



Internal Audit Committee of Brevard County, Florida

Internal Audit of Building Permitting

**Prepared By:
Internal Auditors of Brevard County
June 26, 2006**

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June 26, 2006

Board of County Commissioners
Brevard County, Florida

Pursuant to the approved 2005/2006 audit plan by the Board of County Commissioners of Brevard County, we hereby submit our internal audit report covering Building Permitting. Our report is organized in the following sections:

Objectives and Approach	The internal audit objectives and approach are expanded upon in this section as well as a review of the various phases of our approach.
Background	This provides an overview of Building Permitting.
Issues Matrix	This section gives a description of the issues and related recommended remediation actions. Each issue is rated high, moderate or low and includes management's response.
Appendix	Process Maps

Due to the time span of the audit and the changes within the departments involved in Building Permitting, we have performed follow-up testing for several of the issues identified, provided an update and have closed several of the issues as of the date of this report.

We would like to thank the various departments and all those involved in assisting the Internal Auditors in connection with their review of Building Permitting.

Respectfully Submitted,

INTERNAL AUDITORS

Background

Background

For purposes of this internal audit we have reviewed Building Permitting at Brevard County (“One-Stop”). The mission of One-Stop is to provide value added services to the public by means of a streamlined and expedited building permitting process, which is:

- Efficient in its operation,
- Effective in ensuring public health and safety, and environmental protection through compliance with all the Statutes, Ordinances, and County Codes, and
- Economically sustainable by the County.

Building Permitting

Prior to 1991, a separate permit was issued by each of the review agencies. Fees were collected individually by the different agencies, which was laborious and time consuming for the public. In 1991, Brevard County implemented a One-Stop Building Permitting Review Center, comprised of a number of review agencies each reporting to their respective functional directors. They include:

Zoning	Lot Drainage	Driveways
Septic	Water and Sewer	Solid Waste
Natural Resources	Impact Fees	Concurrency
Fire	Building Plan Review	

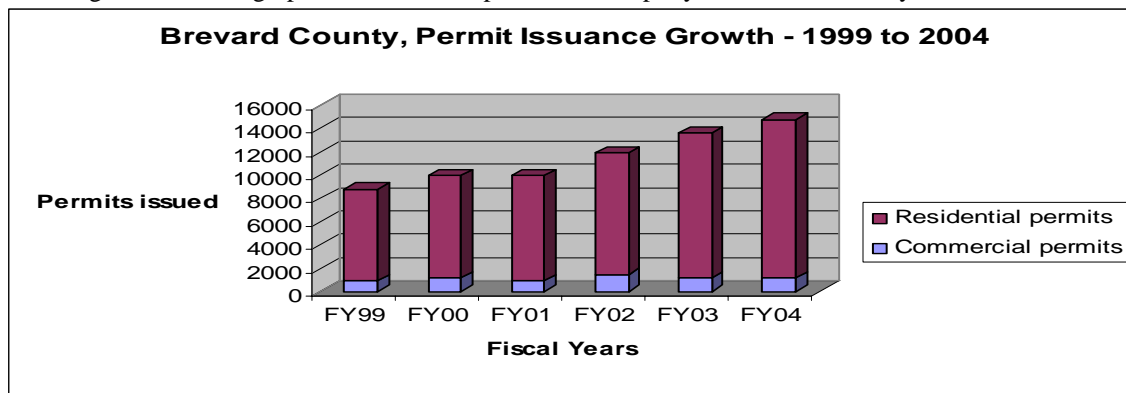
One-Stop enables the public to submit one building permit application for the entire process for residential, commercial, and other buildings/structures. Applicants pay one consolidated fee for all the agencies’ reviews, and receive one consolidated building permit, which has been approved by all the agencies. The One-Stop Review Center is located within the Building Code Department, and houses the Building Code employees along with the One-Stop employees from the different review agencies.

Permit Turnaround Time

Initially, the program expected the permit to be issued within two days from the time the application was submitted for residential permits and within five days for commercial permits. However, with the growth in Brevard County and increased State and County regulations, the County Commissioners amended the legislation to stipulate the current One-Stop process turnaround time be thirty days. Florida Statute and the Florida Building Code require 30-day turnaround on Single Family Residence permits except in extenuating circumstances.

Building Growth in Brevard County

There has been unprecedented growth in Brevard County during the last few years particularly in the building and construction arena, resulting in significantly increased volume of work for One-Stop. As can be seen in the following statistics and graph, the number of permits issued per year has increased by 68% between 1999 and 2004.



Source: One-Stop Administration

Background-continued

Building Growth in Brevard County - continued

	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Residential Permits Issued	7,832	8,812	8,994	10,359	12,386	13,544
Commercial Permits Issued	960	1,176	954	1,503	1,187	1,212
Cost Per Review	\$99.01	\$88.42	\$100.30	\$94.49	\$118.49	\$126.45
No. Of Inspection	48,925	48,262	46,210	46,820	51,288	54,789
Cost Of Inspection	\$18.03	\$20.29	\$30.12	\$29.85	\$35.29	\$33.77
No. Of Employee	40	38	41	54	60	64

Source: Building Permitting Administration

The increase in the number of permits issued and the number of inspections during the last six years resulted in an increase in the number of employees needed to support the growth.

There was also a substantial increase in the cost per review by approximately 27%, and cost per inspection by 88%, which have been partially due to increased regulatory requirements, increasing the time taken per review.

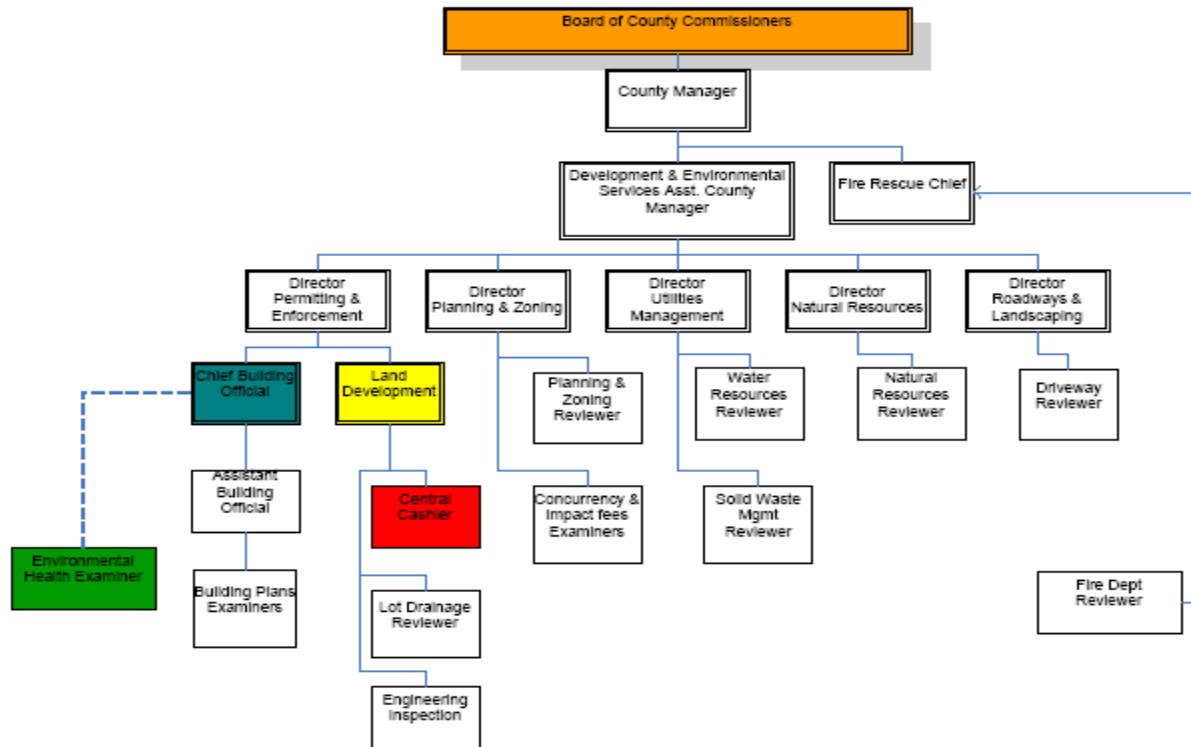
Organization and Reporting of One-Stop

One-Stop reports under the Development & Environmental Services Group of the County. The process owner for One-Stop is the Chief Building Official (“CBO”), who reports to the Director of Permitting & Enforcement. There are four other County Directors (Planning & Zoning, Utilities Management, Natural Resources, Roadways & Landscaping), the Fire Department Chief, and the Director of the State Department for Environmental Health, who contribute personnel to form the different review agencies within One-Stop and share the responsibility for the success of the program. (See the organization chart on next page).

The CBO is responsible for the administration of One-Stop which includes the application intake, data entry into Saturn, filing and tracking, final permit issuance and recordkeeping. The Building Plans Examiners, who perform part of the application review, report to the CBO.

