



Angelina “Angel” Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

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MEMORANDUM

To: John Osborne, Deputy County Administrator
Jan Brewer, Financial Management Department Director

From: Angelina “Angel” Colonnese, Clerk of the Circuit Court and Comptroller

Date: March 14, 2019

Subject: Impact Fee Revenues Follow-up #2 Audit

The Internal Audit Department has completed a second follow-up audit of Impact Fee Revenues based on the Clerk of the Circuit Court’s Follow-up Audit Memorandum issued March 31, 2017, and the original Audit Report issued February 8, 2013. This follow-up audit consisted of reviewing and testing the management action plans included in the previous follow-up memorandum to ensure that corrective actions have been implemented. The scope of the follow-up audit included the period from April 1, 2017, through August 31, 2018.

Impact fees are one-time charges that are collected when new homes or businesses are built, or when existing homes or businesses are expanded, in the unincorporated areas of Manatee County. Under the provision of Chapter 11 of the County’s Land Development Code (LDC), five types of impact fees are assessed: Parks, Libraries, Law Enforcement, Public Safety, and Roads. Impact fees are assessed and monitored by Impact Fee Administration, which is under the County’s Infrastructure & Strategic Planning Official, who reports directly to the County Administrator.

The majority of impact fees are automatically calculated and assessed through the Building and Development Services Department’s permitting software. When impact fees cannot be automatically assessed, Impact Fee Administration is responsible for assessing them through manual calculations.

We are pleased with the corrective actions taken by Impact Fee Administration to successfully address the issues identified in the prior follow-up audit. Management has implemented procedures to ensure that the manual assessments are calculated consistently and in accordance with the LDC. In addition, the LDC has been updated and clarified to specifically exempt temporary use permits from impact fee assessment. We support management’s efforts to continue improving the impact fee assessment process by ensuring that any determinations made, based on discussions with the impact fee consultant, are thoroughly documented, and that any previously identified issues are considered in the upcoming impact fee study.

“Pride in Service with a Vision to the Future”

Clerk of the Circuit Court – Clerk of Board of County Commissioners – County Comptroller – Auditor and Recorder

During the exit meeting on February 4, 2019, your management staff, together with the Internal Audit Department, discussed the one remaining area where further attention was needed, and agreed on a corrective action plan as follows:

REVIEW OF MANUALLY-ASSESSED IMPACT FEES

The Impact Fee Administrative Procedures Manual, adopted by the Board of County Commissioners through Resolution R-17-107 on December 7, 2017, stipulates that as part of the County's process for reviewing impact fee determinations, "the director of the Financial Management Department, or the director's designee, will conduct quarterly audits of impact fee determinations using a random sampling of building permits and development applications." Due to staffing changes and limitations within the Financial Management Department, quarterly audits were not conducted during the audit period April 1, 2017, through August 31, 2018.

Management Action Plan

Personnel have been reassigned within the Financial Management Department to ensure that staff is available to perform the audits. Additionally, the department recently completed an audit of impact fee assessments for a sample of building permits and development applications submitted December 1, 2017, through January 31, 2019. The sample tested included both commercial (manual) and residential (automated) assessments. The department will continue to conduct periodic audits of impact fee assessments, as stipulated in the Impact Fee Administrative Procedures.

We would like to thank you and your staff for the attention given to the audit findings and the assistance given to the Internal Audit staff. As the one remaining issue appears to have been resolved subsequent to our audit testing, an additional follow-up audit will not be necessary. The Financial Management Department has agreed to submit documentation to our office upon completion of the next quarterly audit of impact fee determinations.

AMC/LJS/MEG

cc: Board of County Commissioners
Cheri Coryea, County Administrator
Mitchell Palmer, County Attorney
Dan Wolfson, Finance Director, Clerk of the Circuit Court