



City Manager's Office

MEMORANDUM

DATE: 02/07/23

TO: Mayor and City Council

THROUGH: Doug Thornley, City Manager **Approved Electronically**

FROM: Emily E. Kidd, CIA, CFE, CGAP, Internal Auditor

SUBJECT: Audit Report: Code Enforcement - Metrics and Reporting

The City Manager's Office directed Internal Audit to conduct an audit of the metrics and reporting documentation provided by the Code Enforcement Department. The audit is to provide an independent, objective analysis of the internal control environment for Code Enforcement reporting, and to determine if departmental invoicing procedures are reasonable and in compliance with established policies and best practices. To achieve these objectives, Audit interviewed applicable City employees, reviewed departmental policies and procedures, sample-tested report metrics, and evaluated current procedures against best business practices.

In summary, accurate, equitable invoicing and collection is compromised with the financial methodologies in place at the time of this audit. The case reporting documentation provided by Code Enforcement is unclear, includes inconsistent invoicing practices, does not undergo review, does not include adequate hard preventative system controls, and includes unapproved adjustments to fees and fines.

The audit report is attached for your review. Each of the 14 exceptions include the condition, criteria, effect, cause (where applicable), and recommendation for improvements. Departmental management responses are included as an appendix to the main report and do include the corrective actions planned by departmental management to address each condition.

Code Enforcement has moved under Innovation & Experience for process improvement efforts.



CITY OF RENO
AUDIT REPORT

CODE ENFORCEMENT – METRICS & REPORTING
LIMITED REVIEW

Background & Summary

The City Manager's Office directed Internal Audit to conduct an audit of the metrics and reporting documentation provided by the Code Enforcement Department. The audit is to provide an independent, objective analysis of the internal control environment for Code Enforcement reporting, and to determine if departmental invoicing procedures are reasonable and in compliance with established policies and best practices. To achieve these objectives, Audit interviewed applicable City employees, reviewed departmental policies and procedures, sample-tested report metrics, and evaluated current procedures against best business practices.

Per the City of Reno Code Enforcement website, "The work of Code Enforcement assists to enforce the Reno Municipal Code as it applies to property maintenance, property nuisances, and other issues in order to resolve health, safety, and public nuisance problems that may adversely affect the quality of life for citizens of Reno. The division focuses on public education as the primary measure to gain voluntary compliance with the Code and steers abatement measures through coordinated and cooperative measures. Administrative penalties may be assessed to those who fail to comply with the Reno Municipal Code."

The management software in use is Accela and the Code Enforcement module within that program is managed by City staff. The reports created within the system are manually created and do not necessarily represent the data intended to be extracted from the program.

In summary, accurate, equitable invoicing and collection is compromised with the financial methodologies in place at the time of this audit. The case reporting documentation provided by Code Enforcement is unclear, includes inconsistent invoicing practices, does not undergo review, does not include adequate hard preventative system controls, and includes unapproved adjustments to fees and fines.

Audit Objectives

We obtained a data set provided by Code Enforcement titled *CE – Citations Invoiced Since 2021* which included 187 individual case records. Audit objectives included:

- Determine if departmental invoicing procedures are reasonable and in compliance with established policies and best practices;
- Determine the cause of uncollected fees and fines;
- Clarify the criteria surrounding code violations: citations, adjustments, voids, and appeals; and
- Assess the overall process for reported metrics and data for the Code Enforcement program.

Audit Results

The Code Enforcement program could benefit from additional internal controls and standards applied to their departmental procedures. The financial procedures for the Code Enforcement program including the determination of if and when to invoice are highly subjective to the individual code enforcement officer, highly manual, without a review process, and do not include an appropriate level of supervisory oversight.

This audit identified 14 exceptions; an exception is noted when Audit identifies an area of noncompliance with documented policies or best practices. Simply put, exceptions identify areas of risk. The 14 exceptions are categorized into five distinct sections Equitable, Consistent Procedures; Lack of Internal Controls; Process Errors; Transparency Improvements; and Best Practices.

