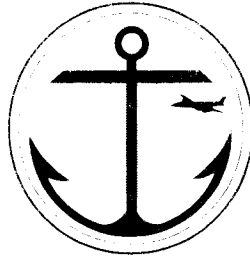


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George P. Wuerch, Mayor

OFFICE OF THE INTERNAL AUDITOR

December 31, 2001

Internal Audit Report 2001-9 Permit Center Development Services Department Office of Planning, Development and Public Works

Introduction. The Development Services Department (Development Services) was established to improve customer service by consolidating the building permit functions into a “one-stop permit center.” Development Services consists of the Building Safety Division (Title 23 - Building Code and Title 15 - On-Site Septic/Water), Land Use Enforcement Division (Title 21), Right-of-Way Division (Title 24), and Technical Services Division. Eighty-five percent (85%) of the department’s operating costs are supported through fees, which will total approximately \$6 million for 2001. Through the end of September, the Building Safety Division had processed 2,972 applications and issued 9,120 permits, compared with 2,517 applications and 8,236 permits through the same period last year. These are increases of 18% and 11% respectively. Staffing remained constant from 2000 to 2001.

Scope. The audit objective was to provide management with an assessment of the quality of customer service at the Permit Center with recommendations for improving the process. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of September through October 2001. The audit was performed at the request of the Administration.

Overall Evaluation. The consolidation of permitting functions into Development Services has been a good step toward improving customer service. We found it logical for all the functions that relate to obtaining a building permit, from early planning through final occupancy, to be organized beneath

a single operational level manager and be located at the Permit Center. This organization should naturally lead to better coordination and cooperation between the functions, and result in improved customer service.

Throughout our review we noted areas where customer service could be improved. Employees required additional customer service training and clearly documented expectations. We also observed that the divisions within Development Services and the sections within those divisions did not function as a team nor with a common vision of how things should be done. This adversely affected customer service, the efficiency of the process, and the quality of the work.

FINDINGS AND RECOMMENDATIONS

1. All of the Permit Functions Were Not Consolidated.

- a. Finding.** Customer service and the efficiency of the operations could be improved if all of the functions that relate to obtaining a building permit, from early planning through final occupancy, were organized beneath a single operational level manager. There are currently four divisions within Development Services: Building Safety, Land Use Enforcement, Right-of-Way, and Technical Services. Flood hazard determination, Fire Plan Review, and the parts of Community Planning & Development and Health & Human Services that are directly involved in the permitting process did not report to Development Services and/or were not located at the Permit Center. We also observed that the divisions within Development Services and the units within those divisions acted territorially and did not function with a common vision. As a result, the functions were not working as a team.

- b. Recommendation.** Management should consider consolidating all functions related to obtaining building permits at the Permit Center and organizing them beneath a single operational level manager. For the Fire Plan Review employees from the

Anchorage Fire Department, Development Services management should have input into the performance evaluations. This organization should naturally lead to better coordination and cooperation between the functions, resulting in improved customer service.

We also recommend that management work with the group to build a cooperative team atmosphere.

- c. **Management Comments.** Management concurred and stated, "In 2001, the On-Site Water and Wastewater Division and the Right of Way Division were transferred from Health and Human Services and Street Maintenance Department to the Development Services Department. Also, there are plans to move the Fire Department Plan Review and Inspection sections and the Planning Department to the Permit Center, when the building is expanded in 2002. Although both the Fire Department Plan Review/Inspection and the Planning Department Platting and Zoning functions will be located in the Permit Center within a year, these functions will continue to report to their respective departments. The co-location of these functions with the rest of the Permitting functions will be a major improvement over past procedures. At this time, we do not see the need for these functions to work directly for the Development Services Department. Additional management emphasis will be placed on working together as a team and supporting each other to improve customer service."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

2. **Employee Behavior Adversely Effected Customer Service.**

- a. **Finding.** We observed behavior that led us to believe that the employees were not aware of how customers may perceive their conduct. Discussions with management

revealed that 75% of the Building Safety staff had attended an intensive customer service training course during March, April and May of 2001. Even with this training, we observed multiple instances where employee behavior could create a negative public image for the department.

