

18-03 Building Permitting Process Audit - Second Follow-up



City Auditor's Office
Emily E. Kidd, CIA, CGAP
Internal Auditor

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| <p>Status of Corrective Actions of Management Responses As of November 2019 Original Report Issuance - August 2018</p> |
| <p>Follow-up result: Additional follow-up is scheduled. (Items #4, 5, 6, & 8)</p> |

| Finding (condensed) | Recommendations | Management Response | Follow-up Status |
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| <p>4 Reconciliations are Not Performed Reconciliations are not being performed for building permit revenues. Without systematic reconciliations, it is unknowable if a system reporting, cash collection, and cash deposits are complete and secured.</p> | <p>We recommend the Community Development Department perform reconciliations at least monthly as documented in their departmental policies.</p> <p>In addition, we recommend the reconciliations be maintained in accordance with document retention schedules.</p> | <p>Community Development is working with Finance to develop a desk manual/instructions for a building permit revenue reconciliation process. Community Development staff will perform the reconciliation at least monthly. The departmental Cashiering Policy will be updated with the adjusted process details. The reconciliation process and policy update are planned to be completed by October 2018.</p> <p>The reconciliations will be maintained in accordance with document retention schedules. Planned completion by October 2018.</p> | <p>This item is in progress. Building, Finance and IT staff are collaborating on a process and associated documentation will be created pending that process. Expected date of complete is end of June 2019.</p> <p>Audit Comment to Follow-up Additional follow-up on this item is scheduled for 6-months from follow-up issuance date.</p> <p>This item is in progress. Building, Finance and IT staff are collaborating on a process and associated documentation will be created pending that process. Expected date of complete is end of June 2019.</p> <p>November 2019 Follow-Up It has been determined that the reconciliation process will be the responsibility of CD's administrative function to ensure separation of duties. The policies, procedures, and practice remain in process with the support of Finance.</p> |
| <p>5 Data Quality Concern and Verification of report Data is Not Possible The data used by the Building Division for reporting and decision-making may include errors as the data collection process is highly manual. Thus, the report used in the decision-making process may contain errors and decisions may be based on erroneous data.</p> | <p>We recommend the division staff work with software consultants to determine if software adjustments and/or system generated reports can be used to produce the necessary data without manual adjustments currently needed to build monthly summary reports.</p> <p>In addition, we recommend documentation be maintained for the adjustments made when developing monthly summary reports to allow for supervisory verification of data.</p> | <p>We agree, the blue and white "CD Activity report" should be retired, and there should be an automated dashboard that anyone can access at any time, displaying data. The division will work with software consultants to create a report that includes data that is organized and categorized by the industry standard as identified by Building & Safety Manager. Once the process becomes automated the numbers and tracking methods will be substantially more accurate. The division began working with software consultants in July 2018 with a completion goal of the end of fiscal year 2018/19.</p> <p>Any corrections will be discussed and approved by the Supervisor and made to the system, rather than a manual report. All corrected data in the system will be documented in the Notes section, indicating the date of the change as well as a description as to the differences in the data collection process. Planned completion date of September 2018.</p> | <p>The report has been retired. CD staff is working with IT to develop an automated dashboard, which is a citywide effort. Because this is a long-term initiative, CD staff has created an interim report to communicate information on a monthly basis. The data points in the report have been adjusted so that no manual adjustment to the data is needed outside of the Accela platform. The data on the interim report is verified through a supervisor or designated staff person by separately running the Accela report and comparing it to the interim report. Additional work is needed to document this process (estimated completion date is end of June 2019). The estimated completion date for the automated dashboard is December 2020.</p> <p>Audit Comment to Follow-up: Additional follow-up on this item is scheduled for 6-months from follow-up issuance date.</p> <p>November 2019 Follow-Up This item remains in process. Staff has initiated the online dashboard/automated report and is currently in the process of testing the functionality.</p> <p>Completed - Procedure on Accela data management completed and in place.</p> |

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| 6 Lack of Succession Planning for Reporting Process | | |
| Departmental procedures are not documented for the reporting process; a key employee is the only employee that creates the reports. Establishing written procedures detailing important departmental procedures is the first step to clarify processes and employee expectations when carrying out their day-to-day functions concerning report generation. Departmental procedures that are not documented may be conducted incorrectly or inappropriately when key employee is no longer able to perform the procedures. | We recommend a procedures manual be created and a secondary employee be trained to prepare reports for consistency and departmental succession planning. | Management will inform staff that the "CD Activity report" will be discontinued and no longer distributed. By August 2018, management will inform staff that the blue and white CD Activity report will be discontinued. Management will ensure that all positions have a desk manual on how to perform each task within each job, and how to pull the new report to be built by Truepoint. |
| | | The CD Activity report has been discontinued. Documentation of this procedure in a desk manual is still needed; Estimated completion date is end of June 2019. Audit Comment to Follow-up Additional follow-up on this item is scheduled for 6-months from follow-up issuance date. |
| | | November 2019 Follow-Up This item remains in process. The desk manual will be completed once the automated report is finalized as that has key determining factors for the manual. |
| 8 Valid Contract Not Available | | |
| The contract for the vendor providing professional services related to software modifications expired June 1, 2010; a new contract went into effect September 13, 2017. Thus, the City was not in a contract agreement with the vendor for more than seven years. | We recommend departmental management implement a process to ensure contracts are valid for key professional service vendors | Management will implement a process to ensure contracts are valid for key professional service vendors. The process will be documented as a departmental policy. Planned completion by September 2018. |
| | | The contracts process validation is still being developed, with expected completion end of June 2019. Audit Comment to Follow-up Additional follow-up on this item is scheduled for 6-months from follow-up issuance date. |
| | | November 2019 Follow-Up CD's administrative function has been tasked with tracking active contracts and reminding manager's about upcoming expiration dates. Managers have been tasked with managing each individual contract. Policy and procedures are still in development. |