Equitable, Consistent Procedures

Inconsistent Application of Fees and Fines

1. The determination of if to apply fees and fines to a code enforcement case or when to allow for additional time for the responsible person to become compliant with code is highly subjective to the individual code enforcement officer that is assigned to the case. The criteria of when a code violation requires an associated fee or fine is not clearly identified in departmental procedures and practices. The agency to make a determination of when and if to invoice resides with each code officer. Without a consistent, repeatable process for enforcement procedures, the ability to equitably apply fees and fines to responsible persons is not achievable.

Recommendation:

We recommend a determination be made of if to apply fees and fines to a code enforcement case and when to allow for additional time for the responsible person to become compliant with code be documented in the Code Enforcement policies and procedures and it be applied consistently and equitably for code enforcement cases.

Invoice Management Improvements

2. There is not a clear point in time within the code enforcement workflow process *when* an invoice with fees or fines should be issued to the responsible person. In addition, the importance of the date that letters and notices are issued from the department was not a key component in the invoicing administration process. A clear point in time for the invoicing process would allow for the application of management controls including review and system access limitations for enforcement officers and support a consistent, repeatable process for enforcement procedures. And, because the form letters include due dates for compliance, an iterative, structured administration process for the issuance of invoices and follow-up communications

and inspections with an emphasis of the calendar date is a necessary component of a consistent, equitable program.

Recommendation:

We recommend a determination be made *when* in the workflow process the code violation case will be invoiced, apply it consistently and equitably for cases, and that the dates for compliance be a key component in the invoicing administration process.

**Fees and Fines
Adjusted Without
Proper Approval**

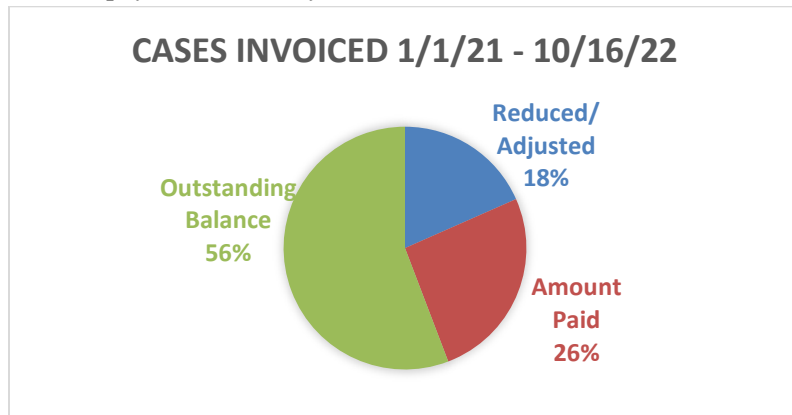
3. Per examination of the data set provided by Code Enforcement, multiple cases' fees and fines were adjusted, voided or reduced. We reviewed 187 enforcement cases, invoiced 1/1/2021- 10/16/22 totaling \$179,200 in fees and fines. The data set includes:

Paid	\$46,259	26%
Reduces/Removed	\$32,950	18%
Outstanding balance	\$99,991	56%

Voiding and reducing invoiced fees and fines has a negative effect on code enforcement team as it undercuts their time and effort spent on the cases.

Fees - City of Reno Resolution #9039 dated May 18, 2022 Resolution Adopting the Fiscal Year 22/23 Including Tax Levies, and Adopting the Fee Schedule for the City of Reno, Nevada, for the Fiscal Year 2022/23 states in part, "Whereas, the adjustments to fees and service charges shall be submitted in resolution form for consideration."

Fines - Reno Municipal Code, section 1.05.205 states, in part, "Upon discovering a violation of this chapter, an enforcement official may issue an administrative citation to any or all responsible person(s) ..." And, RMC Section 1.05.215.c states, in part, "All fines assessed shall be payable to the city unless otherwise directed on the citation."



Recommendation:

We recommend fees and fines invoiced by the Code Enforcement department not be adjusted by code officers and for the City Attorney's Office to opine on the ability for fees to be reduced at the departmental level, rather than a required Resolution approval by City Council and, if appropriate, adjustments of fees and fines be limited to Code Enforcement departmental management or the City Manager's Office.

