



The Executive Summary should be interpreted within the context of the complete engagement report.

## BACKGROUND

This audit focused on economic incentives paid under Section 130-298 of the City's Sales and Use Tax Ordinance. The City's Primary Job Creation and Retention Incentives policy documents the program's intent.

The Planning and Development Services Department (PDS) administers the program. The Aurora Economic Development Council (AEDC) serves as a liaison and primary contact between the City and businesses. Per the AEDC contract with the City (as of 2018), AEDC is responsible for tracking the compliance obligations for companies receiving incentives recommended by AEDC to City Council.

May 2021

## Economic Development Rebates Tracking

### SCOPE

Our work scope covered all active economic development jobs incentives agreements between July 1, 2019, and June 30, 2020.

### OBJECTIVES

- Determine if Development Services' processes for tracking active economic development jobs incentives are effective.
- Determine if the Development Services' workbook tracking active economic development jobs incentives is accurate.

### CONCLUSIONS

Based on our engagement procedures, we conclude that the processes for tracking incentives are ineffective, and the workbook for tracking active economic development jobs incentives is inaccurate and incomplete.

We also conclude that a lack of documented policies and procedures governing the program and the absence of clear and comprehensive defined roles, responsibilities, and expectations for Planning and Development, City Council, and the Aurora Economic Development Council contributed to these issues noted above.

### KEY RECOMMENDATIONS AND RESPONSE

*Policy:* We recommend Planning and Development Services develop written policies and procedures for the jobs incentive program and address missing leading practices identified within our audit.

*Waivers:* We recommend the City discontinue waiving taxes when business taxes are paid.

*Compliance:* We recommend Planning complies with its responsibilities in agreements and ensures that businesses are complying with theirs.

*Tracking:* We recommend Planning and Development Services updates the tracking spreadsheet (details in full audit report.)

*AEDC Agreement:* We recommend that the City develop a reporting template for AEDC to verify that businesses met all compliance requests prior to payment and that Planning works with the City Clerk and City Attorney's Office to develop a record retention schedule for incentive agreements and supporting documentation.

### Management Response

PDS concurs with the audit recommendations.

View complete audit report: [Link](#)