- b. **Recommendation.** The employees should be given additional customer service training, specifically relating to appropriate behavior in front-line customer areas. Also, standard customer service procedures should be implemented and enforced. We also want to stress the importance of the managers and supervisors promoting good customer service through their own behavior and monitoring the behavior of their employees.
- c. **Management Comments.** Management concurred and stated, "The department is coordinating with trainers from the Office of Resource Development to schedule refresher customer service training in January/February of 2002. Additionally, supervisors and managers have been tasked to enforce customer service procedures, model appropriate behavior, and develop a cohesive customer service oriented team atmosphere."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

3. **Building Safety's Web Site Was Not User Friendly.**

- a. **Finding.** Our review of the Building Safety Division web site revealed that it was not user friendly, especially for novice users. The web site was not easy to navigate and much of the information is too technical for a novice to understand. In addition, certain areas of the web site were being underutilized, such as the "Frequently Asked Questions" section.

- b. **Recommendation.** We recommend that management consider revising the layout of the web site. Perhaps more of a flowchart approach where the user picks the type of project, is then taken to another screen with more detailed questions, and finally onto specific information and application forms. Taking all of the information and tying it together in an easy-to-follow format would allow customers to navigate through the web site, reducing the number of questions received by phone or walk-in.

We also recommend that management consider simplifying or adding additional explanation to the information for those projects that are frequently performed by homeowners.

- c. **Management Comments.** Management concurred and stated, "The web site was put together several years ago and screens were designed to follow organizational structure. As more and more information was placed on the web, it was forced into Department/Division/Section standard and became confusing. The web should be designed by function, i.e., 'How Do I Build a House in Anchorage.'

"However, only 10 percent of our customers are novice. Much of the information on the web is targeted for 90 percent of our customers, the construction industry. So as part of this new website, consideration will be given to guide users based on skill level, the flow chart approach for novice, and the contractor counter for the technical users.

"This feature will be required in the new system commented on in No. 14 'Computer Systems Were Not Integrated and Several May Fail in the Near Future.'"

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

4. **Signs Did Not Clearly Identify the Permit Center.**

- a. **Finding.** The signs did not clearly identify the Public Works building as the Permit Center. The sign on Bragaw Street was not easily seen by customers due to its location and the only sign near the building entrance stated "Public Works." We were told that it is not uncommon for people to come in looking for the Anchorage Police Department or Animal Control.
- b. **Recommendation.** The additions of a "Building Permit Center" sign immediately next to the entrance to the parking lot and a sign on the doors into the building would minimize confusion and clearly identify the Permit Center.
- c. **Management Comments.** Management concurred and stated, "A sign identifying the 'Permit Center' will be part of the new addition. Some interior signage was added in December 2001, and additional signage in the entrance will be added by February 15, 2002."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

5. **Lobby Was Not Conducive to Providing Good Customer Service.**

- a. **Finding.** The permitting process is geared more toward the primary customer base, the professional builder, rather than a home owner. We observed that it was not clear where to go for help for the first-time visitor. The permit counter cannot be seen from the entrance doors. Farther into the building, a sign can be seen that says, "Check-In." The "Check-In" sign does not indicate that the desk is the appropriate place to go for general information regarding the permit process.

Currently, professional builders, architects, engineers, and the inexperienced home improvement customer all stand in the same line at "Check-In" waiting to be helped. We observed that the line stopped moving when questions were being asked, causing the clerks to give brief answers. We also witnessed several customers being sent to the cubbyholes for a specific handout, only to have to stand in line again to ask questions about the handout.

- b. **Recommendation.** Management could consider several possible solutions. First, the permit counter could be labeled "Information/Check-In" and two lines created. The regular Check-In line could remain the same and a separate Information line could be added to assist those customers who have a more detailed question. One of the Permit Clerks sitting behind the Check-In station could rotate in to assist those who stood in the Information line. Additionally, a supply of the commonly used handouts could be maintained at the Information line so the clerk could assist the customer by providing a handout and explaining as much as they could, or forwarding the customer to the Engineering Technician for further explanation.

Another option would be to have a centralized Information Booth or automated kiosk in the lobby area to provide assistance to customers. A customer could ask basic questions about the permitting process and be helped with the handouts. Professionals would still proceed to the Check-In desk. The clerk at the Information Booth could perform data input tasks and rotate with the other clerks to cover lunch breaks.