Lack of Internal Controls

Lack of Segregation of Duties

4. There is not an appropriate level of segregation of duties within the Code Enforcement program. Individual employees have the ability to initiate a code enforcement case, apply fees and fines to the case, adjust the fees and fines, and close out records in the system without supervisory review or oversight. City Policy 304, Cash Handling, states, in part, "No single employee is to handle a cash transaction from beginning to end. Duties shall be segregated ..." Without appropriate segregation of duties for fund disbursements, the risk of misappropriation of City funds increases."

And, RMC Section 1.05.220 states, in part, "The failure of any person to pay the fines assessed by an administrative citation within the time specified on the citation may result in the official referring the matter to the finance department or other designated agent of the city for collection." Together with the minimal management practices stated previously, it is unknowable if the fees and fines issued by the department were paid in full. With this process there is not adequate segregation of duties within the financial functions to mitigate the risk of misappropriation of City funds.

Recommendation:

We recommend additional internal control procedures be implemented to allow for an appropriate level of segregation of duties, to include: disallowing adjustments or voids by field officers through system access changes, a systematic supervisory reviews of cases, routing checks directly through the City Clerk's Office for deposit (as required by citywide policy 304, Section VIII,C), reporting administrative citations issued to the Finance department's accounts receivable team for financial reconciliations in the financial software and collection efforts.

Lack of Reviews of Adjustments and Voids

5. Code enforcement officers are permitted to reduce or remove a fee or citation in the interest of achieving code compliance. This is applied on a case-by-case basis. Departmental management does not conduct a systematic review of fees and citations that have been issued, adjusted, or voided. Standard management oversight procedures over the work conducted by employees is integral to a well-managed department. And, without oversight procedures over financial adjustments to code enforcement cases, the risk of fraud, waste, and abuse increases. Citywide policy 304, Cash Handling, states, in part, “Proper procedures and security measures should be designed to protect the assets of the City from loss, and to ensure that errors/wrongdoings are detected and corrected in a timely manner.” Without appropriate checks and balances concerning oversight, the risk of misappropriation of City funds increases.

Recommendation:

We recommend additional internal control procedures be implemented to require a systematic review from departmental management of fees and citations that have been issued, adjusted or voided.

Lack of Checks and Balances

6. Departmental management has been given the agency to adjust fees and citations in the interest of achieving code compliance. This is applied on a case-by-case basis. Executive management does not conduct a systematic review of fees and citations that have been adjusted or voided or aging reports. A significant risk exists in a business environment where management can apply fees and citations to responsible persons, provide enforcement in the field towards those responsible persons, direct staff to reduce and remove fees and citations in the system, and direct staff to close out cases in the system without supervisory review or oversight. Citywide policy 304, Cash Handling, states, in part, “Proper procedures and security measures should be designed to protect the assets of the City from loss, and to ensure that errors/wrongdoings are detected and corrected in a timely manner.” Without appropriate checks and balances concerning oversight, the risk of misappropriation of City funds increases.

Recommendation:

We recommend additional internal control procedures be implemented to allow for an appropriate level of checks and balances to include a systematic review from Executive Management of fees and citations that have been adjusted or voided and aging reports.

Process Errors

Fees Charged Do Not Agree to Approved Fee Schedule

7. Per examination of case documentation, we noted the fees invoiced by the department do not agree to the Code Enforcement fees listed in the Fee Schedule. City of Reno Resolution #9039 dated May 18, 2022 Resolution Adopting the Fiscal Year 22/23 Including Tax Levies, and Adopting the Fee Schedule for the City of Reno, Nevada, for the Fiscal Year 2022/23 states in part, "the Fee Schedule attached as 'Exhibit A' is hereby adopted as the Annual Fee Schedule of the City of Reno, Nevada".

Recommendation:

We recommend departmental management verify the fees adjusted in the system for each fiscal year agree to the amount listed in the annual Fee Schedule, approved and adopted by the City Council.

