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*Excellence...Always*

*Paula S. O'Neil, Ph.D.*  
*Clerk & Comptroller*  
*Pasco County, Florida*

February 14, 2019

The Honorable Mike Wells, Chairman, and  
Members of the Board of County Commissioners  
Pasco County Board of County Commissioners  
8731 Citizens Drive  
New Port Richey, Florida 34654

Dear Chairman Wells and Members of the Board:

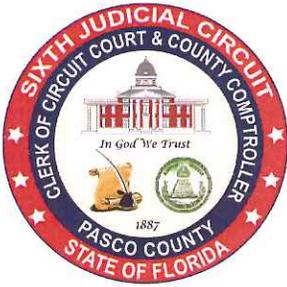
Enclosed is Audit Report No. 2017-05. The Department of Inspector General (IG) conducted an audit of the processes related to the assessment, calculation, and collection of Mobility Impact fees for commercial properties.

The overall objective was to determine compliance by the BCC with the Pasco County Land Development Code, and to evaluate internal controls over processes related to the assessment, calculation, and collection of Mobility Impact Fees. Specifically, the audit objectives were to:

- Determine if Mobility Fees for commercial properties were assessed, calculated correctly, and collected in accordance with the provisions of the Land Development Code.
- Determine if non-payments of Mobility Fees due to credits or other deviations from the fee schedule were authorized, documented, and in compliance with the Land Development Code, contracts, and/or agreements or letters of credit.
- Determine if controls over the assessment and collection of Mobility Fees were adequate.

Based on the results of the completed audit, 9 audit comments were identified. All comments and recommendations were discussed with management, and their responses were included in this report.

The internal controls over the assessment, calculation, and collection of Mobility Fees required improvement to ensure Mobility Fees and Administrations fees are assessed and collected in accordance the Pasco Land Development Code, and to reduce the risk of errors and loss of revenue.



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Pasco County Board of County Commissioners  
February 14, 2019  
Page 2

The recommendations made in this report were provided to improve the overall control environment. The results of the audit were as follows:

**Compliance:**

1. An Independent Mobility Study was not requested in accordance with the Land Development Code. However, based on the study, the customer received a 48% reduction in mobility fees.

**Control:**

2. There were unexplainable gaps in the sequence numbers of building permits issued during the audit period.
3. Documentation was incomplete or did not exist.
4. Mobility fees and administration fees were not always assessed and/or collected in accordance with the Pasco Land Development Code.
5. There was a lack of review and management oversight.
6. Policies and procedures were not updated.
7. There was a lack of segregation of duties.
8. Parcel identification numbers were not always correct.
9. Related permits were not always referenced in Accela.

We appreciate the cooperation and professional courtesy received from management during this audit. Please let us know if you wish to discuss any of the information provided in the report.

We request the Board to receive and file the report.

Sincerely,

*Paula S. O'Neil, Ph.D.*  
*Clerk & Comptroller*

PSO/pmm

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*Office of Paula S. O'Neil*  
*Clerk & Comptroller*  
*Pasco County, Florida*

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**Pasco County Board of County Commissioner**

**Central Permitting Division**

**Audit of Mobility Impact and Administration Fees**

March 12, 2019



**Department of Inspector General**

Patrice Monaco-McBride, CIG, CIGA, CGFO  
Inspector General

Erika Hendricks, CIA, CIGA, CFE  
Auditor III

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Auditor I

Report No. 2017-05

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## **Executive Summary**

### **Background Information**

As a result of inquiry #2017-07, the Department of Inspector General (IG) conducted an audit of the assessment and collection of mobility fees and the corresponding administration fees collected by Pasco County Board of County Commissioners' (BCC) Central Permitting staff. The inquiry was performed in response to an anonymous letter received by the IG, alleging that the mobility fees for commercial building permit applications were not properly assessed. The inquiry did not uncover evidence that there were intentional errors in the assessment of the fees, but revealed concerns about the oversight and accuracy of the assessment and collection of mobility fees for commercial applications.

On July 12, 2011, the BCC approved and passed Ordinance no. 11-08, the Mobility Fee Ordinance, that replaced transportation impact fees with Mobility Fees. On October 18, 2011, the Mobility Fee Ordinance was removed from the Code of Ordinances, and was codified into Section 1302.2 of the Pasco County Land Development Code. On November 5, 2014, the mobility fees were amended and approved by the BCC resulting in some mobility fee decreases and increases.

