



PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

CODE COMPLIANCE INSPECTIONS

REPORT # 264

JULY 17, 2014



July 17, 2014

The Honorable Mark Sharpe, Chairman
The Honorable Kevin Beckner
The Honorable Victor D. Crist
The Honorable Ken Hagan
The Honorable Al Higginbotham
The Honorable Lesley "Les" Miller
The Honorable Sandra L. Murman

Dear Chairman Sharpe and Commissioners:

The Audit Team performed an audit of the Code Compliance Inspections, Audit Report #264, dated July 17, 2014. Responses to the Audit Team's recommendations were received from the Director of Code Enforcement and have been included in the report after each audit comment and recommendation.

The Audit Team appreciates the cooperation and professional courtesies extended to the auditors by the Director and personnel of Code Enforcement during this audit.

Sincerely,

Peggy Caskey, CIA, CISA, CFE
Director of County Audit

CC: Mike Merrill, County Administrator
Greg Horwedel, Deputy County Administrator
Dexter Barge, Assistant County Administrator, Compliance, Communities & Conservation
Ron Spiller, Director, Code Enforcement
Bruce Dangremond, Performance Mgmt, Business and Support Services

TABLE OF CONTENTS

| | |
|---------------------------------------------------|----------|
| EXECUTIVE SUMMARY | 1 |
| BACKGROUND INFORMATION | 1 |
| OBJECTIVE | 1 |
| SCOPE | 1 |
| OVERALL EVALUATION..... | 2 |
| OPINION | 2 |
| AUDITED BY..... | 2 |
| AUDIT COMMENTS & RECOMMENDATIONS | 3 |

EXECUTIVE SUMMARY

BACKGROUND INFORMATION

The mission of Code Enforcement is to preserve the quality and value of public and private property by eliminating conditions which threaten the life, health, and safety of the public.

Code Enforcement is responsible for the compliance or enforcement of a number of County codes and ordinances including those for property maintenance, false alarms, land development, and foreclosed property registration. Code violations include, but are not limited to, unsecured structures that pose a safety or health hazard, overgrown vegetation conditions, unsecured pools, false alarms, storage of inoperable vehicles on residential property, and noncompliance with water restrictions.

Beginning in 2013, Code Enforcement assumed responsibility for enforcing the Animal Control Ordinance for animal related issues including animal bites, animal abuse/cruelty, vicious animals, and dangerous dogs. In March 2014, Code Enforcement and Animal Services merged into one department and is now named *Code Enforcement and Pet Resources*.

OBJECTIVE

The objective of the audit was to determine whether or not code compliance inspections and corresponding revenue recording practices are in compliance with applicable rules, regulations, standards, ordinances, and policies.

SCOPE

The audit was conducted based on the *International Standards for Professional Practice of Internal Auditing, as issued by the Institute of Internal Auditors*. The timeframe covered by this audit was the six month period ending March 31, 2014. The Audit Team evaluated whether or not code compliance inspections complied with applicable rules, regulations, standards, ordinances, and policies and whether or not corresponding revenues were properly recorded.

The audit scope did not include testing for compliance under the Animal Control Ordinance, including any revenues associated with it.

OVERALL EVALUATION

The Department was responsive to the Audit Team's inquiries and provided thorough information when requested. Data and other information were provided in a prompt and courteous manner. The Audit Team encountered knowledgeable and dedicated employees during the course of the audit. The Department has implemented policies and procedures to ensure that the life, health, and safety of the public are protected.

| AUDIT COMMENT | CONCLUSION OF OBJECTIVE | PAGE REFERENCE |
|---------------|-----------------------------|----------------|
| 1 | Code Compliance Inspections | 3 |

OPINION

Based on the audit results, the code compliance inspections and corresponding revenue recording practices are in compliance with applicable rules, regulations, standards, ordinances, and policies.

AUDITED BY

Peggy Caskey, Director of County Audit
Steve Hooper, Audit Manager
Margaret Brown, Senior Internal Auditor

AUDIT COMMENTS & RECOMMENDATIONS

AUDIT COMMENT 1.

Code Compliance Inspections

The test objective was to determine whether or not code compliance inspections and corresponding revenue recording practices are in compliance with applicable rules, regulations, standards, ordinances, and policies.

The Audit Team evaluated: the code inspection process, the receipting of payments process, and the bank deposit process, and the Department's written policies and procedures, to ensure that sufficient levels of control have been established.

The Audit Team looked at a sample of 30 compliance inspections, files, and records for the six-month period ending March 31, 2014. In addition, a sample of 30 revenue transactions were examined to determine whether or not there was sufficient supporting documentation and whether or not the revenues were recorded in the appropriate general ledger accounts.

Test results indicate that code compliance inspections and corresponding revenue recording practices are in compliance with applicable rules, regulations, standards, ordinances, and policies.

The Audit Team identified opportunities for the Department to improve controls over the payment receipting and bank deposit processes:

1. Dual control, or custody, is a process by which two persons are present when payments are received. Dual custody is a fraud protection measure that should be used not only for incoming mail but also for the logging, or posting, of payments and for the bank deposit preparation and verification. Dual controls should be established to ensure that two people count cash, log/post checks, prepare the bank deposit, including sealing bank deposit bags, and delivering the deposit to the bank.

Although the receipting of payments and deposit processes have been separated, dual controls are absent over the retrieval of payments, the logging of payments, and the securing of payments.

2. The efficiency of the receipting of payment process can be improved by eliminating the need to photocopy supporting documentation that does not conform to the traditional 8.5"x11" paper size in order to scan the information into an electronic file. This can be accomplished by investing in a scanner that is capable of handling various size documents or "dual" scanner that has both a flat-bed scanner and a multi-page feeder.

RECOMMENDATION

Consideration should be given to developing and implementing a procedure where the receipting of payments and bank deposit are safeguarded by dual controls and utilizing a scanner that is capable of handling various document sizes.

CLIENT RESPONSE

Concur

CORRECTIVE ACTION PLAN

A new scanner that is capable of handling various document sizes has been purchased and will be online on 07/07/14. In addition, a "dual control" plan has been developed and implemented for the purpose of safeguarding the receipting of payments and bank deposits. A policy establishing guidelines and procedures will be completed by 08/01/14.

TARGET COMPLETION DATE

August 1, 2014