

2. REPORTS TO BE RECEIVED FOR FILING:

- a. Division of Inspector General, Clerk of the Circuit Court and Comptroller, Report No. 2014-23 dated July 11, 2014 – Audit of Public Safety Facilities and Centralized Communications Center.
- b. Division of Inspector General, Clerk of the Circuit Court and Comptroller, Report No. 2014-29 dated August 28, 2014 – Audit of Building & Development Permit Revenue, Collection & Allocation.
- c. Division of Inspector General, Clerk of the Circuit Court and Comptroller, Report No. 2014-30 dated August 28, 2014 – Follow-Up Audit of Pinellas County Mosquito Control.
- d. Dock Fee Report for the month of August 2014.

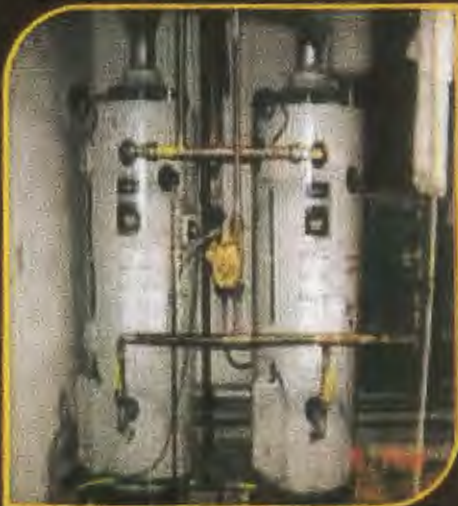


DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA**

AUDIT OF BUILDING & DEVELOPMENT PERMIT REVENUE, COLLECTION & ALLOCATION



**An Accredited Office of
Inspectors General**

**Hector Collazo Jr.
Inspector General/Chief Audit Executive**

**Audit Team
Ronald Peters, CIA, CISA, CIGA, CBA, CCL, CRMA – Inspector General Manager
Idalia Belski – Special Projects Assistant**

**AUGUST 28, 2014
REPORT NO. 2014-29**



Ken Burke, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

Clerk of the County Court
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

Division of Inspector General

510 Bay Avenue
Clearwater, FL 33756
Telephone: (727) 464-8371
Fax: (727) 464-8386
Fraud Hotline: (727) 45FRAUD (453-7283)
Clerk's website: www.mypinellasclerk.org

August 28, 2014

The Honorable Chairman and Members of the Board of County Commissioners

We have conducted an audit of the Building & Development Permit Revenue, Collection & Allocation.

Our audit objectives were to:

- Assure that all permit fees collected are deposited to the County bank accounts.
- Determine that fees collected are reported to the proper OPUS General Ledger account.
- Determine the reliability of the application security that "Structure Code" changes are controlled and access to Permits Plus data is adequate. Determine that the Permits Plus data can be used for test selection.
- At management request, review Business Technology Services (BTS) allocation of expenses to meet Building Construction Standards 553.70 and 553.898.

We conclude that the permit fees collected are properly recorded in Permits Plus applications, revenue is deposited into the County bank account and the transactions are posted to the correct OPUS General Ledger account. Permits Plus application and data security administrated by BTS is adequate to assure accurate information for the building permits process.

At the request of Building Management, we reviewed the BTS allocation descriptions and calculation method, and verified that the allocation expenses being paid by permit revenue complied with Florida Building Code 553.70 through 553.898. We recommended that Building Management consult with the Office of Management and Budget to determine the reasonableness of the 157% (\$262,000) increase in the BTS allocation between 2013 and 2014.

There were no Opportunities for Improvement presented in this report.



An Accredited Office of
Inspectors General

The Honorable Chairman and Members of the Board of County Commissioners
August 28, 2014

We appreciate the cooperation shown by the staff of the Building and Development Review Services Division during the course of this review.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Hector Collazo Jr.', with a long horizontal line extending to the right.

Hector Collazo Jr.
Inspector General/Chief Audit Executive

Approved:

A handwritten signature in blue ink, appearing to read 'Ken Burke', with a long horizontal line extending to the right.

Ken Burke, CPA*
Clerk of the Circuit Court and Comptroller
Ex Officio County Auditor

*Regulated by the State of Florida

TABLE OF CONTENTS

	Page
Introduction	5
Opportunities for Improvement	9

INTRODUCTION

Synopsis

The Building permit review process has proper internal controls and the revenue is recorded to the correct County General Ledger accounts.