The growth and development in Pasco County (County) required extensive improvement to the transportation network and resulted in regulation of development activity that generated new travel demands. Development activity generating new transportation demands required the payment of Mobility Fees to help finance necessary new capital improvements to maintain an acceptable level of transportation system capacity and quality of life in the County. The County and participating municipalities were divided into three Mobility Fee Assessment Districts: Assessment Districts A, B, and C. Assessment District A was urban, District B was suburban, and District C was rural. The assessment districts were utilized solely to determine which mobility fees a building or development permit was required to be assessed.

In addition to mobility fees, new development was charged an administration fee to administer and implement the Mobility Fee Program. The Mobility Fee Program included the preparation and update of the mobility fee study, schedule, ordinance, and the calculation and collection of mobility fees. The Central Permitting Division was responsible for this area of operation.

The mobility and administration fees (fees) were assessed upon the issuance of a building permit for any development, and were collected and to be paid prior to the issuance of a Certificate of Occupancy (CO) for the development. When a CO was not required, the fees were to be collected and paid prior to the final site inspection of the development. For example, a permit for a security alarm would not have a CO or have been assessed mobility fees.

On June 25, 2013 the BCC approved a contract for Accela Solutions Land Management System (Accela). Accela's Land Management application helped track and manage land use and community development activities such as permits, building safety, document or plan review, and inspections. Accela replaced the Mainframe system and went live on April 11, 2016.

### **Objective**

The overall objective of the audit was to determine compliance with the BCC Land Development Code (LDC), and to evaluate internal controls over processes related to the assessment,

calculation, and collection of mobility fees, including the administration fee. Specifically, the audit objectives were to:

1. Determine if fees for commercial properties were assessed, calculated correctly, and collected in accordance with the provisions of the Land Development Code.
2. Determine if non-payments of fees due to credits or other deviations from the fee schedule were authorized, documented, and in compliance with the Land Development Code, contracts, and/or agreements or letters of credit.
3. Determine if controls over the assessment and collection of fees were adequate.

### **Scope and Methodology**

The audit period included commercial building permit activity from April 15, 2016 through July 31, 2017. The nature and scope of the audit was intended to provide objective and relevant assurance, and to contribute to the effectiveness and efficiency of governance, risk management, and control processes as they related to the assessment, calculation, and collection of fees for commercial properties. The audit was limited in scope and did not include a review of fees for residential properties.

Although the audit team exercised due professional care in the performance of this audit, this did not mean that unreported noncompliance or irregularities did not exist. The deterrence of fraud, and/or abuse was the responsibility of management. Audit procedures alone, even when carried out with due professional care, did not guarantee that fraud or abuse was detected. The audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. The purpose of this report was to provide an independent, objective analysis, recommendations, and information concerning the activities reviewed. It was not an appraisal or rating of management.

The IG audit team planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. The evidence and documentation obtained during the audit process provided this reasonable basis.

To achieve our objectives, the procedures performed included, but were not limited to, the following:

- Developed an understanding of procedures and controls for assessing, calculating, and collecting fees. Information obtained and reviewed included internal policies and procedures, the County LDC, and Florida State Statutes.
- Obtained and reviewed a report of building permits issued in the County from April 15, 2016 through July 31, 2017.
- Interviewed key personnel involved in the assessment and collection of fees.
- Randomly selected a sample of 237 building permits.
- Judgmentally selected a sample of 19 building permits identified during the inquiry discussed in the background information of this report.

- Reviewed and verified the permit files provided to the lead auditor.
- Identified and documented discrepancies and opportunities for improvement.

### **Scope Limitation**

When the auditor does not receive all information and explanations that are deemed necessary for the completion of the audit, limitation of scope arises. A scope limitation is a restriction on an audit that may be caused by the audit client, issues beyond the control of the audit client, or other events. This scope limitation did not allow the lead auditor to complete all aspects the audit procedures, therefore, the conclusions made in this report may not be representative of the entire population.

- Central permitting staff was unable to provide the IG a complete report of all building permits in the County opened from April 15, 2016 through July 31, 2017.
- 31,614 out of 109,673 (29%) permits were excluded from the report provided by County staff. The missing permit numbers identified were not accounted for by County staff and verifiable documentation as to the reason the permit numbers were excluded was not provided to the IG audit team.