Penalty Fees are Not Being Assessed

8. Penalty fees are not being assessed by the Code Enforcement department as allowable pursuant to RMC Section 1.05.215. - Fines for administrative citations. RMC Section 1.05.215 (d) states in part, "For all delinquent unpaid administrative fines, there shall be a penalty imposed in the amount of ten percent of the administrative fine amount, and an additional one percent per month of the total amount of the administrative fine and any penalty thereon for each month during the time that such fine remains unpaid after its delinquency date." Because the application of penalties through the administrative citation process is designed to motivate responsible persons towards code compliance, the effect of a not applying penalty fees may be hindering the motivation to become compliant.

Recommendation:

We recommend Code Enforcement assess penalties associated with unpaid administrative fines and invoice the responsible person for both as allowable per the Reno Municipal Code.

Transparency Improvements

Website Enhancements

9. There is minimal open-source information available for Reno constituents and businesses to understand code compliance and code enforcement to become self-educated and proactively become compliant with the Reno Municipal Code. Per inquiry with departmental management, much of their time is spent responding to questions from recipients of code enforcement letters. A more robust website for the code enforcement criteria and the process may assist in reducing the administrative burden of communicating the same information repeatedly for people that received a letter of noncompliance from the code enforcement team, freeing management up for oversight tasks.

Recommendation:

We recommend the website be enhanced to include comprehensive information on the Code Enforcement criteria and process, to include the response actions from the responsible persons receiving code enforcement letters.

Reporting Enhancements

10. The departmental reports generated from the software in use, Accela, are filtered on an individual basis, there is not a standardized, repeatable report. Per inquiries with the IT Enterprise Manager and examination of the generation of an Accela report from the code enforcement module, the reports are created in an ad hoc fashion and are specifically filtered for the requesting staff. The Code Enforcement module of Accela is managed internally and operates similar to a legacy system, that is, there are not standardized pre-set reports from the system itself.

Without a standardized, repeatable report from the system, clear communication of the work done by the Code Enforcement department is diminished and the data-driven decisions made by executive management may be compromised. Indeed, the report generated by the department and created ad hoc by IT for executive management's review initiated this audit to assess the department's data and reported metrics.

Recommendation:

We recommend a standard reporting template be created for the Code Enforcement module in Accela to include enhancements such as drop down filters for case determinations, to allow for the use of standardized, repeatable reports.

Best Practices

Policies & Procedures

11. Departmental policies detailing internal controls and procedures for management of the Code Enforcement process are not readily available. The department did have a voluminous amount of binders that included physical papers of policies and procedures over time, with the most recent update to the physical Code Enforcement Manual is dated September 14, 2016 and a draft manual dated March 1, 2022. The manual includes, "The Code Enforcement Manual is intended for use by Reno residents, business owners, and City staff to help all understand the code enforcement process in the City." However, the document was not available to staff or residents on the City website nor was it available in an electronic format at the time of this review. Establishing written policies detailing cash handling controls is the first step to clarify processes and employee expectations when carrying out their day-to-day functions. Documented policies support procedures that are conducted consistently and in an equitable manner and, when in use, also assist with succession planning.

Recommendation:

We recommend departmental procedures be updated and made readily available in electronic format for Reno residents, business owners, and City staff, to include the accepted internal control procedures that are recommended in this audit report.

Streamline Enforcement Process

12. The department utilizes many form letters in their communication with responsible persons for code violations. The main form letters in use include: Warning/Courtesy Letter, Notice of Violation, Notice of Violation and Administrative Citation, Notice to Abate, Notice of Intent to Record Notice of Violation, and the Recorded Notice of Violation. The many form letters coupled with inconsistent invoicing and form letter issuance creates confusion and is prolonging the time between the identification of a code violation and the actions taken by the responsible persons to achieve code compliance. In addition, the many workflows initiated by each letter is creating additional burdens for the City.

Recommendation:

We recommend the department streamline the citation process, reducing the number of form letters required for the Code Enforcement process.

