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FOLLOW-UP AUDIT OF CODE ENFORCEMENT DIVISION OPERATIONS AND INTERNAL CONTROLS

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April 5, 2018

Blake Lyon, Division Director, Development Review Services
The Honorable Chairman and Members of the Board of County Commissioners

We have conducted a Follow-Up Audit of Code Enforcement Division Operations and Internal Controls. The objectives of our review were to determine the implementation status of our previous recommendations.

Of the six recommendations contained in the audit report, we determined that five have been implemented and one has been partially implemented. The status of each recommendation is presented in this follow-up review.

We appreciate the cooperation shown by the staff of Development Review Services' Code Enforcement Division during the course of this review.

Respectfully Submitted,

Hector Collazo Jr.
Inspector General/Chief Audit Executive

Approved:

Ken Burke, CPA*
Clerk of the Circuit Court and Comptroller
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*Regulated by the State of Florida

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INTRODUCTION

Scope and Methodology

We conducted a follow-up audit of the Code Enforcement Division (CED) Operations and Internal Controls. The purpose of our follow-up review is to determine the status of previous recommendations for improvement.

The purpose of the original audit was to:

1) Determine that the complaint/investigation process has adequate internal controls and supports the operations of the CED.
2) Assure investigations have been conducted properly and the case files support:
    - Pertinent data collection
    - Appropriate action taken
    - Complaint was thoroughly investigated
    - County Code compliance
3) Determine if the Permits Plus Application supports the CED operations.
4) Evaluate if the staff training meets the objectives of the CED.

To determine the status of our previous recommendations, we surveyed and/or interviewed management to determine the actual actions taken to implement recommendations for improvement. We performed limited testing to verify the process of the recommendations for improvement.

Our follow-up audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General,* and, accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances. Our follow-up testing was performed during the month of December 2017. The original audit period was January 1, 2015 through August 31, 2015. However, transactions and processes reviewed were not limited by the audit period.

Overall Conclusion

Of the six recommendations in the report, we determined that five have been implemented and one has been partially implemented. We commend management for implementation of most of our recommendations and continue to encourage management to implement the remaining recommendation.

Status

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
1	***The CED Inspection Staff Is Inadequate To Provide Their Services Timely To The Public.***					
A	Analyze staffing needs in order to determine the appropriate number of Code Enforcement Officers needed to address the current case load, and implement/increase the CED staff, as required.	✓				
B	Develop a plan and staff requirements to address the aging case load and to bring the follow-up process current, and implement/increase the CED staff, as required.	✓				
2	***Complaints Received By Phone Are Recorded On Voice Mail.***					
A	Determine the appropriate staffing level needed in order to provide live customer service to the public at the complaint desk. During high volume periods, the complaint will still have to be received by voice mail.	✓				
B	Augment the CED budget with revenue received from title searches.	✓				
3	***First Inspection And Re-Inspection For Complaints Are Not Being Performed In A Timely Manner***.					
A	Analyze staffing needs in order to determine the appropriate number of Code Enforcement Officers needed to address the current case load, and implement/increase the CED staff, as required.	✓				
B	Develop a plan and staff requirements to address the aging case load to bring the follow-up process current, and implement/increase the CED staff, as required.	✓				
4	***The Permits Plus Application Does Not Offer Management Standard Performance Information On Cases.***					

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
	Obtain the new "Automation" system that will replace Permits Plus.			✓		
5	***There Is A Minor Internal Control Weakness For Checks Received By CED.***					
	Establish a control log for checks received by CED.	✓				

Background

Pinellas County's CED is responsible for code enforcement in the unincorporated areas of Pinellas County.

Its mission includes the investigation of complaints about, and inspections of, minimum housing, overgrown lots, trash and debris, inoperable vehicles, loud noises, etc. In 2002, at the request of the Board of County Commissioners (BCC), CED began taking anonymous complaints, which increased the number of cases received. During our audit period, there were 4,172 open cases. In Fiscal Year 2014-15, CED operated with a budget of $1,792,050 and 18 positions, which includes 10 Code Enforcement Officers.