### **Statutory Authority and County Guidelines**

To conduct this audit, the IG relied on the following authoritative guidelines to serve as criteria:

- 2017 Florida Statutes, Chapter 163, Section 163.31801 – Impact fees; intent; definitions; ordinances levying impact fees.
- 2017 Pasco County Land Development Code, Chapter 1300, Section 1302.2 – Mobility Fees.

### **Conclusion**

Overall, the internal controls over the assessment, calculation, and collection of fees required improvement to ensure they were assessed and collected in accordance with and the County LDC. Updated policies and procedures that include segregation of duties and management oversight were basic internal controls that helped ensure accuracy and completeness during the work-flow.

Central Permitting staff was unable to provide the IG a complete report of all building permits in the County that were opened from April 15, 2016 through July 31, 2017. Approximately 29% of the building permits were excluded from the report and not accounted for by County staff. In addition to the building permits missing from the report, there were instances of missing and/or incomplete documentation within individual building permit files that were tested.

Missing documentation, inconsistency between permit file documentation and Accela, lack of management oversight, and outdated policies and procedures were the root cause of the exceptions verified during testing. The absence of aforementioned items created delays and limitations during fieldwork.

The recommendations made in this report were offered to strengthen the control environment and improve the accuracy and consistency of the public records associated with building permits. The comments and recommendations in this report were discussed with management, and their verbatim responses were included in this report.

The Department of Inspector General thanks the Central Permitting Division for their professionalism and cooperation during this audit. Based on the documentation reviewed and audit procedures performed, the IG identified nine opportunities for improvement:

No.	Description	Page Reference
<b>Comments (Compliance):</b>		
1.	An Independent Mobility Study was not requested in accordance with the Land Development Code. However, based on the study, the customer received a 48% reduction in mobility fees.	6
<b>Comments (Control):</b>		
2.	There were unexplainable gaps in the sequence numbers of building permits issued during the audit period.	7
3.	Documentation was incomplete or did not exist.	7
4.	Mobility fees and administration fees were not always assessed and/or collected in accordance with the Pasco Land Development Code.	9
5.	There was a lack of review and management oversight.	12
6.	Policies and procedures were not updated.	13
7.	There was a lack of segregation of duties.	13
8.	Parcel identification numbers were not always correct.	14
9.	Related permits were not always referenced in Accela.	15

## Audit Comments & Recommendations

**Note:** Building permit numbers were redacted as a courtesy to the applicants.

**Compliance:** Since compliance with agreements, contracts, laws, rules, regulation, policies and procedures is expected, recommendations were not provided.

**1. An Independent Mobility Study was not requested in accordance with the Land Development Code. However, based on the study, the customer received a 48% reduction in mobility fees.**

Pursuant to Section 1302.2(F)(3)(a) of the Land Development Code, any person who believed the land use code was incorrectly assigned in the Mobility Fee Schedule had the option to provide an Independent Mobility Fee Study. A request to submit an Independent Mobility Fee Study for consideration was required to be received no later than 60 days after the issuance of a building permit, or by 5/21/2017.

A permit for a stand-alone business was originally assessed Land Use Code 934 for fast food restaurant with drive-thru. The original amount assessed for mobility fees was \$121,562.92. According to an email included in the permit file, the customer did not agree that the permit qualified as a fast food store, and requested the transportation planner to re-examine the impact fees.

Based on a Pinellas county trip generation study from 2011, the mobility fees were reassessed using a land use code with similar dollar amounts per 1000 feet. Land Use Code 853 for convenience store with gas pumps was used to reassess mobility fees. The mobility fees were reduced by \$58,852.67 or 48.41%.

The building permit was issued on 3/22/17, and the email from the customer stating there did not seem to be a proper land use code category was received on 10/03/17. This exceeded the 60 day requirement.