Citation Numbering Methodology

13. The citation numbering methodology in place is illogical. This creates confusion for the responsible persons, the appeals process, and external reviewers. Per Reno Municipal Code, section 1.05.215. – *Fines for administrative citations*, the “3rd or subsequent administrative citations . . . 500.00.” The Code Enforcement department labels the citations as follows: 1st Citation, 2nd Citation, 3rd Citation, second 3rd Citation, third 3rd Citation, and so on.

Recommendation:

We recommend additional citations issued for subsequent administrative citations be labeled with a logical, progressive numbering methodology.

Fines May Not Be Commensurate with the Economy

14. The monetary penalty for code violations as applied through administrative citation fines have not changed since 2006 and may not be commensurate with the economy. Because the application of a fine through the administrative citation is designed to motivate responsible persons towards code compliance, the effect of a lower value fine may be hindering the motivation to become compliant.

Recommendation:

We recommend executive management consider updating the Reno Municipal Code and the administrative citations' monetary penalty value to motivate timely code compliance citywide. Together with the previously recommended enhancements, these adjustments may assist in more timely compliance with the City's Code requirements.

Ongoing Processes - Comments

To support the ongoing procedures that were communicated during the Audit, we recommend:

- the *Service One* project continue and include the connection of the Q-Alert and Accela Coded Enforcement module to minimize manual data entry;
- an analysis of the Code Enforcement staffing resources, to determine if resources are allocated to the department commensurate with the growth of the city, similar to Safety Departments; and
- consideration be given to creating an entirely new module in Accela for Code Enforcement by a third party vendor to include a comprehensive analysis of the workflows to increase efficiency; the vendor perspective is integral to this analysis because it is separate from the internal staff that built the system currently in use.

Audit's Clarifying Comments

This report was prepared to communicate the metrics and reporting methodologies for the Code Enforcement Department to the City Manager's Office. It does not represent a full audit of the department and it should be noted the following was not tested: timeliness of citations, system access parameters, equity analysis, appeals process, invoice reconciliations, specific requirements detailed in RMC Sec 1.05.005, or parity of RMC with NRS 268.4122 & NRS 268.019.

Scope

The audit scope included the procedures and methodologies in place at the Code Enforcement Department at the time of the audit fieldwork, November 2022.

Audit Standards

We conducted this audit in accordance with standards of The Institute of Internal Auditors, sans Standards 1310-1 through 1321. Standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objectives. The evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

CODE ENFORCEMENT – METRICS & REPORTING

Management Responses – Code Enforcement Department

Findings’ Conditions, Recommendations, and Management Responses



Inconsistent Application of Fees and Fines

1. The determination of if to apply fees and fines to a code enforcement case or when to allow for additional time for the responsible person to become compliant with code is highly subjective to the individual code enforcement officer that is assigned to the case

We recommend a determination be made of when to apply fees and fines to a code enforcement case and when to allow for additional time for the responsible person to become compliant with code be documented in the Code Enforcement policies and procedures and it be applied consistently and equitably for code enforcement cases.

What measures are planned to address this finding?

A departmental policy will be created with minimum standards including examples when it would be appropriate to grant an extension rather than continue to the standard workflow and apply fees and fines to the case.

When will the measures be taken?

A new policy has been drafted as of January 2023. It will be implemented when the recommended hard controls are in place in the Accela software.

*In January 2023, Code Enforcement requested the initiation of this Accela update from the IT Department. These measures will require IT support for their implementation into the Accela software system. This implementation timeline is dependent on Code Enforcement receiving dedicated staff to Accela improvements for the Code Enforcement module.**

Invoice Management Improvements

2. There is not a clear point in time within the code enforcement workflow process *when* an invoice with fees or fines should be issued to the responsible person.

We recommend a determination be made *when* in the workflow process the code violation case will be invoiced, apply it consistently and equitably for cases, and that the dates for compliance be a key component in the invoicing administration process.

What measures are planned to address this finding?

Code Enforcement Department has determined that along with a new policy, the best measure to address this is to build a hard control into the Accela software which automates the issuance of an invoice with appropriate fines and fees at the appropriate benchmarks during the enforcement process.

When will the measures be taken?