Pinellas County's Code states that reasonable control and regulation of activities that are causing pollution or damage to the air, water, soil, natural resources, or animal or plant life in the County, is necessary for the protection and preservation of the public health, safety, and welfare. Accordingly, to ensure the protection, enhancement, and restoration of the areas noted above, the BCC has:

- The power and authority to impose and recover a civil penalty for environmental infractions;
- Limited rights of entry for monitoring, investigating, and analyzing environmental infractions; and
- The power and authority to issue emergency orders for environmental infractions.

Citizens may initiate code violation complaints by phone, mail, or online. The complaint desk receives complaints via telephone and callers leave voice messages with their complaints. If more information is needed, complaint desk staff will call the complainant back and request more information. If a complaint is made anonymously, there will be no call back. Citizens may also report complaints online at the County's web page or via the "SeeClickFix" mobile

application. Residents can report problems with pot holes, sidewalks, illegal dumping, mistimed traffic signals, graffiti, etc. with their smart phones or other mobile communications devices. Complaints will be assigned a number and a Code Enforcement Officer will visit the property in question.

Although CED must investigate complaints and issue fines as necessary, they have limited legal ability to obtain compliance. The property owner has the option to correct the violations in a reasonable time frame. When a citation is issued, the property owner may pay the fine and correct the violation or appear in court. CED may choose to refer the case to the Special Magistrate for a special hearing. The property owner is not required to appear at the hearing, but fines and interest will accumulate until the violations are corrected.

STATUS OF RECOMMENDATIONS

This section reports our follow-up on actions taken by management on the Recommendations for Improvement in our original audit of the Code Enforcement Division Operations And Internal Controls. The recommendations contained herein are those of the original audit, followed by the current status of the recommendations.

1. The CED Inspection Staff Is Inadequate To Provide Their Services Timely To The Public.

CED does not have a sufficient number of Code Enforcement Officers to process the new case load and keep current on pending cases (current staff is 10). Service levels for timely investigations are being impacted. With the current staffing levels for Code Enforcement Officers, the CED cannot provide required services in a reasonable time frame.

When complaints are received by the complaint desk, if enough information is provided, an officer will visit the property and determine if code violations exist. If code violations do exist, a case is opened for each violation that is found. Each complaint that is received yields an average of 2 to 3 violations (average 2.5), or cases. As of August 11, 2015, there were 4,172 open cases relating to approximately 1,669 complaints (4,172 ÷ 2.5 = 1,669) In order to determine how many cases are carried over from month to month (on average), we reviewed the number of cases opened and closed in the month of July 2015. We found that 657 cases were opened and 159 cases were closed; yielding a net deficit of 498 cases that would remain open the following month, adding to the number of open cases.

Pinellas County CED Compared to Other Counties*

County	Average Cases Opened Monthly	Average Cases Closed Monthly	Difference	Number of Open Cases as of 8/31/15	Code Enforcement Officers	Average Cases Open as of 8/31/15 per Code Enforcement Officer
Pinellas	657	159	498	4,172	10**	417
Hillsborough	1,275	500	775	2,273	14***	162
Pasco	560	485	75	Unknown	16****	Unknown
Sarasota	590	460	130	300	11	27

*Due to differences in operating structures, the data may not be entirely comparable.

**The number of Code Enforcement Officers does not include the one Officer paid by a block grant for the Central Lealman area.

***Hillsborough County Code Enforcement is adding 8 Code Enforcement Officers in 2016, which will result in a total of 22 Code Enforcement Officers.

****Pasco County Code Enforcement is adding two Code Enforcement Officers on January 1, 2016.

Aging of Open Cases		
Year Case Opened	Number of Cases	Percent of Total (%)
2004	1	0.02
2005	6	0.14
2006	18	0.43
2007	34	0.81
2008	69	1.65
2009	83	2.00
2010	117	2.80
2011	143	3.43
2012	301	7.21
2013	589	14.12
2014	1,041	24.96
2015	1,770	42.43
Totals	**4,172**	**100.00**

Current Code Enforcement Officers' staffing was determined by budget funds available and the previous year's staffing levels. In the past, a downturn in the local economy resulted in budget restraints that required staffing levels to be decreased. However, in recent years, County revenues have increased as property values have appreciated. There has not been a study performed to determine how many Code Enforcement Officers are required to meet the current case volume and adequately work the open cases. At the rate new complaints are received, in addition to the current work load, service levels will continue to fall behind.