**Management Response:** *During the initial assessment of Impact Fees for this permit, Central Permitting had yet to acquire Zoning. The acquisition started in July of 2017 and only 1 Development Review Technician in Zoning was employed and working on this permit. Around the time of the Trip Study, new policies and procedures were being implemented to accommodate Zoning staff members as well as new training for Central Permitting staff. Central Permitting recognizes that the time frame of 60 days was surpassed with this Trip Study and plans to create a Standard Operating Procedure and training session to address and prevent any issues in the future. For future assessment of this type of use, the use will now be assessed as Land Use Code 853 – Convenience Store with Gas Pumps as the trip rate and impact on transportation aligns with this Use.*

**Corrective Action Plan:** *Central Permitting will train staff members and create an SOP that will outline the requirements, procedures, and time restrictions for Traffic Impact Studies.*

**Target Completion Date:** 10/30/2018

**Control Activities:** Listed below are comments that represent opportunities to strengthen the internal controls. For each comment, a recommendation was included.

**2. There were unexplainable gaps in the sequence numbers of building permits issued during the audit period.**

31,614 out of the 109,673 (or 29%) of permits expected to appear on the Building Permit Report provided by Central Permitting were not reflected on the report. This total included temporary permit files that appeared to be removed directly from database. The missing permit numbers identified could not be accounted for by staff or the vendor. As noted above, this resulted in a scope limitation.

**Recommendation:** The permit numbers discussed above should be further reviewed to determine what corrections are required. In addition, monthly, produce a building permit report of all permits issued in Pasco County, identify gaps and missing numbers, and identify discrepancies. Management should also review these building reports to verify the gaps and missing numbers are valid.

**Management Response:** *The missing sequence numbers that were unaccounted for and could not be identified may be due to 2 reasons: 1. The sequence numbers are stored in memory, and the server may be auto restart because of some unknown error. The stored, unused sequence numbers will all be lost when restarting, causing sequence numbers to be skipped. 2. A failed application consuming the sequence number, thus resulting in no records in the database using that particular sequence number.*

**Corrective Action Plan:** *Produce a report at the end of the month and meet with the Accela team to identify the missing sequence numbers. This will provide more information on how and why these sequence numbers are being skipped or potentially deleted. Central Permitting and the Accela team will then provide a solution to the skipped or missing sequence numbers.*

**Target Completion Date:** *April 2019*

**3. Documentation was incomplete or did not exist.**

According to the Pasco Land Development Code, the mobility fees and administration fee were to be collected and paid prior to the issuance of the CO for a development.

The Pasco County Land Use Code (LUC) identified the type of dwelling of the new construction and was used to calculate the mobility fee. The LUC was reflected in documents maintained in Accela or in the permit file.

An Impact Summary was completed for all new construction (Residential and Commercial) and maintained in the permit file or in the documents section in Accela. The Impact Summary was to be completed whether or not impact fees were applicable. According to Central Permitting Staff, one Development Review Technician (DRT) would prepare the Impact Summary, and then a second DRT would verify the assessment and initial the summary.

A permit file was maintained for each building permit. The permit files included the building permit, permit application, impact summary, receipts, building plans, and other documents related to the permit process.

The Accela system and Permit Files lacked complete, sufficient documentation, and information could not be verified to determine if mobility fees were properly assessed. The following was noted:

- For three building permits that required a Certificate of Occupancy (CO), the CO date was not reflected in the Accela Summary or Documents screen in Accela, and it was not included in the Permit File. As a result, IG could not determine if a CO was issued.
- For 14 building permits that required a Land Use Code (LUC), the LUC was not reflected in Accela or in the permit file.
- For 13 building permits, the Impact Summary was not included in the permit file and it was not reflected in the 'Documents' section of Accela.
- Five building permit files were not provided to the IG team because Central Permitting Staff could not locate these files.

**Recommendation:** Amend current policies and procedures to describe the process of how to properly complete documentation, and list the documentation to be included in each permit file and in the documents section of Accela.

We recommend management improve record maintenance, establish consistent practices, and develop a monitoring process to ensure sufficient and proper documentation is maintained.

To ensure the public records are accurate and complete, we also recommend that management perform a review, and correct the supporting documentation maintained in the permit files and the Accela system for the permit files referenced above.

