



R. B. "Chips" Shore

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

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MEMORANDUM

TO: John Barnott, Director of Building and Development Services
FROM: R. B. "Chips" Shore, Clerk of Circuit Court and Comptroller
DATE: June 24, 2015
RE: Building Division Follow-up Audit #3

The Internal Audit Department has completed a third follow-up audit of the Building and Development Services Department's Building Division based on the Clerk of the Circuit Court's Follow-up Audit Memoranda dated November 16, 2010, and December 3, 2009, and the original Audit Report dated January 23, 2007. This follow-up audit consisted of reviewing and testing the management action plans included in the previous follow-up audit memorandum to ensure that corrective actions were implemented by the Building Division. The scope of the follow-up audit incorporated the period from October 1, 2014, through April 2, 2015.

The Building and Development Services Department is comprised of the Building, Code Enforcement, and Planning Divisions. The Building Division is responsible for contractor licensing, permitting, inspections, and floodplain and building plans review. Since the prior follow-up audit, the Building staff has successfully addressed one of the two remaining audit findings. The Division obtained approval from the Board of County Commissioners for Ordinance 14-08, which requires government construction inspectors and plans examiners to place their Certificates of Competency and/or Construction Licenses on an inactive status for as long as they are employed with the government. This ordinance corresponds to the Division's practice of requiring that inspectors' licenses be placed on inactive status while they are employed as County inspectors.

During the exit meeting held on May 26, 2015, your management staff, together with the Internal Audit Department, discussed one remaining area where improvement is still needed, and agreed on a corrective action plan as follows:

RE-INSPECTION FEE REMOVAL FORMS

The Re-inspection Fee Removal form is used to provide supporting documentation when re-inspection fees are modified or waived, and includes information such as the re-inspection fee amount, the reason for the fee, the reason for the fee removal, the inspector's signature and date, and the supervisor's signature. A judgmental sample of 25 out of the 99 fees removed during the period October 1, 2014, through April 2, 2015, was selected for review. The following inconsistencies were noted:

- For 5 of the 25 fee removals tested (20%), Re-inspection Fee Removal Forms were not found in the permit files.
- Of the 20 files that did contain Re-inspection Fee Removal forms, 5 (25%) did not document the reason for the fee removal.

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- The Re-inspection Fee Removal form was not always approved by a supervisor prior to the fee being removed, as required in the policies and procedures. While the form does not include a place to record the date of the supervisor's approval, 14 of the forms were documented with approval dates. Of those 14 forms, 10 (71.4%) were approved after the re-inspection fee had been removed.

It was also noted that the re-inspection fee waiver procedures and form instructions do not provide clear direction as to who may request the removal of re-inspection fees or whether an inspector's signature is required when the fee removal was initiated by a supervisor.

Management Action Plan:

The Building and Development Services Department is currently in the process of implementing a new software system and is reviewing the processes in place for all divisions. It is management's intent to incorporate a more automated process for the fee removal procedure. Until implementation is complete, the Division will be making the following changes to the current process to ensure proper documentation and approval of re-inspection fee modifications/removals:

- Inspectors and permitting staff will receive additional training at their monthly staff meetings to ensure the proper completion of the Re-Inspection Fee Removal forms.
- Management will review and consider modifying the current fee removal approval procedures, which require supervisor approval prior to removing fees in the system, to ensure the procedures are consistent with the work flow of inspections.
- Each month, inspection permitting technicians will run a report to verify that each re-inspection fee which has been removed is properly documented with an approved Re-Inspection Fee Removal form.

The anticipated implementation date is June 30, 2015.

We would like to thank you and your staff for the attention given to the audit findings and the cooperation given to the Internal Audit staff. Due to the anticipated changes that will occur as a result of the Department's new software system, an additional follow-up audit of the Building Division will not be necessary at this time. Please provide our staff with the appropriate documentation upon implementation of the above management action plan. A complete review of the Division's processes will take place during the next regularly scheduled audit of the Building Division.

RBS/LJS/BJW

cc: Board of County Commissioners
Ed Hunzeker, County Administrator
Dan Schlandt, Deputy County Administrator
Karen Windon, Deputy County Administrator
Mitchell Palmer, County Attorney
Dan Wolfson, Finance Director, Clerk of the Circuit Court