*In January 2023, Code Enforcement requested the initiation of this Accela update from the IT Department.**

Fees and Fines Adjusted Without Proper Approval

3. Per examination of the data set provided by Code Enforcement, multiple cases' fees and fines were adjusted, voided or reduced.

We recommend fees and fines invoiced by the Code Enforcement department not be adjusted by code officers and for the City Attorney's Office to opine on the ability for fees to be reduced at the departmental level, rather than a required Resolution approval by City Council and, if appropriate, adjustments of fees and fines be limited to Code Enforcement departmental management or the City Manager's Office.

What measures are planned to address this finding?

In January 2023, Code Enforcement discussed this with the City Attorney's Office. They are in support of a new process that will allow for an independent hearing officer to accept applications for a reduction or dismissal of fines and fees. The Code Enforcement department will no longer adjust fees and fines once this process is in place.

When will the measures be taken?

In January 2023, Code Enforcement requested the initiation of this Accela update from the IT Department. Appropriate application forms available on the City's website will require the assistance from the City webmaster. Code Enforcement will also work with the City Clerk's Office Hearing Officers to complete this process.*

Lack of Segregation of Duties

4. There is not an appropriate level of segregation of duties within the Code Enforcement program. Individual employees have the ability to initiate a code enforcement case, apply fees and fines to the case, adjust the fees and fines, and close out records in the system without supervisory review or oversight.

We recommend additional internal control procedures be implemented to allow for an appropriate level of segregation of duties, to include: (a) disallowing adjustments or voids by field officers through system access changes, (b) a systematic supervisory reviews of cases, (c) routing checks directly through the City Clerk's Office for deposit (as required by citywide policy 304, Section VIII,C), (d) reporting administrative citations issued to the Finance department's accounts receivable team for financial reconciliations in the financial software and collection efforts.

What measures are planned to address this finding?

- a) *Hard controls will be implemented into the Accela system which will prohibit adjustments and voids by Code Enforcement staff.*
- b) *As Code Enforcement is essentially a public safety enforcement branch of the City of Reno, the span of control for supervision should be reduced and another Supervisor*

position should be staffed which would allow for the systematic review of cases. The current workload for the single supervisor does not currently allow for this supervisory review of closing cases.

- c) While the Code Enforcement administrative staff currently does transfer checks to the City Clerk's Office when received, a new written policy will be created for the transfer of checks to the City Clerk's Office and the process will include more accountability and tracking. Code Enforcement will also request an online payment portal be developed on the City's website where Code Enforcement fines and fees can be paid, much like sewer fees.*
- d) Code Enforcement will work with the Finance Department and IT to implement a process that allows for Finance's accounts receivable team to perform financial reconciliations and also collection efforts related to Code Enforcement's administrative fines and fees that have been invoiced. The Code Enforcement Department and its' individual officers should not have the flexibility to apply fees and fines or adjust the fees and fines.*

When will the measures be taken?

- a) In January 2023, Code Enforcement requested the initiation of this Accela update from the IT Department.* An on-line payment portal will require the City webmaster and Finance assistance.*
- b) Code Enforcement has requested this additional position as of January 2023 for the 2023-2024 fiscal year. If approved by Council, an additional Code Enforcement Supervisor could be staffed by September 2023.*
- c) This policy has been drafted and the implementation of the process is expected by the end of January, 2023.*
- d) This implementation timeline is dependent on Code Enforcement and Finance receiving dedicated staff to City software improvements and all applicable software system upgrades to facilitate the transfer of information and monies.*

Lack of Reviews of Adjustments and Voids

- 5.** Code enforcement officers are permitted to reduce or remove a fee or citation in the interest of achieving code compliance. This is applied on a case-by-case basis. Departmental management does not conduct a systematic review of fees and citations that have been issued, adjusted, or voided.

We recommend additional internal control procedures be implemented to require a systematic review from departmental management of fees and citations that have been issued, adjusted or voided.

What measures are planned to address this finding?

With the hard controls implemented by IT into the Accela system to prevent Code Enforcement staff from conducting adjustments and voids of fines or fees, no review of these will be required. The current workload for the single supervisor does not currently allow for a supervisory review of closed cases, an additional Code Enforcement

Supervisor position should be staffed which would allow for the systematic review of cases.