**Management Response:** *Fewer permits are active that were submitted in Mainframe and more permits are applied for in Accela. This makes tracking and reviewing permits much more convenient since Accela is a much more capable software with more detail to each permit than Mainframe. This also allows Central Permitting to relate permits together and transfer necessary data such as Land Use Codes and Documents attached to any related permit. Accela also has controls that reduce errors such as Certificates of Occupancy that are automatically generated based on the permit type and inserted in the Documents section on that specific permit. Central Permitting and the Accela team continue to strive to make assessing and collecting fees easier through automation which reduces human error significantly.*

*For the 3 permits where the CO was not documented as stated by the Inspector General above, these permits were all closed while in Mainframe. Central Permitting keeps a PDF file online [here](#) to show the final inspection date, the date the CO was available, and the date the CO was issued. The PDF files that these 3 permits were listed on did not work during the time of this audit, but Central Permitting is working with IT to resolve the issue.*

*For the 14 permits that required a Land Use Code, but were not provided in Accela as stated by the Inspector General above, Central Permitting recognizes the issue and created a Commercial Development Review Technician SOP that outlines all of the requirements needed to document the calculation of impact fees, including inserting the applicable Land Use Code until proper automation is in place for commercial permits. For the 14 permits in question, all permit Land Use Codes have been updated to reflect the proper land use.*

*For the 13 permits that required an Impact Fee Summary, but was not provided in Accela as stated by the Inspector General above, Central Permitting gave all Development Review Technicians scanners to scan in all necessary documentation including the Impact Fee Summary to resolve this issue in October of 2017. Also, as of October 2017, Central Permitting requires 2 signatures on the Impact Fee Summary, 1 by the Preparer, and 1 by a Lead Development Review Technician before being uploaded into Accela. This new procedure is outlined in the new Commercial and Residential Development Review Technician Standard Operating Procedures. For the 13 permits in question, all Impact Fee Summaries have been scanned and uploaded into Accela as of 9/30/2018.*

*For the 5 permits that were not provided to the Inspector General by Central Permitting, Accela has all 5 permits documented with all necessary documentation provided in the documents section as well as the permit Summary tab. With the upcoming implementation of Accela Phase 2, all permits including building plans will be scanned into Accela to provide 2 ways to access the permit information rather than just the hard copy permit package. For Fiscal Year 2019, Central Permitting is hiring 4 more Records Technicians and purchasing large scanners to accommodate the increased demand in permit intake and the implementation of Accela Phase 2.*

**Corrective Action Plan:** *Work with the Accela team for automation of Commercial Building permit fields such as Impact Fee amounts as well as Land Use Codes, when applicable. Update all Standard Operating Procedures when necessary.*

**Target Completion Date:** *April 2019*

#### **4. Mobility fees and administration fees were not always assessed and/or collected in accordance with the Pasco Land Development Code.**

According to the Land Development Code (LDC), Chapter 1300, Section 1302.2, mobility fees and administration fees were to be paid prior to the issuance of a CO. When a CO was not required, mobility fees were to be paid prior to final inspection.

The following issues were noted regarding incorrect mobility fee assessments and/or collections:

- The mobility fees and administration fee for one permit were not assessed and collected; however, a Certificate of Occupancy (CO) was issued and certified by the building official on 03/24/17.
  - According to CP staff, the permit was related to a build out permit. All fees were assessed on the build out permit. CP staff also stated the permit was considered a Statute of Limitations (SOL) permit, since more than 60 days had passed and there was no activity on the permit. When the project was re-permitted, the \$1.00

place holder was deleted, and fees were not assessed to the new permit. The amount of the assessment should have been \$13,778.80.

- Five permits were assessed mobility fees less than what should have been due because the incorrect land use code was assigned. As a result, the incorrect mobility fees were paid. After the IG brought this to management's attention, the permits were reassessed leaving a balance due of \$940 each, or a total of \$4,700. In addition, the impact fee sheets and Land Use Codes were revised to reflect the correct information on 09/12/2018.
- The administration fee, \$392, for one permit was initially assessed, but was not collected. According to CP staff, a former Inspection Scheduler deleted the fee on 04/27/16.
- One permit was initially assessed the correct mobility impact fees, but the wrong amount was paid/collected. The amount paid (\$6,227) was more than the amount originally assessed on the Impact Fee Summary as of 12/21/16 (\$4,565). After IG brought this discrepancy to management's attention, it was determined that a refund was necessary.
  - According to CP staff, on 2/1/17, the LUC was updated in the system in error to LUC #210.3p. The incorrect LUC increased the mobility fees by \$1,662. The fees were paid on 05/17/18, after the LUC was changed. CP was in the process of issuing a refund to the customer (as of 09/6/18).