The current budget for Fiscal Year 2015 staffing is inadequate to support the case load and the services required by CED to the public. It is the County's responsibility to assure that the Code Enforcement Officers' staffing supports current case volumes, resolution of current cases, and projected new cases. Sec. 58-29 (Environmental Enforcement Chapter 58) Declaration of legislative intent of the Pinellas County Code is to provide the BCC with the power and authority to impose and recover a civil penalty, monitoring, and investigating infractions of ordinances of Pinellas County.

We Recommended Management:

A. Analyze staffing needs in order to determine the appropriate number of Code Enforcement Officers needed to address the current case load, and implement/increase the CED staff, as required.

B. Develop a plan and staff requirements to address the aging case load and to bring the follow-up process current, and implement/increase the CED staff, as required.

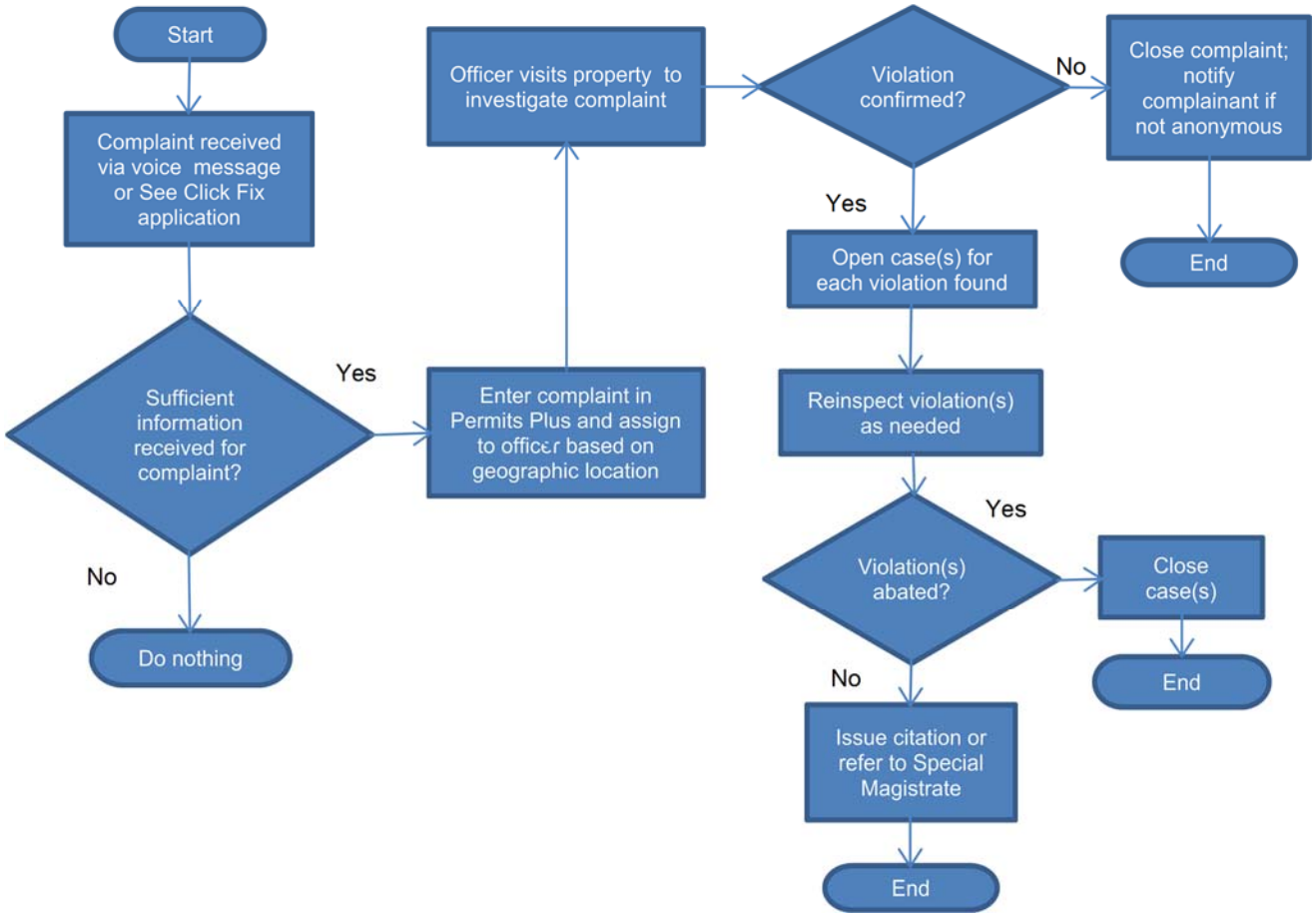
Status:

