington University, surveys conducted by a contracted source, and enplanement reports (number of people boarding an airplane) submitted by 14 airports in Florida.</i></p>	73,420,000	83,900,000
<p>Sustained growth in the number of travelers who come to and go through Florida - Residents</p> <p><i>Source: Monthly telephone surveys conducted of 500 households in Florida by the University of Florida Bureau of Business Research factoring in the ratio of county population to state population using U.S. Census Bureau data.</i></p>	14,600,000	13,200,000
<p>Sustained growth in the beneficial impacts that travelers in Florida have on the state's overall economy - Rental Car Surcharge</p> <p><i>Source: Monthly deposits into the Tourism Promotional Trust Fund divided by 15.75%.</i></p>	\$132,360,000	\$139,600,000
<p>Sustained growth in the beneficial impacts that travelers in Florida have on the state's overall economy - Tourism-Related Employment</p> <p><i>Source: Employment data provided by the Agency for Workforce Innovation based on a rotational probability sampling of payroll activity reports provided by employers within tourism-related industries.</i></p>	887,448	966,300
<p>Sustained growth in the beneficial impacts that travelers in Florida have on the state's overall economy - Taxable Sales</p> <p><i>Source: Sales tax activity reported by tourism-related industries to the Florida Department of Revenue</i></p>	\$51,990,000,000	\$58,060,000,000
<p>Sustained growth in the beneficial impacts that travelers in Florida have on the state's overall economy - Local Option Tax (Bed Tax)</p> <p><i>Source: Tourist development tax on rentals or transient lodging of six months or less reported by counties to the Florida Department of Revenue</i></p>	\$305,000,000	\$301,300,000

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**TABLE 1: Continued**

Performance Measure	Standard	Data Reported 2005-2006
Quality and effectiveness of paid advertising messages reaching the target audience - Impressions  <i>Source: Media purchase affidavits submitted to VISIT FLORIDA by advertisers on radio, magazine, television, etc attesting to the likely number of times an advertisement reaches the target audience considering the reach and frequency of each specific medium</i>	605,000,000	1,144,426,041
Quality and effectiveness of paid advertising messages reaching the target audience - Leads  <i>Source: The number of customers seeking the Official Florida Vacation Guide and requests for general tourism information generated as the result of placed advertisements, VISIT FLORIDA's website, and people calling the 1-800 telephone number as reported by a contractor of VISIT FLORIDA</i>	505,000	189,413

**FINDINGS AND RECOMMENDATIONS**

**1 – RESULTS OF VALIDITY ASSESSMENT<sup>1</sup>**

We found and the Commission and VISIT FLORIDA concur that performance measures one through six in Table 1 above are not exclusively influenced by VISIT FLORIDA's efforts to increase tourism in Florida and include factors beyond their control such as fuel prices, the promotional efforts of other organizations including those of other states, rate of unemployment, weather, and currency exchange rates.

As a means of assessing their impact on the industry, VISIT FLORIDA periodically conducts surveys and studies of specific activities. For example,

- VISIT FLORIDA Internet Web Site, Return on Investment and Accountability Report for Fiscal Year

<sup>1</sup> A valid measure is defined as one that relates to the objectives of the program and provides a means of assessing the entity's influence on the outcome of the measured activity.

2002-2003, VISIT FLORIDA invested \$763,435 in their web site in FY 2002-2003. They found that the website traffic grew 29% and prompted travelers to alter their Florida vacation plans by visiting additional attractions, cities and towns, adding activities and extending their stay

- Summary of the 2002 FLA USA Encounter. VISIT FLORIDA contracted with Common Knowledge Services to conduct an online survey of the attendees to assess the direct incremental impact on the state's economy from hosting this program and to compare these results to the 2001 Florida Encounter.
- Update on the \$20 Million Recovery Effort. During a December 2002 Board presentation, VISIT FLORIDA assessed the impact of tourism recovery efforts on the Florida economy after September 11, 2001.

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- Print Advertising Research: Florida Tourism "Feed Your Passion". Research was conducted of this campaign to determine its influence on Florida vacationers and other warm weather vacationers.

**We recommend** that VISIT FLORIDA continue to conduct studies and surveys which are narrow enough in scope to measure the impact solely or primarily related to its activities. These studies and surveys supplement the outcome results of their performance and provide additional information for policy makers. **We also recommend** that OTTED and the Commission use that supplemental data to develop additional performance measures that specifically gauge VISIT FLORIDA's performance.

## 2 – RESULTS OF RELIABILITY ASSESSMENT<sup>2</sup>

We found that seven of the eight measures reviewed were reliable. However, we could not replicate the performance measure data for the quality and effectiveness of paid advertising messages reaching the target audience based on leads reported because supporting documentation was not available for 24,789 or 13% of the total leads reported.

VISIT FLORIDA stated they made several attempts to obtain support for the unaccounted for leads. As of June 19, 2007, VISIT FLORIDA staff stated they were still awaiting a response from Progressive Communications Inc. to their inquiry for additional information.

**We recommend** VISIT FLORIDA implement procedures to ensure that supporting documentation is obtained from their contractors on a timely basis so that they may properly verify the data and submit accurate performance results.

<sup>2</sup> A reliable measure is defined as one for which the measurement data collection process yields the same result on repeated trials, and is complete and error-free.