**Recommendation:**

To ensure the public records are accurate and complete, and to recover any revenue loss, we recommend that management perform a review of the supporting documentation maintained in the permit files and the Accela system for the building permits referenced above.

**Management Response:** *When Central Permitting acquired Zoning in July of 2017, there was only one employee that assessed impact fees for Commercial Building permits. Management in Central Permitting as since hired a second Commercial Development Review Technician for checks, balances, segregation of duties, as well as to accommodate the increased demand for permits.*

*For the 5 permits that were assessed Mobility Fees less than what should have been due as stated by the Inspector General, the Land Use Codes were mis-assessed as Land Use Code 210.3P – 1,501 s.f. to 2,499 s.f. The Habitable square footage of each permit was 1,480 s.f., making the Land Use Code 210.2P – 0 s.f. to 1,500 s.f. A request to receive the \$940.00 additional Mobility Fees for each permit was sent on 9/12/2018 by Central Permitting to the Contractor.*

*For the permit where the CO was issued on 3/24/2017 as the Inspector General stated above, only 1 Commercial Development Review Technician (DRT) was employed. As demand for Commercial Permits increased, the Commercial DRT asked another DRT in the Zoning Department to assist with the permit in question due to time constraints. The assisting DRT believed that the original permit in Mainframe that went Statute of Limitations (SOL) paid impact fees. When the permit was re-permitted in Accela, the assisting DRT deleted the impact fees that needed to be paid. The Commercial DRT never verified the*

*work, so the fees were never paid. Central Permitting has requested to collect the \$13,778.80 worth of Transportation Impact Fees for this permit on 10/22/2018.*

*Central Permitting recognized the permit demand increase and the need for checks and balances, so the department hired a second Commercial DRT and updated the policies and procedures when the department acquired Zoning in July of 2017. Central Permitting also updated two Standard Operating Procedures to outline specific duties for Residential and Commercial Development Review Technicians in Fiscal Year 2018. To provide employees the training they require, Central Permitting spends one hour per day that is dedicated toward training staff members.*

*For the 1 permit that was assessed the Administrative Fee, but was deleted by an Inspection Scheduler and was never collected as stated by the Inspector General above, Central Permitting restricted the management rights in Accela. Management rights in Accela include voiding fees and payments as well as access to modules such as Trust Accounts. By restricting the rights to only managers, department heads and the Fiscal Team, voiding and deleting fees can be tracked more easily. Accela also documents which staff member and on what date fees are deleted or voided, so management can resolve any issues that arise. For the 1 permit, Central Permitting has drafted a request to receive the \$392.00 Administrative Fee and was sent to the contact for this permit on 10/22/2018.*

*For the 1 permit that was over-assessed Impact Fees as stated by the Inspector General above, Central Permitting was still perfecting automation during this time period. The Land Use Code, which is used to determine Mobility Fee amounts, was updated in error on 2/1/2017. With the new procedure implemented in October of 2017, the fees on the Impact Fee Summary are checked by a Lead Development Review Technician, before being sent to the customer. This exposes any system errors that could change fee amounts and allows Central Permitting to address and correct the issue. For the 1 permit that was over-assessed Impact Fees, a refund memo was signed by Central Permitting and sent to Finance to issue the refund of \$1,662.00 on 9/7/2018.*

*Land Use Codes and Impact Fees, including the Administrative fee for Commercial Building permits, have yet to be automated due to the complexity and variety of Commercial permits. Central Permitting is working with the Accela team to provide a solution to the automation of the necessary fields within each permit to reduce human error and to help aid in the assessment and collection of fees.*

**Corrective Action Plan:** *Central Permitting will conduct a Quality Assurance test throughout the year to ensure the proper assessment and collection of fees. Through the use of this test, policies and procedures can be updated to reduce errors in our permitting process. Central Permitting is also working with the Accela team to automate the correct Impact Fees for commercial permits as well as Land Use Codes in order to assess the correct Mobility Fees.*

**Target Completion Date:** *The Quality Assurance Test will begin on 1/1/2019. The target date for automation of commercial permit fields is April 2019.*

## 5. There was a lack of review and management oversight.

There was no indication that the impact summary was reviewed by a second employee, or that the mobility fees inserted, deleted, and/or updated was reviewed for accuracy.