When will the measures be taken?

In January 2023, Code Enforcement requested the initiation of Accela updates, to include hard controls, from the IT Department. In addition, Code Enforcement has requested an additional position as of January 2023 for the 2023-2024 fiscal year. If approved by Council, an additional Code Enforcement Supervisor could be staffed by September 2023.*

Lack of Checks and Balances

6. Departmental management has been given the agency to adjust fees and citations in the interest of achieving code compliance. This is applied on a case-by-case basis. Executive management does not conduct a systematic review of fees and citations that have been adjusted or voided or aging reports.

We recommend additional internal control procedures be implemented to allow for an appropriate level of checks and balances to include a systematic review from Executive Management of fees and citations that have been adjusted or voided and aging reports.

What measures are planned to address this finding?

The measures described in response #3 regarding routing adjustments and voids through the Hearing Officers rather than Code Enforcement staff, will include a reporting process that will allow for oversight reports for Executive Management.

When will the measures be taken?

In January 2023, Code Enforcement initiated the creation of a waiver application of Code Enforcement fines and fees with the Hearing Officers. These measures will require IT support for their implementation into the Accela software system as well as coordination with the webmaster.

Fees Charged Do Not Agree to Approved Fee Schedule

7. Per examination of case documentation, we noted the fees invoiced by the department do not agree to the Code Enforcement fees listed in the Fee Schedule.

We recommend departmental management verify the fees adjusted in the system for each fiscal year agree to the amount listed in the annual Fee Schedule, approved and adopted by the City Council.

What measures are planned to address this finding?

In December 2022, Code Enforcement changed the fines and fees on their citations once this oversight was discovered. Code Enforcement, once included inside the Community Development's portion of the fee schedule, has now been separated out as its own department and improved communication and processes have been implemented.

When will the measures be taken?
Completed in December 2022.

Penalty Fees are Not Being Assessed

8. Penalty fees are not being assessed by the Code Enforcement department as allowable pursuant to RMC Section 1.05.215. - Fines for administrative citations.

We recommend Code Enforcement assess penalties associated with unpaid administrative fines and invoice the responsible person for both as allowable per the Reno Municipal Code.

What measures are planned to address this finding?

Code Enforcement recommends that any assessment of penalties associated with unpaid administrative fines and fees be managed by the City's Finance Department. Code Enforcement and the City Attorney's Office will work with Finance for invoicing and collection of fines and fees to determine the timing of the penalties and legal notices pertaining to the assessment of these penalties. The citations issued by Code Enforcement will need to reflect the penalties, the timing of the penalties, the collection efforts that will be employed and the payment processes available, as well as the administrative hearing process for the review of waiver applications. The Code Enforcement department and its' officers should not be responsible for calculating penalties on debts owed to the City.

When will the measures be taken?

In February/March 2023, Code Enforcement will initiate a cooperative effort between Code Enforcement, the Finance Department, the City Attorney's Office, and the IT Department to develop this process to include written policies and an implementation plan.

Website Enhancements

9. There is minimal open-source information available for Reno constituents and businesses to understand code compliance and code enforcement to become self-educated and proactively become compliant with the Reno Municipal Code.

We recommend the website be enhanced to include comprehensive information on the Code Enforcement criteria and process, to include the response actions from the responsible persons receiving code enforcement letters.

What measures are planned to address this finding?

Code Enforcement is gathering the necessary information to upgrade the City's Code Enforcement web page to information to provide the public with important information.

When will the measures be taken?

Actions began in December, 2022. This measure will be dependent on assistance from the webmaster. Our intent is to have this implemented by March 1, 2023.

Reporting Enhancements

10. The departmental reports generated from the software in use, Accela, are filtered on an individual basis, there is not a standardized, repeatable report.

We recommend a standard reporting template be created for the Code Enforcement module in Accela to include enhancements such as drop down filters for case determinations, to allow for the use of standardized, repeatable reports.

What measures are planned to address this finding?