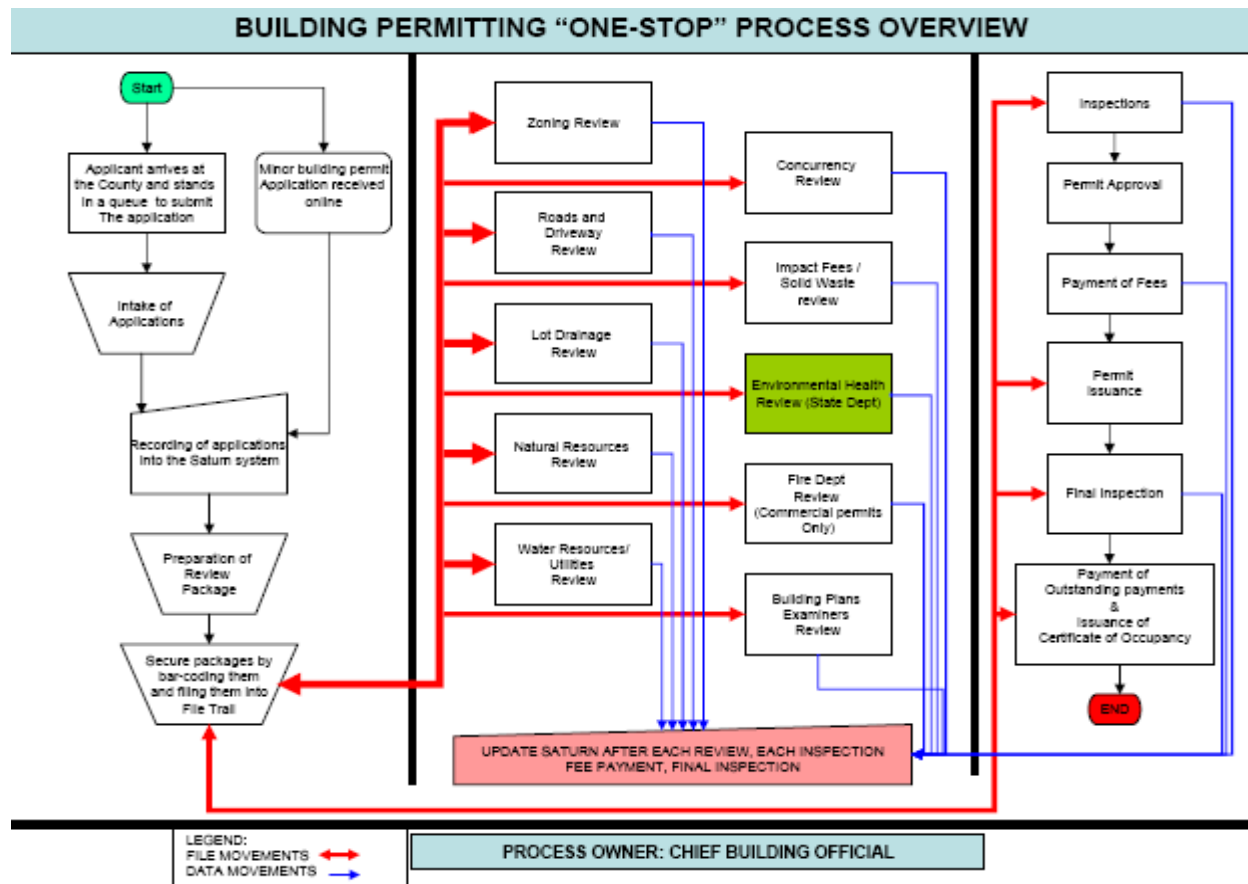
Brevard County

Organizational Chart for Building Permitting



Background-continued

One-Stop Operational Overview- continued



This flowchart represents a high-level overview of the One-Stop program. A full-size version of this map and detailed flowcharts of the individual sub-processes within Building Permitting are located in the Appendix. Below is a brief objective and descriptive overview for each One-Stop process shown above. Review flowcharts of each reviewing agency are available upon request.

Building Department Administration

The Building Department Administration office performs the administrative functions for One-Stop. The process is supported by a legacy building permit application system – Saturn, which has automated some of the procedures.

Permit Application Intake – (Appendix Process Flowchart 1)

One-Stop starts with the customers collecting the application and checklist of requirements at either the Building Department or directly from the Brevard County website. The completed applications are received by the application intake staff.

Objective: To facilitate the application acceptance process efficiently and effectively and provide high quality Customer Service.

Overview: There are four customer service counters, processing over 14,000 applications per year according to the latest statistics provided by the Building Department. This is one of the most important processes within One-Stop. Here the customer interacts with the One-Stop application intake staff. Responsibilities include providing customer service, reviewing application for all applicable information needed, date stamping and signing in all documents for review, inputting the online applications and preparing simple permits (re-roofs, HVAC, pool resurface).

Background-continued

Building Department Administration-continued

Permit Application Data Entry – (Appendix Process Flowchart 2)

Applications are assigned a “census code”, which is an identifier code for each type of building/structure requiring a building permit under the Building Code. Each type of building/structure has a unique census code. There are approximately 240 different census codes currently in use. The census codes have specific documentation and review requirements that are pre-programmed into Saturn, ensuring that the appropriate permit reviews can be completed by the One-Stop review agencies.

Objective: To ensure that all applications received are recorded accurately and timely in the Saturn.

Overview: The data entry permit technicians are assigned a batch of applications to input by a supervisor. The duties of the data entry permit technician include: verify quality of documents in application using the checklist, assign the applicable census code, generate deficiency lists, verify all sub-contractor licenses, contact the applicant with permit information, ensure safety of documents, stamp all documents with permit number and date of entry into system, place application in tray to be picked up by file tracking system staff.

Filing and Tracking – (Appendix Process Flowchart 3)

After entry, applications are packaged and sent to the File Trail operator for barcoding and filing. File Trail is a tracking database that facilitates the multiple agency reviews required for the application.

Objective: To ensure the safety, security and accessibility of the files.

Overview: File Trail is a tracking system implemented by the Building Department to organize the files that are stored for review. The File Trail duties include: pick up files from bins at the data entry area, input permit data to generate tracking barcode, apply barcode to package, file permit package on open shelves, check out packages to reviewing agencies, and scan finalized permits to hard disk for archiving purposes.

One-Stop Agency Reviews

To perform their individual reviews, One-Stop agencies are able to view the application review requirements in Saturn, and also obtain the application package from File Trail when available.

Land Development - Driveway Review

Objective: To ensure an unencumbered public right of way and easement.

Overview: The duties of the Roadways and Landscaping review staff include: gather permit applications for review from File Trail, review for compliance with code, check property maps from the County Appraiser’s records, prepare any deficiency communication to applicants, organize inspections, input inspection results into Saturn, assess fees, and approve application in Saturn.

Background-continued

One-Stop Agency Reviews - continued

Land Development - Lot Drainage Review

Objective: To protect the proposed building/structure and the surrounding buildings from drainage problems that could cause damage to property.

Overview: The role of lot drainage in One-Stop is to ensure minimum and maximum height requirements for fill and foundations. The heights must pass FEMA requirements in order to obtain disaster relief funding as well as eligibility for insurance. The lot drainage staff duties include: gather applications from File Trail, review site plan survey for code compliance, prepare deficiency letters and contact contractor with deficiencies, ensure compliance with septic codes, assess fees, organize multiple inspections throughout the building process, and approve application in Saturn.

Natural Resources Management Office - Natural Resources Review

Objective: To ensure protection of natural resources such as vegetation, wetlands, aquifer, endangered species, flood plains, etc., during building and land development.

Overview: The natural resources reviews is designed to determine the environmental impact the proposed building would create and to determine if there are any land clearing restrictions or special landscape requirements for the property. The duties of the Natural Resources review staff include: gather applications, review landscape plans according to County ordinances, prepare deficiency letters and communicate with contractor, determine if inspection is required, assess fees, schedule final landscape inspection, and approve application in Saturn.

Utilities Services Dept - Water Resources Review

Objective: To ensure adequate supply of water reserves and sewer capacity.

Overview: The water resources review is designed to ensure availability of water and sewer services. Incentives are provided to residential builders that connect to reclaimed water. The duties of the reviewer include: gather applications, check existing grids to see if capacity is available for the specific address, assess fees for reservations and connections based on fixed rates or estimated water usage, schedule inspections, update Saturn, and approve applications.

Planning & Zoning - Zoning Review

Objective: To ensure that community development complies with codes, such that only specified types of structures may be built within specified building development zones.

Overview: The zoning review will determine that the land being developed is zoned correctly for the type of structure to be built. The duties of the Zoning examiner are: gather application from File Trail, assign zone classification, check current zoning status of land and compliance with ordinances, inform contractor of deficiencies, enter information into Saturn, assess fees, and approve application in Saturn.