- For 41 building permits, the 'checked by' section in the Impact Summary did not reflect a signature.
- For 119 building permits, the Fee History in Accela reflected \$1.00 mobility fees that were inserted, deleted, and/or updated to a different amount. Documentation provided by management for these permits did not reflect evidence of secondary review.

**Recommendation:** Amend current policies and procedures to direct employees to perform a secondary review of the impact summary, and to direct management to periodically monitor the fee history in Accela for accuracy (monthly, quarterly, etc.) To ensure the public records are accurate and complete, we also recommend that management perform a review, and correct the supporting documentation maintained in the permit files and the Accela system for the permit files referenced above.

**Management Response:** *When Zoning was acquired by Central Permitting in July of 2017, new policies and procedures were implemented. One of the new procedures required two signatures on the Impact Fee Summary, 1 by the preparer, and 1 by a Lead Development Review Technician to verify the fees. This procedure was implemented at the end of the scope of this audit (April 15<sup>th</sup>, 2016 – July 31<sup>st</sup>, 2017).*

*Commercial permits currently need to have a \$1.00 placeholder for the Mobility fees until proper automation is in place due to the complexity of Commercial permits involving prior credit towards Mobility fees, adjustment or determination of the proper LUC or agreements that may affect the Mobility fee or Buy-Down amounts. Central Permitting is working with the Accela team to automate Mobility fees by square footage and the applicable Land Use Code. The fees could later be adjusted based on independent traffic studies conducted by the company as well as any credits from previous building uses.*

**Corrective Action Plan:** *Central Permitting is working to automate these fees that are based on the square footage of Commercial permits, but these may still need to be adjusted on the above criteria.*

*The Controls put in place for secondary review are that as of July 2017, Central permitting acquired Zoning and hired a second Commercial DRT to review and verify the fees assessed and collected on Commercial permits.*

*A new procedure was implemented via a meeting in October 2017 that required the Impact Fee Summary sheet to be signed by 2 different DRTs to verify the Impact fee amounts before being sent to the customer.*

*A Quality Assurance Test will be in place to monitor new policy changes such as testing for 2 signatures on the Impact Fee Summaries and correct assessment of Impact Fees.*

**Target Completion Date:** *The Quality Assurance Test will begin on 1/1/2019. The target date for automation of commercial permit fields is April 2019.*

## 6. Policies and procedures were not updated.

The Commercial Permitting Standard Operations Procedure (SOP) was not updated to reflect the current process in Accela. The SOPs described the process from the Mainframe (Legacy) system.

Pasco Land Development Code, Chapter 1300, Section 1302.02, Mobility Fees, section F provided guidelines for the imposition and calculation of mobility fees and administration fees. Credits, exemptions, refunds, and enforcement of mobility fees were also outlined in the Land Development Code. However, the codes did not provide detailed operational procedures that staff could follow and rely upon for adequate and consistent documentation.

**Recommendation:** Update the Commercial Permitting SOPs to reflect the current process and the correct system. These procedures should describe the process to complete and verify documentation related to the imposition, assessment and collection of mobility fees and should supplement the Land Development Code. The SOPs should also be communicated to employees involved in processing mobility fees to enhance the workflow.

**Management Response:** *Central Permitting took over the Commercial Mobility/Impact Review in late July 2017 when the department inherited the Zoning and Intake Department. Zoning had only 1 staff member working on Commercial Mobility/Impact Reviews. Central Permitting soon hired a second Commercial Development Review Technician and updated SOPs to accommodate the new hire and outline specific tasks for assessing fees.*

**Corrective Action Plan:** *Central Permitting has been updating Standard Operating Procedures (SOP's), trained 2 more staff members and hired another Accountant II. As the processes change to be more efficient and reduce errors, Central Permitting updates the current SOP's. Central Permitting also has dedicated 1 hour per day towards training staff members.*

**Target Completion Date:** *The Standard Operating Procedures for Commercial and Residential Development Review Technicians have been completed on 9/6/2018. The target date for training staff members is ongoing since this is a daily task.*

## 7. There was a lack of segregation of duties.

Segregation of Duties (SOD) was a basic building block of sustainable risk management and Internal controls for an agency. The principle of SOD was based on shared responsibilities of a key process that dispersed the critical functions of that process to more than one person or department. Without this separation in key processes, fraud and error risks increased and were far less manageable.