- c. **Management Comments.** Management concurred and stated, "Since moving to the new building we have enjoyed a great deal of efficiencies with the layout of the front counter area. The problem we have is the signage and dispersal of handouts/policies. We will be working on developing better signage to help the infrequent customer understand the permit area layout (see No. 4 above). The existing cashier booth will

be more efficiently used to allow for quick information gathering and guidance for the permit process. We will also be creating a customer friendly computer terminal/printer area which will allow the easy reproduction of all pertinent handouts and policies. This new computer terminal/printer will be available by May 2002. Although the current lobby layout is a considerable improvement over the old Public Works building on Tudor Road, the 2002 expansion project for the Permit Center will re-look at the existing layout for improved functionality."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

6. **Permit Stations Were Not Numbered.**

- a. **Finding.** We observed some confusion among customers when they were being directed to a permit station. The permit stations were not numbered or otherwise identified to differentiate themselves.
- b. **Recommendation.** Management may want to number the stations. The Check-In clerks were already directing customers to a particular station by telling them to go to the fifth station, etc. Adding a sign would assist the customer by identifying which station the clerk is referring to, and reduce confusion.
- c. **Management Comments.** Management concurred and stated, "The permit station numbering was taken away based upon the past Lamb and Lamb study. Sending customers to personalized stations was thought to be more customer friendly. We agree that a combination of the two may be the most effective. We will be reintroducing numbered stations with clerks personalized nameplates to accommodate this request. This will be completed by April 2002."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

7. **Handouts Were Too Technical.**

- a. **Finding.** We found many of the informational handouts required a level of technical knowledge/vocabulary that was beyond what the average home improvement customer may have. The technical nature of these handouts may increase the number of instances customers require assistance from the permit counter or the Plan Review Technician.
- b. **Recommendation.** Rewording the commonly used informational handouts so they are less technical could make them easier to understand for customers. Creating a checklist of required items to be turned in for a residential alteration, with important items in a bulleted list, could also improve reader comprehension. Sample handouts describing the process for common do-it-yourself projects, like building a deck, could be designed to assist the novice customer.
- c. **Management Comments.** Management concurred and stated, "Building Safety has a statutory obligation by municipal code to enforce building codes. Building codes by their design and nature are not how-to documents. They are minimum fire/health/life/structural requirements compiled into language that describes what has to be done. They do not describe how something must be done to meet the minimum requirements. That is left up to the architect, engineer, contractor, or owner to determine how they want to comply with the code requirements.

"Handouts are explanations of technical requirements stated in the codes. They are very detailed and technical by their very nature so as to help clarify hard to

understand language that is also hard to interpret. Handouts intended for minor work and 'do it yourselfers' will be reviewed and updated by April 2002.

"Legally, Building Safety cannot perform design work or suggest how to do something. We can only state or show what must be done to meet the minimum code requirements. Owners should go to businesses that have home development and improvement centers or to builders to get details of how to build or construct."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

8. **Permit Clerks Charged Incorrect Permit Fees.**

- a. **Finding.** We observed several instances where Permit Clerks charged customers incorrect fees. On one occasion, we observed a contractor point out the mistake. Incorrect application of fees is poor customer service and could adversely impact revenue. It appeared that the large number of different fees, coupled with high turnover of the Permit Clerks, contributed to the incorrect fees. Applications were not reviewed on a regular basis to determine if customers were charged the correct fees. We noted that management was already considering having a fee analysis performed in order to simplify the fee structure and ensure that fees match costs.
- b. **Recommendation.** Permit Clerks should receive more fee specific training. Further, we encourage management to conduct an analysis of the fee structure in order to streamline it.
- c. **Management Comments.** Management concurred and stated, "Fees are sometimes incorrectly calculated but we have processes in place to find these mistakes. Fees are very complex and the nature of their complexity causes both clerks and permittees

problems when calculating them. The clerk's correctness is dependent upon the information provided by the permittee. If the permittee gives a clerk incorrect information, the fees are then calculated incorrectly. We deal with most permits several dozen times, and during those handlings all clerks and professional staff look at the fees. If there are any concerns about the fees, they are given to the permit counter supervisor for review of accuracy. The permit supervisor monthly reviews several permits randomly to determine if they have been calculated accurately. We believe that these two ways of verification are adequate to determine accuracy of the fee system. The fee structure is where a change is necessary. We believe there should be a fees analysis/comparison performed allowing for a simplified fee structure to be implemented. Fee training happens continually and will be continued in the future."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