A. **Implemented.** Since the issuance of the audit report in March 2016, Management has increased its staff by two Code Enforcement Officers.

B. **Implemented.** Management has adopted a new approach to generating and handling cases, which drastically improved case processing turnaround time.

2. Complaints Received By Phone Are Recorded On Voice Mail.

The current phone complaint process eliminates staff interface with the complainant because all calls go directly to voice mail. This limits the ability of the trained staff to obtain sufficient information to process/investigate the complaint. Anonymous callers do not always leave enough information in their recorded message, which may result in their complaint not being processed.



In addition, the interface between the staff and the public will reduce missing information that may impact the investigation downstream. The one-on-one conversation will eliminate misunderstandings the public has regarding the authority of the CED.

The telephone complaint receipt function is staffed with one permanent full-time and one temporary full-time employee. The staff has two main functions: receiving and recording complaints, and performing title searches for title companies. Complaints are also received through the "SeeClickFix" application online.

Staffing limitations do not allow staff to answer incoming complaint calls. The public's expectation when they call is to speak to a knowledgeable CED staff member to discuss and resolve their complaint. Leaving a recorded message does not meet the public's needs. In addition, the CED website states, “The complaint desk will answer your questions regarding code violations. Your complaint will be assigned a number and an Officer will visit the property in question.”

Pinellas County CED Daily Calls		
Daily Calls Received	Calls Not Processed Due to Lack of Information	Calls Not Our Department
64	7	20

In addition to the complaint desk staff receiving code violation complaints, title search requests are also received. Title companies order title searches on a property on behalf of their customers (who intend to buy the property). In addition to the title search, the CED identifies if any open violations exist on the property. The complaint desk processes these searches and bills a standard rate of $50 per title search. CED estimates annual revenue generated from title searches is over $200,000. These funds are deposited into the general fund. CED should have the ability to use these funds as part of its budget in order to increase staffing levels.

We Recommended Management:

A. Determine the appropriate staffing level needed in order to provide live customer service to the public at the complaint desk. During high volume periods, the complaint will still have to be received by voice mail.

B. Augment the CED budget with revenue received from title searches.

Status:

A. **Implemented.** Management has implemented a call distribution system, Automated Call Distribution (ACD), which allows for the efficient monitoring of the inflow and appropriate routing of calls. ACD captures the number of calls handled in-house, the number of calls transferred out, and the number of calls that go to voicemail. The

routing feature can allow management to better allocate resources should the call volume increase. Management explained since the original audit, the CED has increased the complaint calls intake staff by two, which made a great difference in the call handling process.

B. **Implemented.** Since our original audit in Fiscal Year (FY) 2016, the CED's budget has increased by $215,790 from FY 2016 to FY 2017, and by $28,050 from FY 2017 to FY 2018. The CED is funded through the General fund, whereby all revenues are compiled in one account. Consequently, it is not possible to determine whether the budget increase that the CED received is associated with their revenues from title searches. Nonetheless, the budget increase and the increase in staffing suggest the recommendation has been implemented.

3. First Inspection And Re-Inspection For Complaints Are Not Being Performed In A Timely Manner.

We reviewed open and closed case files and determined that in response to complaints received, the initial inspections and re-inspections were not performed within the internal standards' timeframes (7 days for the first inspection and 30 days after the initial inspection for re-inspections).

Management informed us that the standards were not being met because of the volume of cases received compared to staffing levels.

A. Open Cases - The review used a systematic random sample of the open cases as of August 11, 2015 resulting in 115 sample items. The testing noted that the initial inspection, the re-inspection, and the following re-inspections were not performed timely.