One of the basic elements of internal control involves segregation of duties in such a manner in which the work of one employee is checked by others, and the responsibilities for custody of assets is not placed in the same employees that maintains the accounting records.

For 30 building permits, the Accela Fee History reflected mobility fees that were deleted, inserted, and/or updated by the same employee who prepared the Impact Summary or the same person who collected the payment.

**Recommendation:** To strengthen internal controls and ensure accuracy, the employee who inserts, deletes, or updates the fees in Accela should not be the same employee who prepared the Impact Summary, collected the payment, or verified the calculation form.

**Management Response:** *During the time of this audit (April 15th, 2016 – July 31st, 2017), only one employee in Zoning assessed Commercial Impact Fees. During the acquisition of Zoning by Central Permitting in July of 2017, Central Permitting hired a second Commercial Development Review Technicians to segregate the duties. Central Permitting has also recently hired two full time cashiers to process Impact fee payments and/or credit letters associated with building permits for Segregation of Duties purposes.*

*Commercial \$1.00 Mobility fee placeholders are due to the complexity of assessment of these fees. Mobility fees and Buy-Down amounts can change due to prior credit, proper assessment of LUC or agreements. Central Permitting is working to automate these fees based on square footage and LUC at the time of application, but may be adjusted due to the above criteria.*

**Corrective Action Plan:** *We are in the process of automating the commercial mobility/impact fees in Accela to reduce errors when assessing impact fees.*

**Target Completion Date:** *April 2019*

#### **8. Parcel identification numbers were not always correct.**

According to GIS staff, parcel identification numbers were unique to each property and were used to identify properties in Pasco View, the Pasco Property appraiser, and other computer systems. A parcel identification number was a primary piece of data that determined how fees were calculated.

Nine building permits reflected a Parcel Identification number that did not produce results in Pasco View. When the IG inputted the parcel ID numbers into Pasco View, they did not exist in that system.

**Recommendation:** We recommend management improve record maintenance, establish consistent practices, and develop a monitoring process to ensure the documentation maintained in Accela and in the permit files is correct. To ensure the public records are accurate and complete, we also recommend that management perform a review, and correct data maintained in the permit files and the Accela system for the files referenced above.

**Management Response:** *Parcel numbers are pulled from Pasco View based on a staff member inputting the correct address from the permit application in Accela. The parcel numbers can be entered manually, but the operating procedure requires an address entry so Pasco View can insert important data into certain fields in Accela required for automation purposes. These important fields include:*

- *Legal description for proper assessment of Mobility fees*
- *MPUD for proper assessment of Mobility fees and potential surcharges*
- *Assessment Designation for proper assessment of Mobility Fees*
- *Benefit District for proper allocation of funds based on the Land Development Code*

*For the 9 permits where the Parcel ID was incorrect, all 9 have been updated in Accela as of 9/30/2018.*

**Corrective Action Plan:** *Central Permitting has implemented an SOP and trained staff to properly acquire the parcel information and verification for accuracy by following the SOP.*

**Target Completion Date:** *7/3/2018.*

#### **9. Related permits were not always referenced in Accela.**

During the audit, it was noted that numerous permits included in the test samples were related to other permits that reflected pertinent information (i.e. Land Use Code, impact fees paid, etc.). However, the related permits did not always reference each other in the Accela. This increased the opportunity for errors or inconsistencies in assessment of fees, and made it difficult to verify information.

**Recommendation:** Policies and procedures should be established that requires all related permits to be referenced in Accela and define how they should be referenced. This will also ensure that related permits are being referenced consistently, and may improve the accuracy of assessment and collection of fees.

**Management Response:** *For Fiscal Year 2019, Central Permitting budgeted for 4 new Records Technicians to aid in Phase 2 of Accela which includes scanning in all documents related to a permit and attaching them in the Documents section in Accela. It is necessary to hire more Records Technicians due to the increased demand of permits. Originally, only 1 Records Technician could keep up with the intake of the permits, but the demand increase caused a backlog of permit documentation being scanned into Accela. An SOP will be created to outline the specific tasks for these positions, including relating all necessary records by permit address.*

**Corrective Action Plan:** *Train the new Records Technicians to relate records based on the address of the property and create an SOP to which the Records Technicians can rely on.*

**Target Completion Date:** *January 2019*