9. **Property Owner Information Altered on Permit Application.**

- a. **Finding.** When completing a permit application, the Permit Automation System (PAS) auto-fills a portion of the application with data imported from the Computer Assisted Mass Appraisal (CAMA) property tax system. We observed several instances where Permit Clerks changed the property owner in the PAS to the name of the customer applying for the permit. No outside verification was made to determine if the customer was in fact the owner. According to the Permit Clerks and the Plan Review Supervisor, changing the owner information that is imported from CAMA is not unusual due to the time delay for updates to CAMA. We were concerned that this practice could allow someone to perform work or build residences for resale without proper licensing and bonding, since an owner residing at the property is not required to be licensed.

- b. **Recommendation.** Management may want to consider the impact of issuing permits to a customer listing them as owner, when in fact they are not the legal owners of a parcel. Management may want to require additional proof of ownership prior to issuing the permit.

- c. **Management Comments.** Management concurred and stated, "We recognize this as a concern and take care to ensure we do not issue permits to people that don't own the property. To our knowledge we have not had any problems in this area. Customers do not submit an application and pay permit fees for property they don't own. Also, on some properties, there appears to be a significant time lag from when a property is purchased and when the tax/CAMA records are updated. Recently a property owner came to Building Safety to have the building permit for his home changed from the contractor's name to his name. The current owner had purchased the property approximately one year before and the CAMA records were still not updated. In the future we will continue to process permits but require the applicant to provide a deed for proof of ownership prior to the permit being issued."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

10. The Plan Review Technician Position Created a Bottleneck.

- a. **Finding.** We observed that, since there was only one Plan Review Technician and all customers flowed through that position, there was a frequent customer bottleneck at this point in the process. While there were procedures for the Plan Review Technician to call for back-up from the Plan Review Engineers, it appeared that this did not happen. The Plan Review Technician may be too engaged in assisting a customer to realize his back-up is needed. We also noted that scheduled back-ups, such as to cover lunch breaks, did not always occur.

- b. **Recommendation.** Management should consider allowing the clerks at the Check-In counter to monitor the flow of customers and determine the appropriate time to call in the back-up. Management should enforce adherence by the Plan Review Engineers to the published back-up schedule.

- c. **Management Comments.** Management concurred and stated, "Actually the Plan Review Technician is an Assistant Plan Reviewer. The reason for the bottlenecking is because the procedures that were established in the past are not being followed. Both the Permit Clerks and the Assistant Plan Reviewer must work together to streamline the system. We will revisit the actual procedures supposed to be followed by the Permit Clerks and the Plan Review Technician. We will be meeting to brainstorm with the affected individuals to see how we can work together more efficiently. We will be implementing a team approach at the counter between the Assistant Plan Reviewer and the Permit Clerks."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

11. **Permit Counter and Plans Coordination Structure Was Not Efficient.**

- a. **Finding.** We noted that the Permit Counter and the Plans Coordination units had separate supervisors, even though the units heavily interacted and used employees with similar skills. We also observed that the two units did not always work well together. Additionally, we noted that the units reported to the Senior Plan Review Engineer and were often treated without respect by the professional staff.

- b. **Recommendation.** Management should consider taking the Permit Counter and the Plans Coordination units out from underneath Plan Review and combining them into one group under a single supervisor. This would give them equal status with the

other divisions, allow the Senior Plan Review Engineer to focus on managing the Plan Review Engineers, and provide more of a team atmosphere.

- c. **Management Comments.** Management concurred and stated, "Presently, Development Services is working on restructuring and consolidating the counter and plans coordination functions into one work unit that reports directly to the Building Official. This will give section status and parity to the permitting and coordination sections, and allow the Senior Plan Review Engineer to concentrate on plan review supervision. It is planned to have this new organization in place by July 2002."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

12. Folder/Plan Retrieval Procedures Were Not Being Followed.

- a. **Finding.** The procedures for retrieving folders and plans were not being followed and did not appear effective. The Plans Coordination unit provides folders/plans to the Permit Clerks at the Check-In counter when customers request them. A Permit Clerk calls back to an open speaker phone line in the Plans Coordination unit. Prior to calling, the clerk is supposed to verify the permit number, subdivision, lot and block number, and whether or not the folder has a Conditional Certificate of Occupancy (CCO) in the PAS. We observed that the Permit Clerks routinely called Plans Coordination employees without verifying the information in the PAS. Many times, incorrect information was relayed to Plans Coordination employees, thereby creating a "panic" that the folder/plans was misplaced. This created tension between the Plans Coordination Clerks and the Permit Clerks.