Planning & Zoning - Concurrency Review

Objective: To ensure adequate facilities for minimum level of service for a roadway, solid waste, potable water, drainage, sanitary sewer and park facility.

Overview: The concurrency review will determine whether various facilities and services are adequate to support the specific impacts of the proposed building project. If a deficiency is established, the reviewer will follow deficiency procedures and ensure fees are paid.

Background-continued

One-Stop Agency Reviews - continued

Land Development - Impact Fee Review

Objective: To ensure appropriate assessment and collection of impact fees due to the County.

Overview: Impact fees are a one time fee collected to allow the applicants usage of County provided facilities such as emergency management services, educational facilities, library, fire and rescue, transportation, correctional facilities, etc. Impact fees are established based on the census code allocated to an application, which differentiates between new construction and replacement or remodel. The Central Cashier is responsible for this review and collection of fees.

State of Florida Department of Environmental Health - Environmental Health Review

Objective: To ensure public health and environmental protection by regulating the septic system and well separation requirements.

Overview: The Environmental Health (septic) review is performed by the Florida Department of Environmental Health. The County has no official control over the Department of Environmental Health. With respect to One-Stop the duties include: gather relevant information from One-Stop application package, place files on hold in Saturn pending septic inspection, pull septic permit application out of package and assemble separate files for the state agency, enter the information into Centrax (Department of Health application processing system), organize inspections, input data from inspection into Centrax, issue septic permit, include a copy of permit in the County application package, and approve the septic application in Saturn.

Fire Department Enforcement - Fire Review

Objective: To ensure prevention and protection from fire hazards in commercial properties and multi-residences.

Overview: For all commercial properties and multi-residences, a fire plan review and fire inspection is required before a Certificate of Completion will be granted. The fire review staff duties include: gather applications from File Trail, review plans for County-adopted state fire code requirements, assess occupancy levels, notify customers of deficiencies, clear plans in Saturn and organize final inspections of structure.

Building Department - Building Plan Review - (Appendix Process Flowchart 4 & 5)

Objective: To ensure the safety, health and welfare of citizens in the proposed “built” environment.

Overview: This review determines compliance with the current Florida Building Code. The review duties include: obtain permit packages from File Trail, review plans according to code, place applications on hold for deficiency items, communicate with contractor for missing or erroneous information, and approve the plans in Saturn.

Background-continued

One-Stop Agency Reviews - continued

Inspections

Upon completion of the necessary reviews, any mandatory site inspections are performed.

Objective: To observe the property and verify that the site plan is accurate and the proposed construction would not present any threat to public safety.

Overview: Land Development, Septic and Building are required to do site inspections before the permit can be approved.

Building Department Administration Follow-up

The permit is approved for issuance after all reviews are completed. A permit can only be issued in Saturn after payment has been received by the Central Cashier and recorded in Saturn. Accounting for permitting fee revenue is done on a cash basis, as there is no invoicing or Accounts Receivable system. Cash general ledger posting is done through a daily Saturn-generated Cash Receipts Report, and is uploaded into the County's SAP system. There is currently no mechanism in place for monitoring permit fees due to the County.

Permit Issuance

Objective: To issue the permit after payment of fees.

Overview: Upon completion of the reviews and approval by the review agencies of each application, Building Department Administration prints out a list of completed applications and informs the applicants that the permit is ready. The applicant is required to pay the applicable fees at the Central Cashier. Once the payment is input into Saturn, the Administration staff prints the permit for the applicant, along with approved copies of the building plans.

Final Inspection

Objective: To ensure that the constructed building is in compliance with the approved permit and site plans.

Overview: The Building Department is responsible for completing the final inspections, which are done after the building is constructed. The final inspections ensure that the construction was built as per the approved site plan. Deficiencies are reported to the contractor.

Objectives and Approach

Objectives and Approach

Objectives

The objectives of the internal audit of Building Permitting (“One-Stop”) included the following:

<input type="checkbox"/> Identify and assess the effectiveness of the administrative controls over One-Stop.
<input type="checkbox"/> Review One-Stop functions and ‘reviewing’ areas and identify inefficiencies or control gaps in the processes.
<input type="checkbox"/> Determine that the records and documentation for One-Stop are sufficient to establish an audit trail for all transactions involving the permitting process, from application intake to issuance of permit and collection of all associated permitting fees.
<input type="checkbox"/> Determine the timeliness of One-Stop from intake of application to issuance of permit.
<input type="checkbox"/> Determine that appropriate controls are in place to ensure that each application and site plan review is in compliance with relevant ordinances.
<input type="checkbox"/> Determine that permit fees are assessed in accordance with fee resolutions and collected timely and in full.
<input type="checkbox"/> Determine that customer permit applications and supporting documents are properly administered and safeguarded.
<input type="checkbox"/> Determine that One-Stop expenses are properly authorized.

Approach

Our audit approach consisted of three phases:

Understanding and Documenting the Process

During this phase, we worked in close cooperation with subject matter experts to understand the One-Stop process. We interviewed the Director of Permitting & Enforcement, the Chief Building Official, the Building Administration Specialist and several members of each of the reviewing agencies’ personnel. We discussed our methodology, scope and objectives of the audit work and gathered pertinent information to complete the review, such as written operating procedures, various permit reports, standard forms utilized and other items we considered necessary.

The methodology includes:

- Research and review applicable Florida Statutes, Florida Building Code and Brevard County Code of Ordinances
- Review existing policies and procedures (Building Code Directives)
- Map the processes with the process owners and relevant County teams
- Identify the risks inherent to the process
- Review the effectiveness of the existing controls
- Shadow/walkthrough the process with One-Stop employees, where needed
- Validate process risks and control assessment with subject matter experts

Objectives and Approach-continued

Detail Testing

The purpose of this phase was to ensure compliance with the objectives, policies, procedures and regulations of One-Stop. Our fieldwork was conducted at the Brevard County Building Permitting Office. We utilized sampling and other auditing techniques to meet our testing objectives outlined above. We selected a sample of permits issued during 2004 for six different census codes to perform detailed testing on the timeliness, efficiency, applicable permit fee assessment and collection, and compliance with State and County regulations. We also reviewed a sample of One-Stop expenses to ensure compliance with policies and procedures.

Detailed tests were performed to ensure:

- 1) Timeliness of permit turnaround as per Florida Building Code.
- 2) Compliance of reviews with relevant State and County ordinances.
- 3) Accurate and complete assessment of permitting fees as per fee resolution.
- 4) Proper authorization of One-Stop expenses.
- 5) Proper authorization of changes to the assigned census code.
- 6) Timely collection of the applicable permit fees.

Reporting

At the conclusion of our initial fieldwork, we summarized our findings related to One-Stop and conducted an exit meeting with the Director of Permitting & Enforcement, the Brevard County Building Official, and the Building Administration Specialist.

Due to the implementation of many procedural changes, the addition of an Assistant Building Official, as well as the Board of County Commissioners' growing interest in a countywide strategic plan, we delayed the issuance of our report so that subsequent testing could be conducted to determine the effectiveness of the changes made.

In our final report, we have noted the original issues, impacts, control gaps that were identified and the recommendations that were discussed with management at that time. We have also documented the results of our follow-up testing, as well as Management's additional response, and concluded on whether the original issue has been closed due to satisfactory progress, is in the process of being corrected, or is still open.

We will provide progress reports to the Board of County Commissioners and the Audit Committee during regularly scheduled follow-up meetings.

Issues Matrix

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

Rating	Issues	Recommendation	Internal Audit Review/ Management Response	Status
Customer Service				
	1. Acknowledgement Communication to Applicant			
	<p>There is no formal communication from One-Stop to the applicant acknowledging receipt of the application or the level of completion of the application and required supporting documentation after submission. This lack of communication can result in delays in permit agency reviews and issuance, disagreements regarding the reasonableness of such delays, and disputes between the County and the applicant over who is at fault.</p> <p>There is also no communication to the applicant when a permit is ready for pickup or the fees necessary for issuance. We noted only 2 of 61 (3%) permits selected during testing were not issued within 30 days, as required by Florida Building Code Section 105.3.4. However, the average time between permit issuance and pickup was over 17 days, increasing the public's perception that permits are not processed timely.</p>	<p>It is recommended that the County consider the following:</p> <ul style="list-style-type: none"> • The applicant should be provided with an acknowledgement letter and listing of requirements completed, confirming the date of receipt of the application and its contents. The letter should detail: <ol style="list-style-type: none"> 1. Any documents that need to be submitted before processing can begin, stating the 30-day turnaround period will commence after all the necessary documents have been submitted and acknowledged by the County, or 2. Any documents that will need to be submitted after processing has been completed. <p>An acknowledgement should clarify the permitting requirements, level of completion and expectations and prevent misunderstandings regarding the timeliness of processing the application and approving the permit.</p>	<p>The permit numbers are now issued immediately upon intake at the window, and the applicant receives the permit number and a screen print of the Saturn intake screen, which contains a disclaimer that the paper is not the actual permit.</p> <p>Our follow up testing was completed without any exceptions to this new procedure.</p> <p>Owner: Mike McCaughin</p>	CLOSED

