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

Status of Follow-up: Management Responses
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As of June 2021
Original Report Issuance - August 2018
Fourth Follow-up result: Two of the remaining three exceptions are outstanding.

City Auditor's Office
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	Finding	Recommendations	Management Response
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. These reporting metrics are provided internally at the City and also to management for State programs. The manual reporting process was developed by key personnel using system generated reports to produce data that was specifically requested by prior executive management; a system generated report for the data needed has not been identified. More efficient reporting methods have not been sought-out by division management. The monthly summary report issued by the Building Division cannot be historically verified as it is adjusted based on a key employee's manual adjustments per informal divisional adjustment requests that are without documentation. Thus, the report used in the decision-making process may contain errors and decisions may be based on erroneous data.	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.	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.

Follow-up Status:

February 2019	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. Audit Comment to Follow-up: Additional follow-up on this item is scheduled for 6-months from follow-up issuance date.
November 2019	This item remains in process. Staff has initiated the online dashboard/automated report and is currently in the process of testing the functionality. Audit Comment to Follow-up: Additional follow-up on this item is scheduled for 6-months from follow-up issuance date regarding documented procedures.
September 2020	Dashboard has not been competed yet. CD is working with the IT Department to provide a more accurate timeline for launching of the Dashboard. Audit Comment to Follow-up: Additional follow-up on this item is scheduled for 6-months from follow-up issuance date.
June 2021	This continues to be a function of the Accela software. Council has approved a $500,000 budget to move forward with updates to Accela. Reporting is one of the key components of the Accela updates. We are in the process of putting together a scope of work for a third party consultant to tackle this item. A timeline has been created that outlines when the consultant is estimated to be under contract.
	Audit Comment to Follow-up: Examined the timeline provided by the department, *Accela Timeline for Scoping Project and Beginning Contract*. The timeline appears reasonable and in-line with seeking a resolution to the audit recommendation. Additional follow-up on this item is scheduled in two months.

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 a 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.

Follow-up Status:

February 2019	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. <u>Audit Comment to Follow-up</u>: Additional follow-up on this item is scheduled for 6-months from follow-up issuance date.
November 2019	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. <u>Audit Comment to Follow-up</u>: Additional follow-up on this item is scheduled for 6-months from follow-up issuance date regarding documented procedures.
September 2020	We are currently looking for additional budget in order to hire a third party consultant to build this out in Accela, including a procedural document related to the reporting process. <u>Audit Comment to Follow-up</u>: Additional follow-up on this item is scheduled for 6-months from follow-up issuance date.
June 2021	This continues to be a function of the Accela software. Council has approved a $500,000 budget to move forward with updates to Accela. Reporting is one of the key components of the Accela updates. We are in the process of putting together a scope of work for a third party consultant to tackle this item, including a procedural document related to the reporting process. A timeline has been created that outlines when the consultant is estimated to be under contract.
	<u>Audit Comment to Follow-up</u>: Examined the timeline provided by the department, *Accela Timeline for Scoping Project and Beginning Contract* . The timeline appears reasonable and in-line with seeking a resolution to the audit recommendation. Additional follow-up on this item is scheduled in two months.

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. During that time, payments to the vendor totaled $105,105.67. Best practices in contract administration include processes to maintain fully executed contract documents while in working relationships with professional service providers. Without this documentation, the City is at risk should disputes arise over billings or deliverables.	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.

Follow-up Status:

February 2019	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	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.
	Audit Comment to Follow-up: Additional follow-up on this item is scheduled for 6-months from follow-up issuance date regarding documented procedures.
September 2020	Managers of each internal department are responsible for their own contracts. CD Admin team is the "gatekeeper" of these contracts in order to maintain and renew when necessary.
	Audit Comment to Follow-up: Additional follow-up on this item is scheduled for 6-months from follow-up issuance date.
June 2021	A written policy and procedure is now in place to ensure contracts are valid for key professional service vendors.
	Audit Comment to Follow-up: Examined the *Community Development - Contracts Validation Policy* , effective date October 2020. No further follow-up required.