We also noted that the system of conveying the message was not functioning well. Calling back to a speaker phone assumes the clerk assigned to collect folders/plans

is sitting at their desk or within range of the speaker phone. We observed that it can be difficult to hear the call if people are talking near the speaker phone.

- b. **Recommendation.** The Permit Clerks should be required to consistently verify permit information in the PAS prior to calling the Plans Coordination unit for folders/plans. We also recommend that Plans Coordination employees be provided with a headset and a portable phone, similar to what the Plan Review Technician wears to answer code hotline calls.

- c. **Management Comments.** Management concurred and stated, "The Permit Counter supervisor has emailed each clerk asking them to check every requested permit number before calling Plans Coordination. The counter clerks will also verify the Legal Description, and check to see if the file has a Certificate of Occupancy or a Conditional Certificate of Occupancy. The Plans Coordination Supervisor will follow up with a written policy and procedure by April 2002."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

13. **Folders and Plans Tracking Was Not Efficient.**

- a. **Finding.** We noted that the Plans Coordination unit maintained up to three duplicate logs for checking commercial folders/plans out and two logs for residential folders/plans. The logs were maintained manually, in a database, and on the PAS. We also noted that everyone had access to the file drawers in Plans Coordination. This has lead to files being removed without proper checkout and misfiling of folders/plans.

- b. **Recommendation.** Management should review the logs that are currently being used. Ideally, there should only need to be a single tracking method. Management should also consider prohibiting anyone other than the Plans Coordination employees from having access to the filing drawers.

- c. **Management Comments.** Management concurred and stated, "Currently, there is one log being maintained for routing residential, and one log for commercial permits. The additional database, File Maker Pro has been eliminated. This database is no longer needed to provide status information, due to a recent reconstruction in PAS. Concerns over what happens if the PAS system is not available is why the manual logs are still in operation. We are investigating possible solutions on how to alleviate those concerns. We believe one such solution involves doing a dump to an Excel file of what folders were routed, and where.

"The PAS system should be used to check folders out to staff. This may require an enhancement. This feature will be required in the new system commented on in No. 14 'Computer Systems Were Not Integrated and Several May Fail in the Near Future.' Currently, there is not enough staffing for management to consider prohibiting anyone other than the Plans Coordination employees from having access to the file drawers."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

14. **Computer Systems Were Not Integrated and Several May Fail in the Near Future.**

- a. **Finding.** We noted that the department's systems are not integrated into one user platform. There were 13 different systems (such as DB2, Cold Fusion, Oracle) and 8 different applications (such as City View, Permit Automation System, Right-Of-

Way) running on those systems. This inherently causes inefficiencies and makes support difficult. We also noted that the Right-Of-Way and Code Enforcement applications were becoming unreliable and were no longer supported by vendors. During the audit, concerns were expressed that these applications may fail and not be recoverable.

- b. **Recommendation.** We noted that management is in the process of evaluating integrated platforms, so we encourage them to move forward with the project.
- c. **Management Comments.** Management concurred and stated, "The cost of moving forward and replacing these systems with an integrated system is \$1.1 million. The cost of not doing this project is even greater. The Mayor conceptually concurred and asked management to find the funding. The request for proposal for this new land use and development computer system is scheduled to go to Purchasing in early January 2002, with responses due back from vendors in late February or early March 2002. The target is to have a vendor selected by April 15, 2002."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

15. Permit Automation System Was Not Fully Utilized.

- a. **Finding.** The Plans Coordination unit is responsible for calling the customer once their folder/plans have been through the review process and to notify them if there are any comments that need to be addressed. The PAS is programmed to import reviewer's comments and questions from the system into a formatted fax. The fax can then be transmitted directly from their computer to the customer. Currently, Plans Coordination employees do not utilize this functionality because the reviewers do not enter their comments onto the PAS on a consistent basis. Input of all the

comments into the PAS would also allow anyone with access to the PAS to be able to view current information relating to a particular folder or set of plans, without actually having to see the physical folder.