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

Rating	Issues	Recommendation	Internal Audit Review/ Management Response	Status
Customer Service				
	2. Managing Demand and Staff Resources			
	<p>There appears to be a public perception related to One-Stop that the department is poorly managed and customer service is weak. The primary complaints relate to wait times and processing errors.</p> <p>Application intake employees not only accept completed applications but also handle walk-in queries and requests for applications for different types of building construction. Currently, there are four walk-up counters for One-Stop customers.</p> <p>We observed fluctuations in the demand for these services at various times during the day, and therefore, the walk-up counters can be either idle or overflowing at certain hours of the day. The annual seasonality of some residents may also vary the walk-up queue during the year. During peak hours, processing errors or omissions may occur while attempting to reduce the wait time.</p>	<p>One-Stop should consider the following in an effort to boost efficiency and increase the perception of value-added services to the public.</p> <ul style="list-style-type: none"> Designating lines for certain services should facilitate prioritizing queues by permit type and complexity of service and may also improve the level of service and reduce wait times. Additionally, distinguishing quick-turnaround permits, such as HVAC or pool resurfacing, from more complex permits at the intake window may facilitate timely issuance. Consider posting internal statistics that may be of interest to the public, such as the number of permits issued during the prior month compared to the previous month or year-over-year, the number of applications received in a given period, construction growth percentages, etc. to increase awareness of the accomplishments made by the department. 	<p>Upon discussion with management as well as our observation, one walk-up window at the department is now dedicated to expedited minor permits only which generally can be issued “while you wait”. There is one plans examiner dedicated to the express window.</p> <p>Additionally, the express plans examiner is also dedicated to walk-in queries and telephone calls. This person screens and routes calls as well as handling any advanced issues that the intake staff cannot manage immediately.</p> <p>We also noted the <i>Building Code Review</i> monthly newsletter on the department’s website that publishes permitting statistics for the public awareness.</p> <p>Owner: Mike McCaughin</p>	<p>CLOSED</p>

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

Rating	Issues	Recommendation	Internal Audit Review/ Management Response	Status
Customer Service				
	3. Telephone Customer Service			
	<p>Based on our discussions with County personnel, it appears that telephone inquiries related to building permits could be directed to several different people before customers receive answers to their questions. Public inquiries are initially answered by an operator and then transferred to one of the One-Stop reviewing agencies unless a specific person or agency is requested.</p> <p>Because there appears to be no consistent methodology for transferring calls, respondents could be asked to field questions unrelated to their area of specific review. Incorrect information may be provided to the caller due to various reasons, including time pressure, misinterpretation of the question by the respondent, or misunderstanding of the response by the caller.</p>	<p>It is recommended that One-Stop consider the following:</p> <ul style="list-style-type: none"> As noted in other issues, application packages could be updated to include copies of FAQ, a link to the One-Stop website, or other ways for the customer to receive help. An example of a correctly completed application could also be available online. A general email account could be setup to receive One-Stop permit and other related inquiries. A link to the general account can be placed on the website home page, with requirements for basic information to be provided, such as name, permit number, property address, and other identifying characteristics, along with the question. A designated employee would be responsible for routing the emails to the appropriate department, and each department should research and reply to all incoming emails. Routing and response goals should be implemented, encouraged and monitored. 	<p>One plans examiner has been dedicated to answering incoming calls, and routes them upon discussion with the caller, as necessary. Reviewers and plans examiners no longer take calls.</p> <p>See also Issue #2 response.</p> <p>Owner: Mike McCaughin</p>	CLOSED

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

Rating	Issues	Recommendation	Internal Audit Review/ Management Response	Status
Administration				
	4. Use of Temporary Employment Personnel			
	<p>Based on our observations and discussion with various County personnel, the use of temporary employment help at the intake and data entry levels can lead to acceptance of incomplete or erroneous applications or illegible documentation and could result in processing delays, deficiency obligations for the customers and the perception of poor customer service quality.</p> <p>In addition, severe turnover of temporary staff typically requires continuous training of new hires by recurrent staff, which could lead to delays in managing the workload, poor productivity and low employee morale.</p>	<p>It is recommended that the County consider the following options to facilitate the efficiency and effectiveness of the One-Stop process, as it relates to administrative staffing:</p> <ul style="list-style-type: none"> Using temporary employees at One-Stop walk-up counters should be avoided due to One-Stop's commitment to value-added service and specialized training requirements. The intake area is the customer's first and sometimes only impression of the One-Stop process, and employees should be perceived by the public as competent and committed to service. Perform an analysis of the staffing, classification and pay plans for the One-Stop shops of other government agencies, including identifying the number of existing positions as compared to the number of permits issued, or applications processed. Also consider the funding sources and current budgets of the agencies researched. Compare the results of the analysis to the Brevard County One-Stop structure and determine its reasonableness. The internal auditors can assist with this review and make additional recommendations. 	<p>Per discussion with management, temporary personnel are now only utilized in the File Trail area, where they check in and out packages as well as help scan files.</p> <p>Temporary staff no longer interfaces with customers, either in person or by telephone now that one person is dedicated to answering the telephone.</p> <p>Owner: Mike McCaughin</p>	<p>CLOSED</p>

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

Rating	Issues	Recommendation	Internal Audit Review/ Management Response	Status
Review Process				
	5. Documented Policies and Procedures			
	<p>One-Stop adopted a Building Code Directive System (BCD) in November, 2000, in an effort to provide “a concise single source of written information on policy and procedure, management philosophy, technical issues, code interpretations and modifications.” It was created to meet the need for clear, consistent communication and application of enforcement methods. We noted the following:</p> <p>Availability We noted that the BCD is not readily available for employees to reference.</p> <p>Completeness The BCD does not include some critical procedures, such as how to ensure compliance with Building Codes, procedural use and administration of Saturn, Code of Ethics acknowledgement related to conflicts of interest, system access, disaster recovery, calculation of fees, compliance reporting to other agencies, etc.</p> <p>Consistency We also obtained copies of various desktop procedures for several steps in the One-Stop process, such as procedures for how to enter plan review comments into Saturn, how to assign an address for 911 purposes, using the Geographical Information System (GIS), etc. The method for familiarizing and applying these procedures is not consistent across One-Stop agencies.</p>	<p>We recommend all significant procedures of the One-Stop process are captured in the BCD, including but not limited to the following:</p> <ul style="list-style-type: none"> • Compliance with Statutes, Florida Building Code and County Ordinances. • Reporting requirements to be filed with other agencies, such as the quarterly reporting to the Florida Department of Community Affairs required under 13-600.4 of the 2004 Florida Building Code for energy efficiency. • Procedural use and administration of Saturn (and the new system, when applicable), including a policy for granting and monitoring system access, disaster recovery, and change management. See Issue #9 for more information. • Procedure for monitoring the correct assessment of fees, including calculation, invoicing, tracking and collection. • Separation of duties, approval matrices and reconciliation procedures <p>The BCD should be electronic and posted and updated on the County intranet.</p>	<p>Our discussions with management were that the BCD system will be fully updated by the end of the year, as it is a large undertaking.</p> <p>However, as new procedures are put into place, documentation is being saved to the common network drive.</p> <p>Owner: Mike McCaughin</p> <p>ECD: 12/31/2006</p>	<p>OPEN</p>

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

Rating	Issues	Recommendation	Internal Audit Review/ Management Response	Status
Financial Controls				
	6. Invoicing, Aged Accounts Receivable and Collection of Fees			
	<p>We noted during our review that Saturn does not contain a billing or Accounts Receivable function. If a permit is never picked up by the applicant, the result is lost revenue for the time spent reviewing the application.</p> <p>Manual invoicing for building plan review fees occurs 30 days, and again in 90 days, after permit approval. The invoice does not include other agency review fees. Per the 2004 Florida Building Code, if a permit is not picked up within 180 days, it should be considered abandoned.</p> <p>Our testing showed that the average number of days between permit approval and pickup was 17 days. Because of this delay, 19 of 63 (30%) permits were issued after 30 days. Four (6%) of the permits we sampled had not yet been issued as of the testing date because they were never picked up after approval. Per the above, all four should be invalidated due to non-pickup. The fees for these four permits total \$529.60 in lost revenue. While this amount on its own is immaterial, it represents 1% of the total fees tested. Applied to total fee revenue for 2004, the impact of 1% of lost revenue could be significant.</p> <p>Based on the testing results below, the 101r permits (for Single Family Residence) have the highest dollar impact, if permits are not billed and collected timely. Demolition (645r) and interior alteration (435r) permits appear to age the longest after approval.</p>	<p>One-Stop should consider the following:</p> <ul style="list-style-type: none"> In conjunction with the acknowledgment recommended at Issue #1, notification should be sent to the applicant upon permit approval, along with an invoice for all fees due prior to issuance. The invoice should include the balance due for all reviews and fees, not limited to the building plan review. Invoices should include a reminder to the applicant that permit applications are considered abandoned after 180 days along with the disclaimer required under Florida Statute 553.79(10), and other legal notices as determined under legal review. The department should consider assessing a reasonable application processing fee in addition to the review fees. A review of the provisions of Florida Statutes 125.56 and 553.80 should be completed to determine the appropriateness of assessing an application processing fee. This non-refundable fee should be due prior to application intake, with a receipt for the fee from the Central Cashier presented as part of the application package. This will give the applicant a financial interest in the application, and should provide an incentive for pickup of the final approved permit. 	<p>In our follow up review, we noted more than 500 active permits had reached the 180-day mark, some dating back to 2004.</p> <p>By Statute these permits should be considered abandoned and voided from the system, or marked in some way that they no longer show up on active reports.</p> <p>The department began running 180-day reports in 2006 to show any permits that have been abandoned, and is administratively coding as a "J" to show them as closed due to expiration. At that time, the department is also sending a final invoice.</p> <p>The department will promptly administratively code these 500 permits as abandoned "J".</p>	<p>IN PROGRESS</p>