## 3 – OTHER MATTERS

We reviewed a 2006 report issued by the Florida House of Representatives, Tourism Committee and State Infrastructure Council, regarding their review of the first ten years of performance by the Florida Commission on Tourism and VISIT FLORIDA. They made recommendations as follows:

- review OTTED's timeliness of contracts and ensure that they are provided to partners and executed by a time certain;
- consider multi-year contracts between OTTED and the Commission to ensure they are not operating outside of the contract and to ensure that the responsibilities of each party are clearly delineated; and
- If possible, OTTED should submit the draft contract to the Commission and VISIT FLORIDA at their board meeting in mid-June.

Based on our review of contracts between OTTED and the Commission for a three-year period, we found that, as indicated in the following table, the Commission and OTTED were continuing to execute annual contracts, but not until 3 to 5 months after the contract period began.

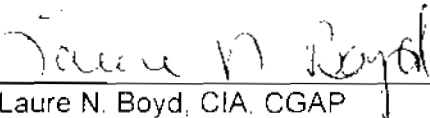
**We recommend** that OTTED consider the House Committee's recommendation to enter into multi-year contracts with the Commission. **We also recommend** they execute contracts timely.

THE FLORIDA COMMISSION ON TOURISM  
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**TABLE 2: Analysis of Contracts between the Commission and OTTED**

<b>Contract Period</b>	<b>Contract Amount</b>	<b>Date Signed by the Commission</b>	<b>Date Signed by OTTED</b>
July 1, 2006-June 30, 2007	\$24,699,209	September 29, 2006	September 29, 2006
July 1, 2005-June 30, 2006	\$24,699,209	November 10, 2005	December 5, 2005
July 1, 2004-June 30, 2005	\$20,700,000	September 27, 2004	October 6, 2004

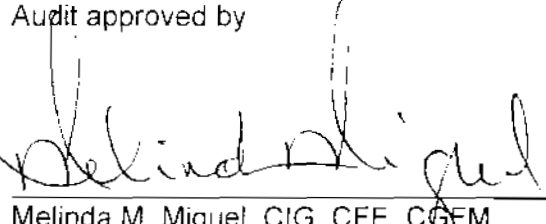
Audit performed by:

  
 Laure N. Boyd, CIA, CGAP  
 Audit Administrator

Audit reviewed by:

  
 Kim B. Mills, CPA, CGFM, CIG  
 Director of Auditing

Audit approved by

  
 Melinda M. Miguel, CIG, CFE, CGFM  
 Chief Inspector General



CHARLIE CRIST  
GOVERNOR

STATE OF FLORIDA

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June 26, 2007

RECEIVED

JUN 26 2007

Governor's Office  
Chief Inspector General

Ms. Melinda L. Miguel  
Chief Inspector General  
Executive Office of the Governor  
The Capitol  
Tallahassee, FL 32399-0001

Dear Ms. Miguel:

Thank you for the opportunity to review and comment on the Preliminary Report on the Inspector General's audit of selected legislatively approved Performance Measures and Standards for the Florida Commission on Tourism in fiscal year 2005-2006.

In general, we found the report to be a good review and evaluation of the eight selected Performance Measures and Standards. As such, we have noted the two OTTED-related recommendations set forth in sections one and three and will certainly work with the Florida Commission on Tourism regarding these issues.

We thank your staff for the professional way in which they conducted the review. If you have any questions or would like to discuss any item in further detail, please feel free to contact me at 850-487-2568.

Sincerely,

Keisha Rice

Deputy Director

Office of Tourism, Trade and Economic Development  
Executive Office of the Governor

cc: George LeMieux, Chief of Staff, Executive Office of the Governor  
Frank L. Nocera, President and CEO, VISIT FLORIDA  
Donna Ross, Vice Chair, Florida Commission on Tourism  
Katherine Morrison, Sports, Tourism and Transportation Liaison, OTTED  
Cliff Nilson, VP, Governmental Relations and General Counsel, VISIT FLORIDA  
Vangie McCorvey, Chief Financial Officer, VISIT FLORIDA



## FLORIDA COMMISSION ON TOURISM

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GOVERNOR CHARLIE CRIST  
CHAIR  
TALLAHASSEE

DONNA ROSS  
VICE CHAIR  
TALLAHASSEE

June 25, 2007

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JUN 27 2007

Governor's Office  
Chief Inspector General

Ms. Melinda M. Miguel  
Chief Inspector General  
Office of the Governor  
The Capitol  
Tallahassee, Florida 32399-0001

Dear Ms. Miguel:

We are in receipt of the final preliminary report on your audit of selected legislatively approved performance measures and standards reported by the Florida Commission on Tourism for Fiscal Year 2005-2006. We appreciate the hard work, professionalism, and diligence of your staff as we have worked through this process.

Having thoroughly reviewed your report, we are substantially in agreement with your findings and recommendations and wish to thank you for your objective and external review of this portion of our work. We will make good use of your research as we move forward. Thank you again for taking the time to assist us.

Sincerely,

A handwritten signature in cursive script that reads "Donna Ross".

Donna Ross  
Vice-Chair  
Florida Commission on Tourism

DR/CN/mec

cc: George LeMieux, Chief of Staff, Executive Office of the Governor  
Frank L. Nocera, CEO, VISIT FLORIDA  
Katherine Morrison, Contract manager, OTTED  
Cliff Nilson, VP, Governmental Relations/General Counsel, VISIT FLORIDA  
Vangie McCorvey, CFO, VISIT FLORIDA