- b. **Recommendation.** Managers and supervisors need to promote the importance of reviewing on-line and then enforce compliance by the reviewers. Being able to fax their comments directly to the customer would provide a higher level of customer service.

- c. **Management Comments.** Management concurred and stated, "Reviewers should input their comments directly into PAS and use the FAX function if appropriate. In the interim, the following will be considered and implemented where possible by April 2002."
 1. Enhance PAS to ask Plan Reviewer when checking plan in if they want to FAX comments.

 2. Enhance PAS so that Plan Reviewer can check multiple selections for FAXing.

 3. Putting the Permit Web Report out on the Internet will be an excellent option to FAXing. Contractors will be able to look up their plan review comments. This feature is in testing on the Intranet and is nearly ready for release. <http://itinterweb1/pas/permitreports.cfm>

 4. Training will be provided to others not using the PAS system for Plan Review. This will be accomplished by May 2002.

5. A PC will be placed at the front counter for Plan Reviewers to use when they are working with a customer. The PC would replace the need for writing plan review comments and approvals on the outside of the Permit Folder. This will be installed by May 2002.

"These features will be required in the new system commented on in No. 14 'Computer Systems Were Not Integrated and Several May Fail in the Near Future.'"

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

16. **Plan Review Engineers and Inspectors Were Not Consistent with Plan Evaluation.**

- a. **Finding.** We were told that there are instances where a Plan Reviewer approved and issued a permit, then the Inspector disagreed in the field. This has the effect of putting the builder in the middle, the plan was approved but the inspection was not. The builder, Plan Reviewer and Inspector then had to come to some agreement on changes before the project could continue. We noted that management was considering implementing a team approach to the review and inspection process.
- b. **Recommendation.** We encourage management to proceed with the reorganization of the Plan Reviewers and Inspectors creating a team-oriented approach to projects. We also recommend each incident, where there is disagreement, be logged. The logs would then become a training tool for management to use to ensure the proper decisions are being made and eliminate varied interpretations of the building code.
- c. **Management Comments.** Management concurred and stated, "The reorganization should be in place by July 2002. Every effort is now made to avoid placing a builder or contractor in a compromising situation, which could impact construction schedule.

It is recognized that this does occur occasionally. To minimize this, Plan Review staff and Inspection staff attend the same building code training classes, to assure uniformity of understanding and interpretation. There is a specific Division policy directing the Inspection staff to consult with the Plan Review Engineer or Assistant Plan Review Engineer when a questionable situation occurs. This generally eliminates most misunderstandings and allows the Inspection staff and the Plan Review staff to work closely together. In addition, both Inspection staff and Plan Review staff receive individual training in weekly staff meetings. These are designed to identify problem areas and to assure consistency in both reviews and inspections. On those occasions when an item has either been missed or there is a point of confusion, staff supervisors step in to resolve the outstanding issue.

"Implementation of a team approach will provide a closer coordination of the in-house and field efforts. Presently, when a discrepancy is repeated, staff does meet together to resolve the issue to assure greater consistency and to minimize the impact to the customer. It is concurred that a record of these discrepancies can provide a training tool for future projects, and may serve to flag a problem with the code itself."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

17. **No Formal Process for Management Review of Work.**

- a. **Finding.** The department does not have a formal review process in place to ensure the quality of the work being performed. We only noted one area, Plan Review, with any type of quality control process and they had only reviewed four files so far. In those files, instances were found where the less experienced Plan Reviewers had misinterpreted or misapplied the building code. Other areas of the department could benefit from having a small sample of their work tested on a periodic basis in order

to ensure the quality of the work. This would identify weaknesses, be a useful training tool, and ensure everyone was interpreting rules the same way.

- b. **Recommendation.** Management may want to consider creating a formalized control self assessment (quality control) process.

- c. **Management Comments.** Management concurred and stated, "Because of the technical nature of work, the great variety of activities and functions, and the extremely heavy workload under a continuing escalating volume, there has not been internal resources and time to do a complete or formalized quality control program. A formalized quality control program will be established by July 2002.