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

Rating	Issues					Recommendation	Internal Audit Review/ Management Response	Status																																																																	
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ISSUES, OBSERVATIONS AND RECOMMENDATIONS

Rating	Issues	Recommendation	Internal Audit Review/ Management Response	Status
Financial Controls				
	7. Manual Calculation/Override of Permitting Fees			
	<p>Fees are automatically generated in Saturn for some services and manually input for others. Manual override of the system-generated fees is permitted. We noted no generation of edit reports to review overrides.</p> <p>During our testing, we noted no discrepancies during the comparison of amounts assessed to the figures shown in the fee resolutions. However, incorrect fees could be collected from the applicant, affecting revenue. Improperly calculated fees could also result in a violation of the reviewing agency’s fee resolution as well as Florida Statutes.</p>	<p>One-Stop should consider the following, to ensure proper assessment and calculation of permitting fees:</p> <ul style="list-style-type: none"> • Certain manually calculated charges, such as those based on square footage, % of total job cost, number of restroom facilities, etc., should be calculated using a standardized form that is retained for support of fees assessed. • As the County selects a new system it should consider that the system should be pre-programmed to generate fees based on current fee resolutions. The fees master file should be restricted to only an authorized person and backup operator, so that only those people can add or modify the fee structure in the system. Manual override by the reviewers and data entry technicians should not be permitted. • If a reviewing agency determines that the system is not calculating the correct fees for a particular review or application package, a procedure for updating the fees assessed should be implemented to ensure proper authorization of changes prior to being made. A Fee Request Change Form could provide this control, and proper authorization and/or proof of accurate fee should be included. 	<p>Upon discussion with the system administrator for Saturn, fees can be overridden by three employees only, including the Deputy Building Official and two analysts.</p> <p>The master fee schedules are owned by the system administrator who updates the tables based on current fee resolutions for each agency. However, the fee tables can also be updated by one of the analysts.</p> <p>We understand that the new system, Accela, will provide greater functionality and reduce the need for manual input of fees. However, this will not correct the override capability, which should be addressed.</p> <p>Owner: Terrol Smith</p> <p>ECD: April, 2007</p>	<p>OPEN</p>

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

Rating	Issues	Recommendation	Internal Audit Review/ Management Response	Status
Administration				
	8. Documentation Security and Tracking			
	<p>During our on-site visit to the One-Stop permitting office, we observed that application packages are transferred from intake to input in rolling file bins, and then stored on open shelves after bar-coding. Though the use of the rolling files does not appear to inhibit the security of application documents, the open shelving is accessible to anyone walking through the area.</p> <p>Completeness of Application Based on our interviews with reviewing agencies, supporting documentation included with application files is sometimes misplaced or removed from the application packages without being tracked in File Trail, resulting in processing delays. When necessary, the applicants are contacted for duplicate copies of paperwork, further obligating the customer and reducing customer satisfaction. Further, the application packages are not scanned for archiving until after the permit has been issued.</p> <p>Efficiency We noted during testing that it takes an average of 2 days from application intake to data input, and more than 25% of the files we tested were entered on the same day. We also noted that one file was not available for testing, and was presumed to be in an archive box. One file we tested did not have a copy of the permit inside and was presumed to be misfiled.</p>	<p>We recommend the following considerations related to documentation security and tracking of application files:</p> <ul style="list-style-type: none"> The department should consider a monitoring program to periodically inventory permit files on a sample basis. The File Trail Lead should work with the Building Official to implement a system whereby a random sample of permit applications should be generated and then located to validate that the files are where they are supposed to be, according to File Trail. Accuracy metrics should be monitored as well. The bar-coded application packages should be stored in a secured area, to avoid removal of documents without tracking the movements in File Trail. Open shelving in a storage area with a locking door or locking lateral files in the existing shelf area could be considered. 	<p>While the open shelving is completely accessible at all times, the file area is controlled by a staff of four who check in and out files, as well as scan files. They are currently scanning archived files to eliminate off-site storage needs, as well as files that have been recently issued C.O.'s. There is a two month lag between C.O. issuance and scanning.</p> <p>The department hopes to be able to scan packages (including plans) upon intake next fiscal year.</p> <p>Owner: Mike McCaughin ECD: September, 2008</p>	<p>OPEN</p>

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

Rating	Issues	Recommendation	Management Response	Status
Information Technology - Saturn				
	3. System Administration			
	<p>Saturn is used as an administrative tool to process and warehouse all permitting activity. Saturn is a legacy system which has evolved over time to accommodate changes in the process. Only one person in the Development and Environmental Services Group knows the system’s “natural” language and is able to write code to implement changes and resolve problems within the system.</p> <p>The Saturn system, and the employee who maintains it, do not fall under the direction of the Information Technology Department.</p> <p>See also the countywide Information Technology Phase 1 report issued by the Internal Auditors in May, 2006.</p>	<p>More than one person should be knowledgeable about the system in the event of employee turnover. Cross-training will help to ensure checks and balances as they relate to adequate separation of duties.</p> <p>Additionally, operational and programming manuals should be created (or obtained from the manufacturer) and made available.</p> <p>See also the countywide Information Technology Phase 1 report issued by the Internal Auditors in May, 2006, as it relates to a more centralized approach to IT operations.</p>	<p>A new system, Accela, is being implemented in early 2007, which should provide additional functionality and help to reduce many of the data integrity issues to-date.</p> <p>At that time, we will re-evaluate the implementation of policies and procedures in place for General Computer Controls including access, disaster recovery, change management, and system administration policies.</p>	
Disaster Recovery & Business Continuity Planning				
	<p>There is no documented or tested Disaster Recovery or Business Continuity Plan for the Saturn system, to ensure that permitting activity would continue without significant interruption or inadequate recovery in the occurrence of a catastrophic event.</p> <p>See also the countywide Information Technology Phase 1 report issued by the Internal Auditors in May, 2006.</p>	<p>Disaster recovery and business continuity measures should be developed, documented and tested. This should address the steps necessary to restore the department’s information technology infrastructure in the event of a fire, flood, computer virus, extended power outage or any other threatening event. This applies only to Saturn, as that system is not integrated into the IT infrastructure, and applicable policies and procedures, of the rest of the County.</p>	<p>Owner: Terrol Smith</p> <p>ECD: April, 2007</p>	