Code Enforcement has long identified several reports, processes, workflows, noticing documents that have been missing from the Accela software that were not addressed during the recent Accela Upgrade project. A standardized reporting template for case determination, legal and public information for the Accela software Code Enforcement module will be included in a request to IT. Particulars for reports will require legal review and meetings with end users including but not limited to Executive Management.

When will the measures be taken?

These measures will require IT support for their implementation into the Accela software system. This implementation timeline is dependent on Code Enforcement receiving dedicated staff for Accela improvements related to the Code Enforcement module.

Policies & Procedures

11. Departmental policies detailing internal controls and procedures for management of the Code Enforcement process are not readily available.

We recommend departmental procedures be updated and made readily available in electronic format for Reno residents, business owners, and City staff, to include the accepted internal control procedures that are recommended in this audit report.

What measures are planned to address this finding?

Code Enforcement has been already updating their existing internal departmental policies and procedures manual.

When will the measures be taken?

This measure has already been on-going since last year, but is now on a tighter schedule to be completed. The website version should be on-line by the end of March, 2023. The more detailed training policy and procedures manual is expected to be completed by the end of the fiscal year, June 2023 due to staff workload. All internal control procedures recommended in this report will be included in the new manual.

Streamline Enforcement Process

- 12.** The department utilizes many form letters in their communication with responsible persons for code violations. The many form letters coupled with inconsistent invoicing and form letter issuance creates confusion and is prolonging the time between the identification of a code violation and the actions taken by the responsible persons to achieve code compliance.

We recommend the department streamline the citation process, reducing the number of form letters required for the Code Enforcement process.

What measures are planned to address this finding?

- 1) *Code Enforcement has already conducted an audit of the existing form letters and notices that are issued.*
- 2) *As a result, some Courtesy letters will be retained but their use will be limited. Warning Letters will be eliminated, replaced by a standard. A change to the RMC Code Section 1.05 will be required to correct appeal information.*
- 3) *Changes to language in notices issued through the Accela software system will be required.*

When will the measures be taken?

- 1) *Started in December 2022.*
- 2) *A staff report for the proposed change to RMC Sec 1.05 will be drafted in January 2023 and be presented to Council by March 2023.*
- 3) *These measures will require IT support for their implementation into the Accela software system. This implementation timeline is dependent on Code Enforcement receiving dedicated staff to Accela improvements for the Code Enforcement module.*

Citation Numbering Methodology

- 13.** The citation numbering methodology in place is illogical. This creates confusion for the responsible persons, the appeals process, and external reviewers.

We recommend additional citations issued for subsequent administrative citations be labeled with a logical, progressive numbering methodology.

What measures are planned to address this finding?

Code Enforcement agrees, as having distinct language on the top of the notice identifying that the maximum citation amount (i.e. \$500.00) issued is actually a third rendition of said citation. For example, the citation should read "Third \$500.00 Administrative Citation." The issued administrative citations will include the statement that describes the total amount of citations issued. For example, "This violation has been issued a total of \$1,850.00 in administrative citations."

When will the measures be taken?

*In January 2023, Code Enforcement requested the initiation of this Accela update from the IT Department.**

**Most of the issues will require assistance with Accela. Automating the recommended processes will facilitate compliance with the recommendations.*

CODE ENFORCEMENT – METRICS & REPORTING

Management Responses – City Manager’s Office



Fines May Not Be Commensurate with the Economy

Audit Finding #14

The monetary penalty for code violations as applied through administrative citation fines have not changed since 2006 and may not be commensurate with the economy. Because the application of a fine through the administrative citation is designed to motivate responsible persons towards code compliance, the effect of a lower value fine may be hindering the motivation to become compliant. What measures are planned to address this finding?

We recommend executive management consider updating the Reno Municipal Code and the administrative citations' monetary penalty value to motivate timely code compliance citywide. Together with the previously recommended enhancements, these adjustments may assist in more timely compliance with the City's Code requirements.

What measures are planned to address this finding?

The City Manager's Office will review the City's position in this space as compared to other local and regional jurisdictions.

When will the measures be taken?

Any adjustments will occur during the budget process.