- Forty-three percent (43%) of the cases were not inspected within 7 days of receiving the complaint.
- Thirty-six percent (36%) of the cases were not re-inspected within 30 days of the initial inspection.
- Twenty-one percent (21%) of the cases were not re-inspected again within 30 days of the prior re-inspection.
- Forty-seven percent (47%) of the cases were not adequately monitored after the second re-inspection.

The sample used a universe of 4,172 open cases, sample size of 115 cases (Systematic Random Sample, Confidence Level = 95%, Precision = +/- 4%).

B. Closed Cases - The review covered 100% of the July 2015 closed cases (total of 159), which found that the initial inspection and the re-inspection were not performed timely.

- Thirty-Six percent (36%) of the cases were not inspected within 7 days of receiving the complaint.
- Nineteen percent (19%) of the cases were not re-inspected within 30 days of the initial inspection.

The cases were properly documented and in compliance with County Code. The pictures and the case notes supported the violations and the action taken by CED.

In order to meet the public's expectations, the first inspection and the re-inspections should be performed in reasonable time frames.

We Recommended Management:

A. Analyze staffing needs in order to determine the appropriate number of Code Enforcement Officers needed to address the current case load, and implement/increase the CED staff, as required.

B. Develop a plan and staff requirements to address the aging case load to bring the follow-up process current, and implement/increase the CED staff, as required.

Status:

A. **Implemented.** Since the issuance of the audit report in March 2016, Management has increased its staff by two Code Enforcement Officers.

B. **Implemented.** Management has adopted a new approach to generating and handling cases, which drastically improved case processing turnaround time.

4. The Permits Plus Application Does Not Offer Management Standard Performance Information On Cases.

The Permits Plus application does not offer the ability for CED management to obtain performance information to ensure they have the ability to meet service level standards. The application mainly functions as a database for complaints, cases, and results. The application-housed data is adequate to offer current performance information to the Code Enforcement Officers, supervisors, and management, but the functionality is not available.

Permits Plus is an old application that was designed mainly as a database for complaints and cases, and does not offer the functionality for current online web-based applications. A newer release of the application would offer CED management the ability to select and report key performance information on complaint and case set-up, follow-up, review, and resolution to monitor service delivery.

We Recommended Management:

Obtain the new "Automation" system that will replace Permits Plus.

Status:

Partially Implemented. Management has undertaken the replacement of Permits Plus; the CED has opted for Accela Civic Platform as a suitable alternative. A team comprised of CED staff and of BTS staff has been holding work sessions regarding the implementation of the new application. The team meets periodically and holds discussions via email.

5. There Is A Minor Internal Control Weakness For Checks Received By CED.

There is insufficient internal control over checks received at the CED. The checks received are not recorded when first received by the CED (control total not established). The process lacks the assurance that checks received by the CED (original staff opening and/or receiving the mail) are processed and deposited in the bank account the same day. There also may be a lack of separation of duties because the staff opening the mail may also be the one that processes (Processor) the checks for payment.

Once the checks are received for processing by the two staff (Processor), the internal controls are appropriate; however, one staff person should receive all of the mail. In addition, a log or control total should be established as to when the checks are received. The control total information can then be confirmed by the person delivering the checks to the Utility Building Finance for deposit to the bank account.

The risk related to the control issue is minor. The checks are low volume, are not received daily, and are made payable to the BCC. When checks are received by available staff, the three risk factors are:

- Checks may be lost.
- Payments may not be processed timely (operational issue).
- Currently, County policy requires checks received be deposited to the bank account in one or two days.

There is limited administrative staff to establish separation of duties in the process. In addition, checks may be received at different times of the day by a number of different ways:

- US Mail
- UPS
- FedEx
- Interoffice mail
- Walk-ins at the front desk of the CED

Also, there are no formal written procedures for the check receipt process, which affected the control weakness. Without a review process for procedures, CED management may not formally review the process for separation of duties and adequate internal controls.

We Recommended Management:

Establish a control log for checks received by CED.

Status:

Implemented. Currently CED staff enters checks in Permits Plus daily. Once they log the checks in the system, a CED staff member hand delivers the checks to the Finance Division for deposit. Permits Plus has a report titled, "Cashier End of Day," which serves as the check log. The CED keeps all checks in a locked box until a staff member delivers them to the Finance Division, daily.

Division of Inspector General

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