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

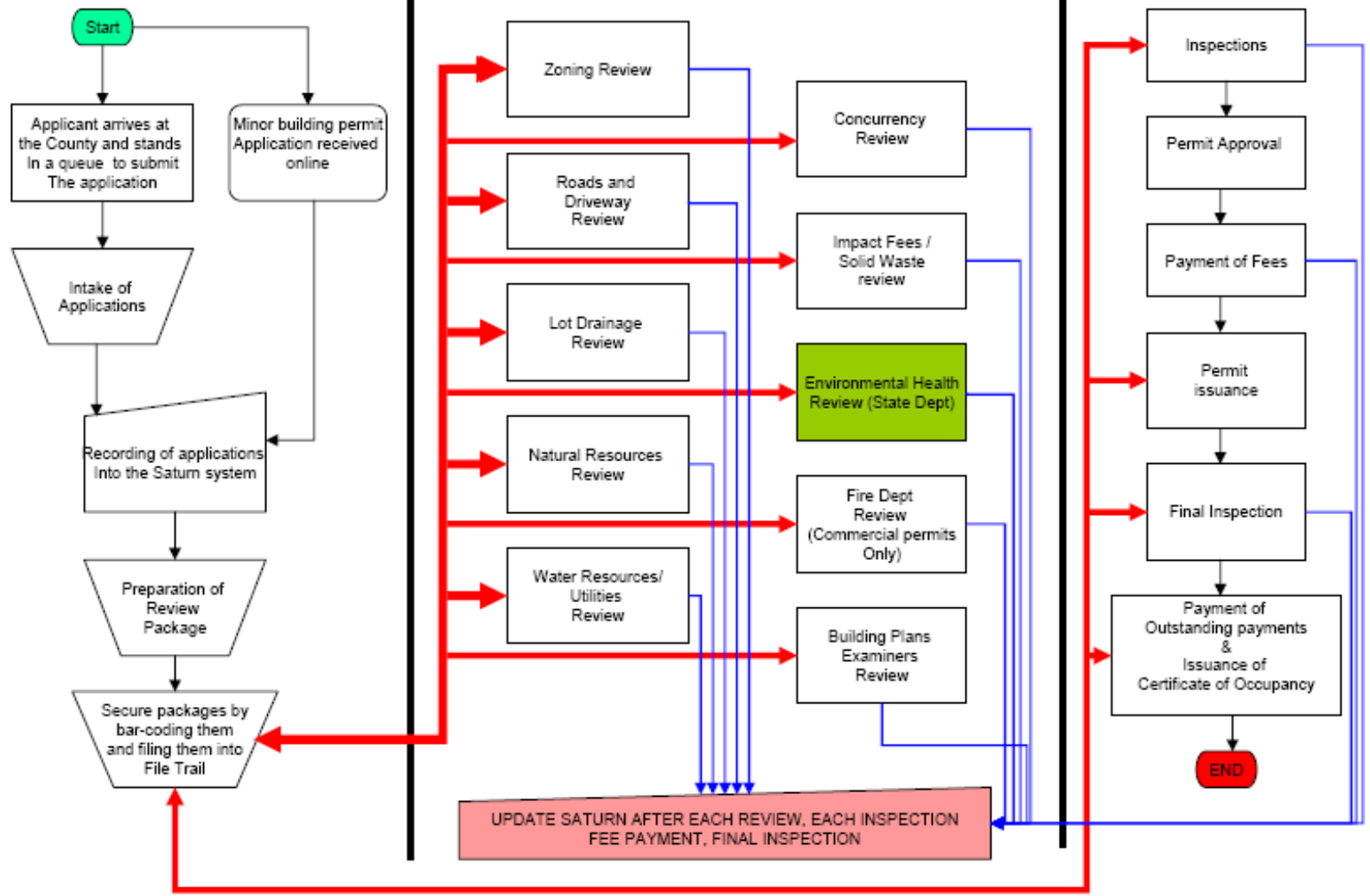
Rating	Issues	Recommendation	Management Response	Status
Information Technology – Saturn - continued				
	<i>Data and Physical Security</i>			
	<p>Access to the different modules within Saturn is not restricted to prevent inappropriate or unauthorized use. There is no written or otherwise clearly defined Systems Access Policy. There is also no tracking mechanism within the system to monitor changes to the software and/or data.</p> <p>See also the countywide Information Technology Phase 1 report issued by the Internal Auditors in May, 2006.</p>	<p>A Systems Access Policy should be established to ensure adequate security of critical information and infrastructure. Managing systems security includes both physical (e.g., locked server room) and logical (e.g., password protection) controls that prevent unauthorized access.</p> <p>The system should have built-in tracking capabilities, which can provide various information on who gained access to the program, the date/time of the access, and the nature of the transaction (read-only, add, update, delete, etc.) An access policy, and periodic monitoring, should also help to control separation of duties.</p>	<p>A new system, Accela, is being implemented in early 2007, which should provide additional functionality and help to reduce many of the data integrity issues to-date.</p> <p>At that time, we will re-evaluate the implementation of policies and procedures in place for General Computer Controls including access, disaster recovery, change management, and system administration policies.</p>	
	<i>Change Management</i>			
	<p>There is no written or otherwise clearly defined Change Management Policy for Saturn. Updates and other regular changes are made to Saturn in a live production environment and, therefore, changes are implemented without testing the resulting impacts on other areas of the system. This could result in undesired changes downstream, which may not be detected, and therefore, could produce inaccurate outputs.</p> <p>See also the countywide Information Technology Phase 1 report issued by the Internal Auditors in May, 2006.</p>	<p>A formal, written Change Management Policy should be established whereby appropriate controls are implemented to ensure that changes to Saturn are adequate, necessary and properly authorized and documented.</p> <p>Some controls to consider include authorization of change requests, logging and documentation of changes, review and approval of changes in a test environment, post-implementation testing and assessment of changes.</p>	<p>Owner: Terrol Smith</p> <p>ECD: April, 2007</p>	

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

Other General Observations
<i>Performance Management</i>
There is no formal Performance Management process for One-Stop employees. While all employees fall under the County’s Merit System, this relates specifically to reviewers who are located within the One-Stop area, but who administratively report to other agencies. To ensure the achievement of goals and provide a basis for recognizing and rewarding employees, One-Stop should consider implementing a performance measurement process.
<i>Interdepartmental Communication</i>
Communication between the Building Department and the One-Stop reviewing agencies is critical to the success of the program. We observed that most reviewing agencies only have one reviewer assigned to One-Stop permits, delaying the process in their absence. We also noted that there are no interdepartmental agreements.
<i>Applicability of Fees</i>
We noted that not all agencies assess fees for their services. Unless otherwise prohibited by Florida Statutes, the current Building Code, or County Ordinance, this may create an unreasonable expectation by the public.
<i>Census Code Changes</i>
We observed that there is no way to track census code changes in Saturn, and there is no evidence that changes are monitored or approved by supervisory personnel.
<i>Saturn Permitting System</i>
There are some operating and reporting functions that do not exist in Saturn that could be beneficial for One-Stop and facilitate the process more effectively and efficiently. Saturn does not have an invoicing module and does not interface with the County’s SAP system, resulting in manual invoicing of late payment fees, manual download of daily cash receipts and manual upload of transactions into SAP. In addition, statistical data is not readily available in Saturn, and must be extracted for data analysis. Compliance provisions are not programmed into Saturn, requiring a manual checklist to ensure that all provisions have been met.
<i>Online Capabilities</i>
Of the approximately 240 different types of buildings/structures for which permits are required, current online capabilities are limited to only three types of permits: HVAC, pool resurfacing and re-roofs. Although the current website allows the public to search for permits that have been previously issued, it does not allow permit application status to be researched online, nor does it allow an applicant to view their account balance of fees due or obtain a receipt for payments made, among other things.

Appendix

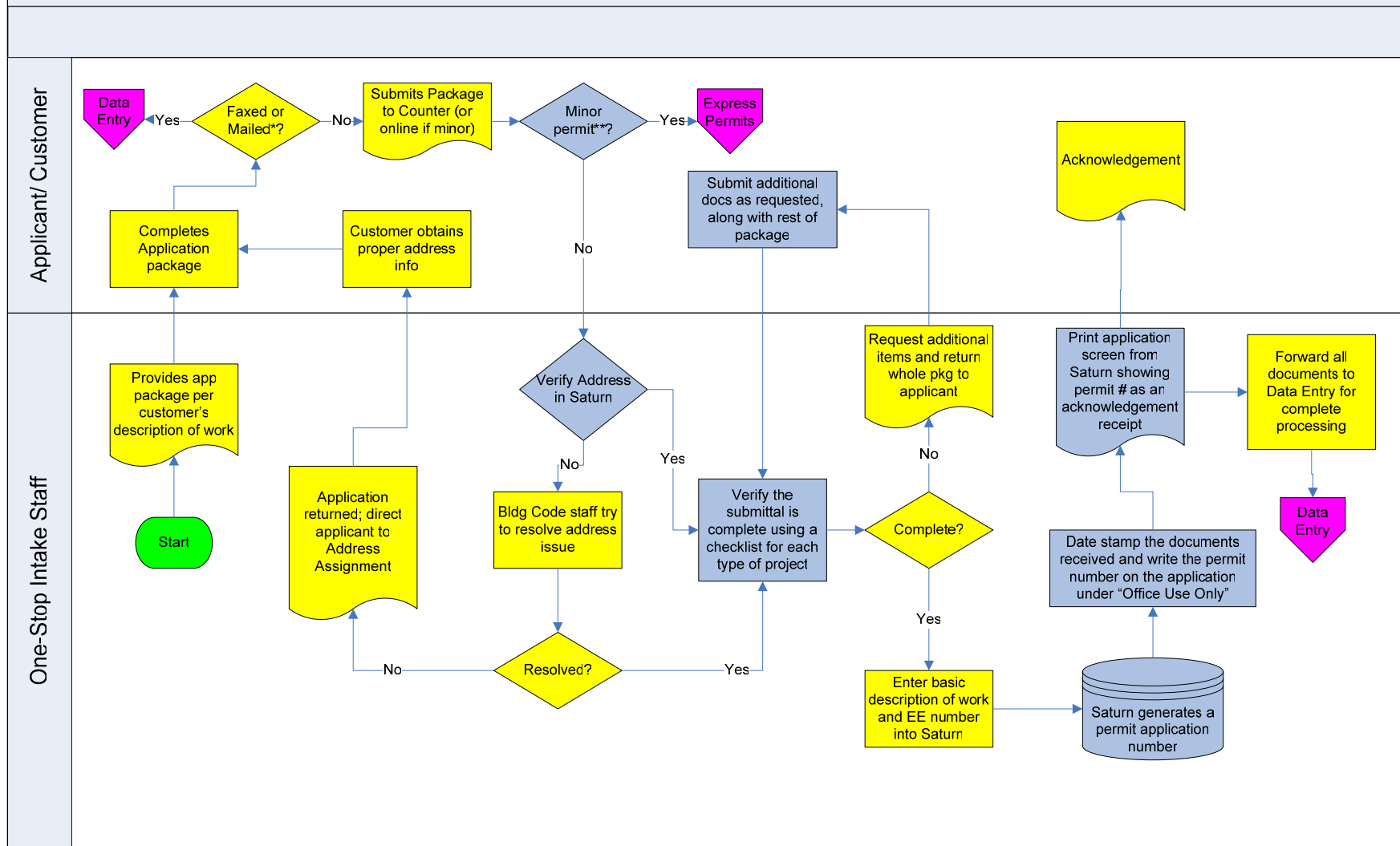
BUILDING PERMITTING "ONE-STOP" PROCESS OVERVIEW