Scope and Methodology

We conducted an audit of the Building and Development permit revenue, collection and allocation process. Our audit included the evaluation of internal control for fee collection, permit transaction processing and supporting documentation for the processes.

The objectives of our audit were to:

- Assure that all permit fees collected are deposited to the County bank accounts.
- Determine that fees collected are reported to the proper OPUS General Ledger account.
- Determine the reliability of the application security that "Structure Code" changes are controlled and access to Permits Plus data is adequate. Determine that the Permits Plus data can be used for test selection.
- At management request, review BTS allocation of expenses to meet Building Construction Standards 553.70 and 553.898.

In order to meet the objectives of our audit we:

- Interviewed management and reviewed supporting documentation to obtain an understanding of the process and related policies and procedures.
- On a sample basis, we reviewed the process flow of selected issued permits through posting of the fee collected to the OPUS accounts.
- We reviewed application controls for the allocation of fees recorded by Permits Plus reporting process to assure reliance on the information.
- At the request of management, we reviewed the BTS expense allocation for compliance to the Building Construction Standards, Florida Building Code 553.70 thru 553.898.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General*, and accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The audit period was January 1, 2014 to July 30, 2014. However, transactions and processes reviewed were not limited by the audit period.

Overall Conclusion

We conclude that the permit fees collected are properly recorded in Permits Plus applications, revenue is deposited into the County bank account, and the transactions are posted to the correct OPUS General Ledger account. Permits Plus applications and data security administrated by BTS is adequate to assure accurate information for the Building Permit process.

At the request of Building Management, we reviewed the BTS allocation descriptions and calculation method and verified that the allocation expenses being paid by permit revenue complied with the Florida Building Code 553.70 thru 553.898.

Our analysis did not cover the dollars allocated or the allocation factors used in the projection calculations. However, the dollar increase in the BTS allocation between 2013 and 2014 *does not seem reasonable* considering there was no operational change in the Building permit operation during the audit period. The budget allocation amount for 2013 was \$166,000 and the actual year-to-date for 2014 is \$428,000, a 157% increase (\$262,000).

It is recommended that Building Management consult with the Office of Management and Budget to determine the reasonableness of the increase in the BTS allocation. An allocation increase may have an impact on the ability of the department to cover operating costs by the current permit fee revenue paid by customers; increases may result.

Background

The Building and Development Review Services Division provides building inspection and development review services to the County's unincorporated areas, and by contract to several Pinellas municipalities. The general services available are:

- Construction Planning Review (Commercial and Residential)
- Multi-Trade Permits
- Site Planning
- Habitat Management
- Zoning Clearance
- Public Works (Special Event Permits and Right of Way Permits)

Development Review Services provide a single, multi-disciplinary team approach to the review of applications for land development activities to ensure the quickest, most efficient, effective and coordinated review possible.



The services are offered at the Building Division Office and on-line for contractors.



The Permits Plus application is a commercial software package purchased by the County. The application allows for collection of permit related fees and fines both online and in person. The system generates transaction reports of all the collections recorded in the system. These reports support the daily bank deposit. The Permits Plus report information does not interface with the General Ledger OPUS system. The General Ledger transactions are manually generated from reports rendered by the Permits Plus application.

OPPORTUNITIES FOR IMPROVEMENT

Our audit did not identify any audit findings; therefore, there are no Opportunities for Improvement presented in this report.



DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA
CLERK OF THE CIRCUIT COURT
& COMPTROLLER
PINELLAS COUNTY, FLORIDA

SERVICES PROVIDED

AUDIT SERVICES

INVESTIGATIONS

GUARDIANSHIP SERVICES

CONSULTING

TRAINING

GUARDIANSHIP FRAUD HOTLINE

COUNTY FRAUD HOTLINE



An Accredited Office of
Inspectors General

Call: (727) 45FRAUD

(727) 453-7283

Fax: (727) 464-8386

Internet: www.mypinellasclerk.org

 [www.twitter.com/pinellasig](https://twitter.com/pinellasig)

 www.facebook.com/igpinellas



Write:

Fraud Hotline

Public Integrity Unit

Division of Inspector General

510 Bay Avenue

Clearwater, FL 33756