"One area that was not mentioned in the audit, and an area in which we presently are doing regular oversight and quality checks, is the inspection section. The lead inspectors for each discipline periodically check their inspectors for consistency, code compliance, and quality control."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

18. Procedures Manuals Were Not Current.

- a. **Finding.** Discussions with staff indicated that the Permit Clerks and Plans Coordination Clerks did not have current procedure manuals. Currently, each new hire is encouraged to take detailed notes. Turnover is relatively high in these positions and several experienced employees are approaching retirement age. It is important to capture the knowledge of the experienced employees and provide a reference for new hires.

- b. **Recommendation.** Management should use some of the extra time available during the winter months to create a useful procedure manual.
- c. **Management Comments.** Management concurred and stated, "Agree that existing outdated procedure manuals need to be updated and that new manuals need to be developed in the major functional areas that do not have one. This will be scheduled for the slower months of January, February, and March 2002."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

19. **A Backlog of Expired Conditional Certificates of Occupancy Was on File.**

- a. **Finding.** We noted that there were more than 600 expired CCO's. We were told that Plan Review had been working with the Building Board to revise the Administrative Code so that it would prevent a builder from obtaining a new permit if they had an expired CCO. This revision is designed to prevent future problems, but there was no plan in place to clear the backlog of expired CCO's.
- b. **Recommendation.** We recommend that steps be taken to clear the old CCO's. Management may want to decide to drop certain categories of CCO's, such as for residential landscaping. Alternatively, they could contact the owners/builders through a mailing or slowly parcel them out to the Inspectors for follow-up to clear the backlog of CCO's.
- c. **Management Comments.** Management concurred and stated, "Presently there is a backlog of outstanding Conditional Certificates of Occupancy (CCO's). Because inspections are a customer (builder/contractor/subcontractor/resident-builder) prompted activity, unless a customer follows-up or there is a certain problem that is

outstanding, the inspector's normal day is generally filled with current inspection requests. During times of slowed activities, such as during winter months, inspection staff has, and will continue to follow-up on, those expired inspections that can be handled with the daily workload. Many of the expired CCO's involve inspections directly associated with either landscaping or outside rough site final grading, which cannot be handled until spring and summer. Use of letter follow-up with potential deadlines to correct and complete work may serve to eliminate a certain amount of items. The new 2002 Administrative Code gives the Building Official the authority to direct this matter to the Building Board of Appeals. Such measures will serve to reduce this backlog, but may not completely eliminate it. In conjunction with these measures, 2002 code and amendment adoption changes will provide a form to allow the builder to shift responsibility for landscaping, grading, and other non-life safety related matters that may be holding up a permit closure to the new owner, if the new owner elects to complete the work themselves. While this may not relieve the CCO conditions, it allows a builder to proceed with new work. Determination of the seriousness of the specific items entailed may also eliminate the less critical issues. With regard to the existing backlog, the Plans Coordination Supervisor will meet with the Chief of Building Inspections and a member of the counter staff or counter supervisor and review all outstanding backlogged CCO'd permits. We will separate out those permits that appear to be critical and that require further inspections and corrections. The balance will be listed and placed in archives until time allows for retrieval. This review and separation will occur by April 15, 2002."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

20. Permit Volume Is Not Spread Evenly Throughout the Year.

- a. **Finding.** Approximately two-thirds of the permits are purchased in the summer months, with a large spike in April, while the Permit Center capacity remains constant. This slows down the process and stresses the employees.

- b. **Recommendation.** Management should consider some type of incentive to encourage contractors to apply for their permits during the winter months. This would help smooth out the workload and improve customer service. It did not appear practical to vary the staffing level due to their professional nature.

- c. **Management Comments.** Management concurred and stated, "It would be desirable to have permit volume spread more evenly throughout the year. This is, however, an industry driven matter that allows for design and planning during the winter months with main construction starting in the spring, extending throughout the summer and into the early fall. While permit applications slow during the later part of the fall into early winter, the construction season is fairly vigorous throughout the year, without regard to normal winter conditions. Many of the projects with electrical, plumbing, and mechanical permits have those permits issued after the main building permit has been released. This may occur in the late summer or early fall when a building has been closed in."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

Internal Audit Report 2001-9
Permit Center
Development Services Department
Office of Planning, Development and Public Works
December 31, 2001

Discussion With Responsible Officials. The results of this audit were discussed with appropriate Municipal officials on November 20, 2001.

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