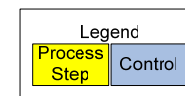
LEGEND:
 FILE MOVEMENTS ↔
 DATA MOVEMENTS →

PROCESS OWNER: CHIEF BUILDING OFFICIAL

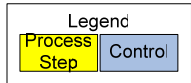
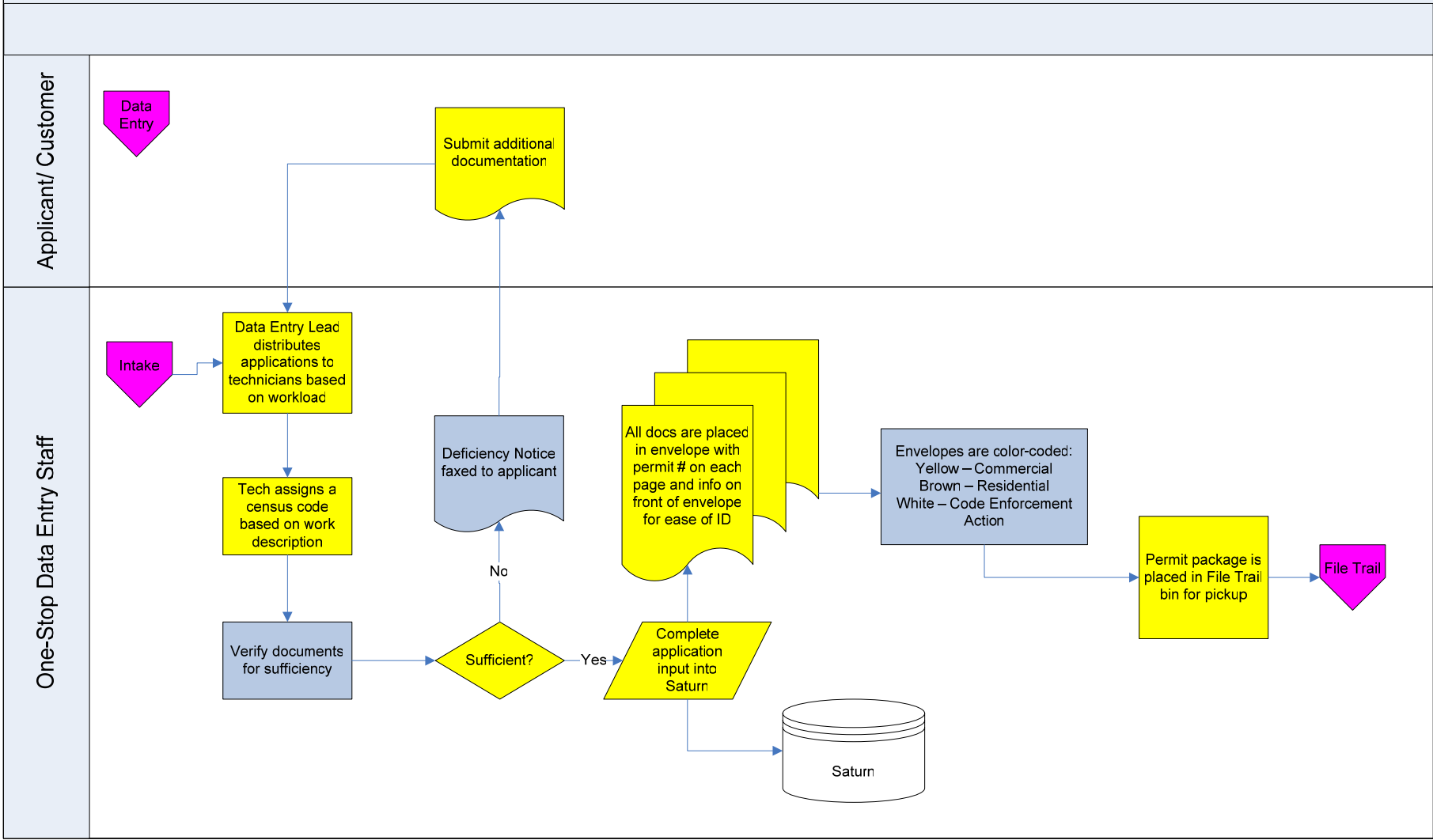
Brevard County One-Stop Permitting – Permit Intake



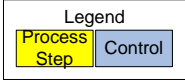
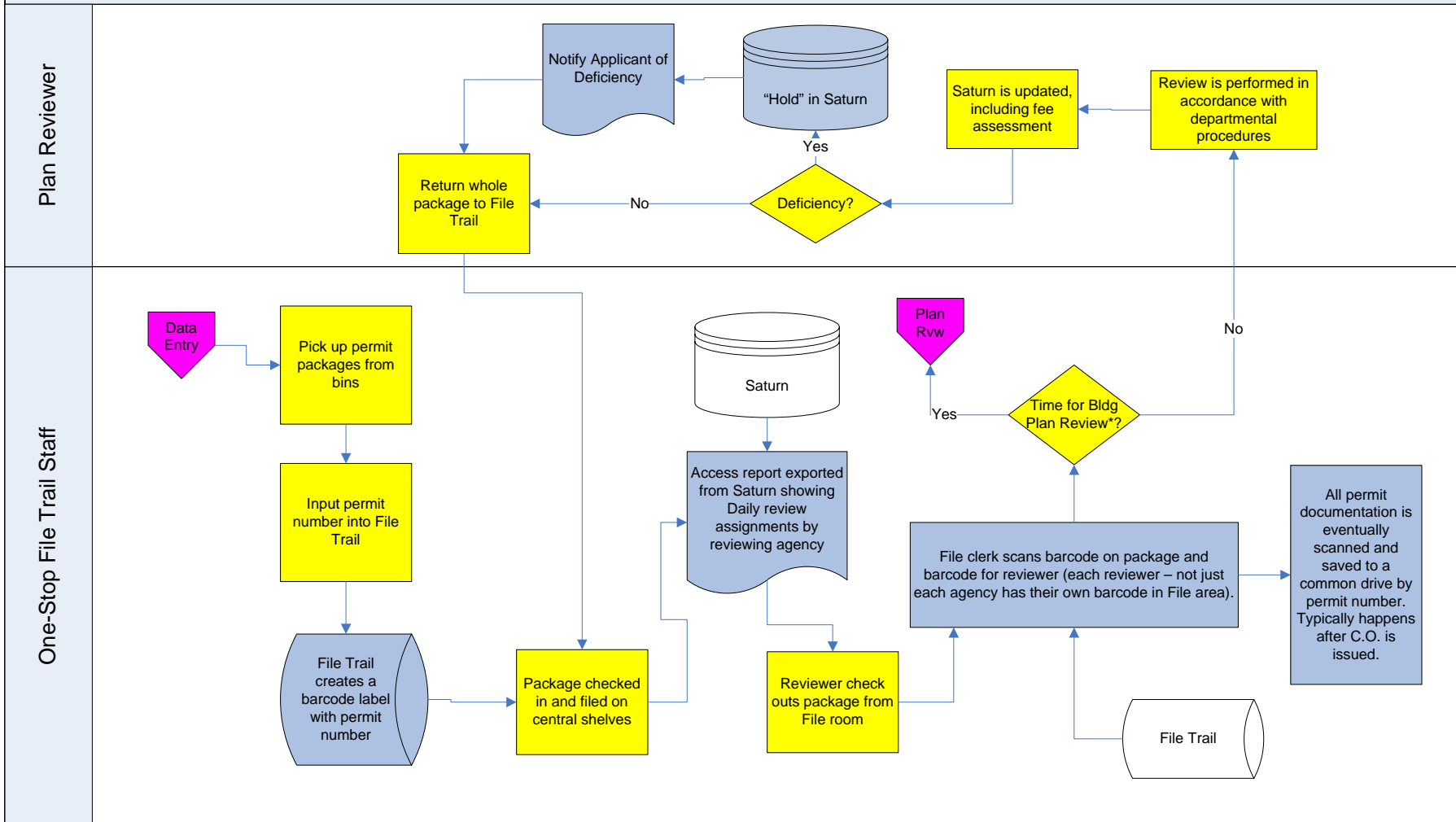
* Usually a large developer or home builder will fax or mail in the documents and not come to the counter.
 ** Minor permits include HVAC, pool resurfacing, and re-roofs.



Brevard County One-Stop Permitting – Data Entry

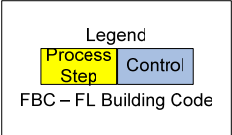
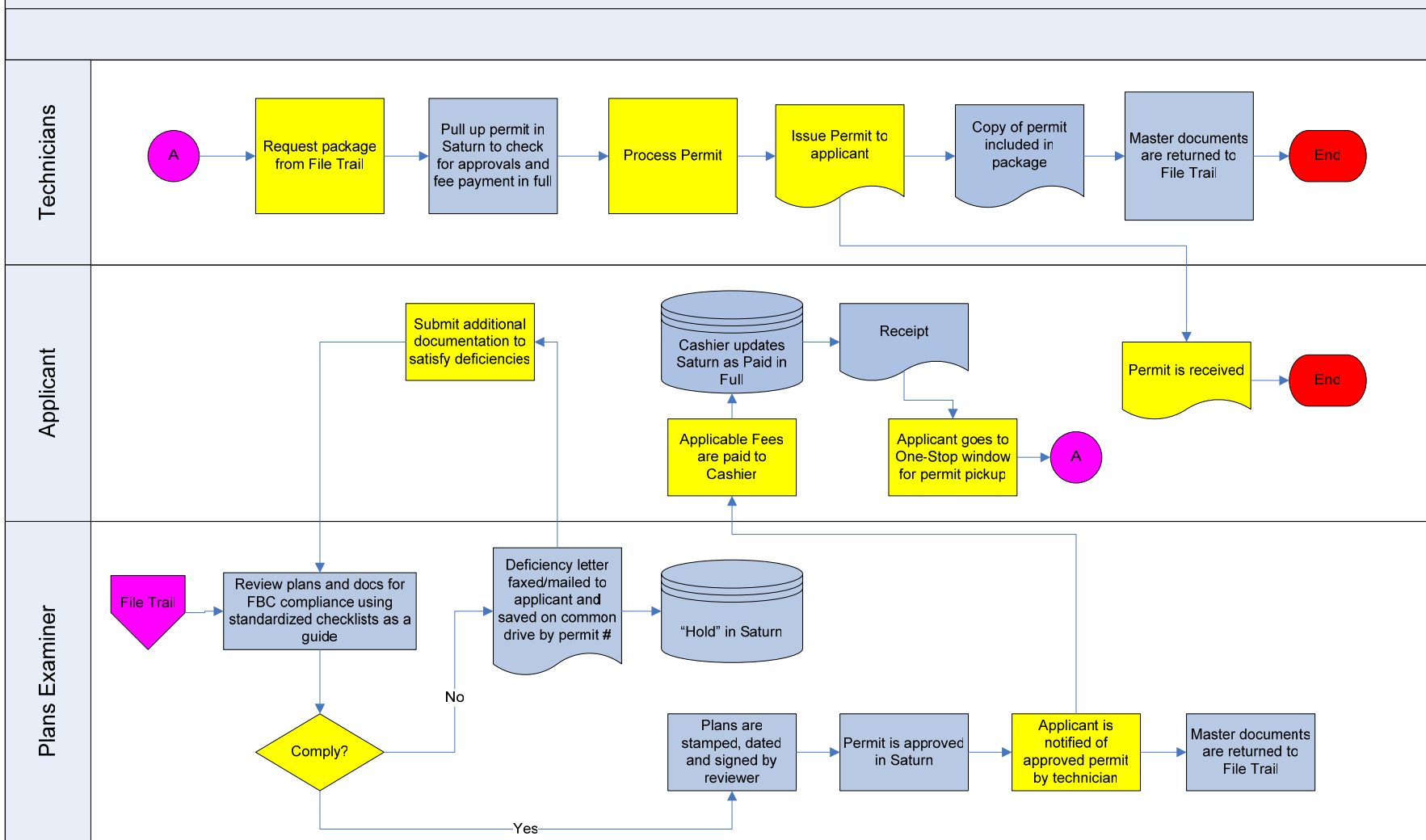


Brevard County One-Stop Permitting – File Trail

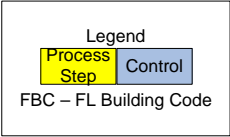
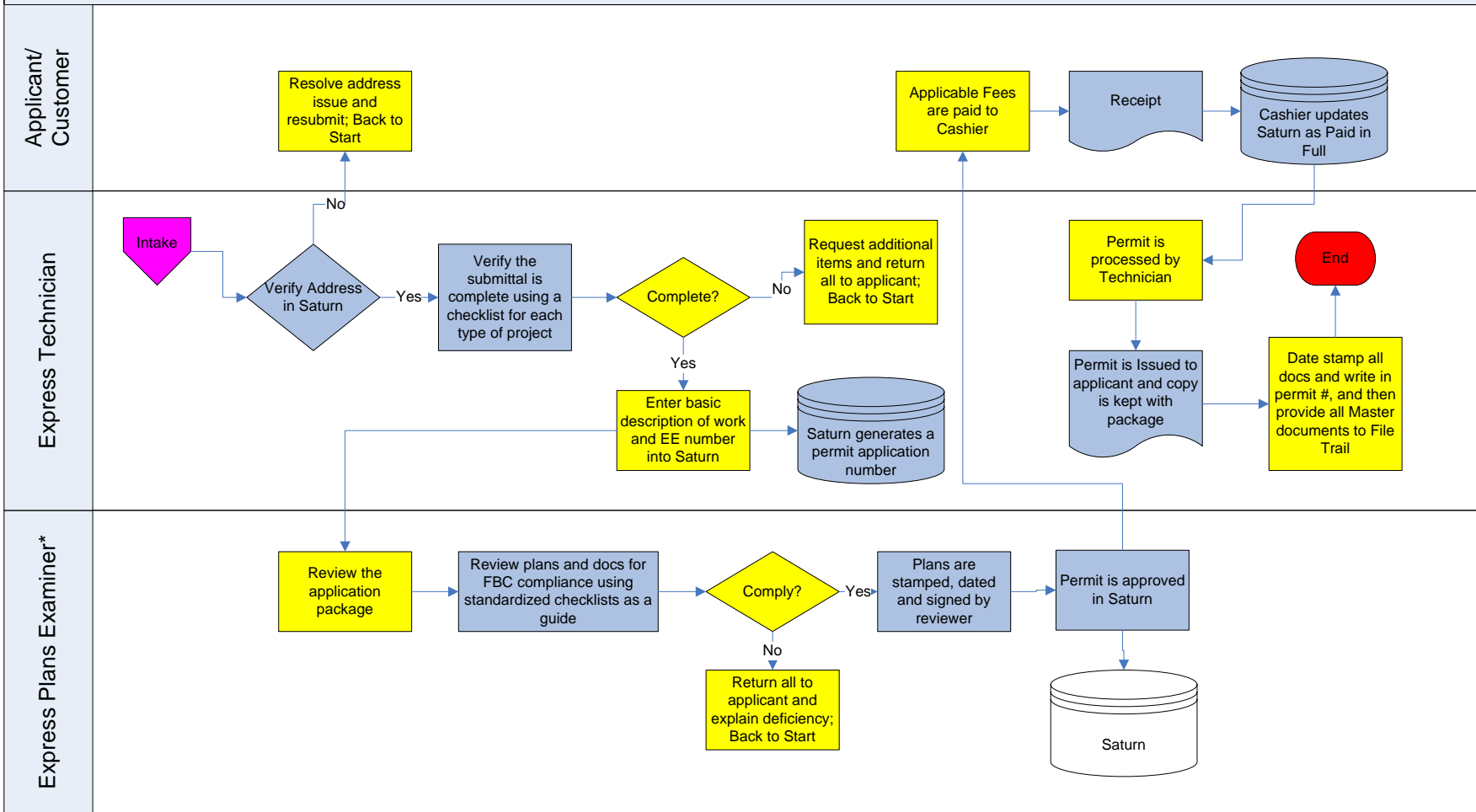


* Building Pan Review is done last, after all other agencies have reviewed.

Brevard County One-Stop Permitting – Building Plan Review



Brevard County One-Stop Permitting – Express Permits



* There is one plans examiner who is dedicated to the express window only, for permits “while you wait.”