

**City of Tampa
Internal Audit Department
Audit Program Guide
Construction Services & CS Impact Fees
Audits 01-20 & 01-21**

Budget Hours	Audit Procedures	Done By	W/P Ref.												
<i>Background</i>															
	<p>The Construction Services Center (CSC) of the Department of Business and Community Services is responsible for the administration and enforcement of Federal, State and local construction related codes. CSC was created in November 1993 to enhance customer service by locating representatives from all the City Departments involved in plan review, permits and inspections in a central location.</p> <p>The CSC is divided into three areas of service: Residential Development Services, which regulates all one and two family dwellings. Commercial Development Services, which oversees all multi-family dwellings and commercial projects. Inspectional Services, which conducts all of the site and building inspections for both residential and commercial projects.</p> <p>In February 1998, City Council passed Resolution 98-0267, which established a Customer Service Enhancement Fund. The purpose of the fund is to perfect customer service by improving existing systems and upgrading equipment as necessary.</p>														
<i>Statistics</i>															
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="text-align: center; width: 30%;">Fiscal <u>Year 2000</u></th> <th style="text-align: center; width: 30%;">Fiscal <u>Year 1999</u></th> </tr> </thead> <tbody> <tr> <td>Permits Issued:</td> <td style="text-align: center;">41,964</td> <td style="text-align: center;">35,702</td> </tr> <tr> <td>Permit Revenues:</td> <td style="text-align: center;">\$ 3,253,446</td> <td style="text-align: center;">\$ 2,813,212</td> </tr> <tr> <td>Customer Service Enhancement Fees</td> <td style="text-align: center;">\$ 264,899</td> <td style="text-align: center;">\$ 253,323</td> </tr> </tbody> </table> <p>Source: Permits Issued numbers were provided by the Construction Services Center. Revenues and Fees were obtained from the City's Financial System.</p>		Fiscal <u>Year 2000</u>	Fiscal <u>Year 1999</u>	Permits Issued:	41,964	35,702	Permit Revenues:	\$ 3,253,446	\$ 2,813,212	Customer Service Enhancement Fees	\$ 264,899	\$ 253,323		
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<i>Planning the Audit</i>															
	<ol style="list-style-type: none"> 1. Print Quality Control Package and process Auditor Assignment and Independence Statement page. 2. Prepare and send an entrance letter to applicable personnel in the area under review. 3. Prepare a planning program and include a time budget for the preliminary survey work. 4. Conduct an in-house review of the following: <ol style="list-style-type: none"> a) Financial Data b) Internal Policy & Procedures Manuals c) Applicable Rules, Laws and Regulations, and d) Prior internal audit reports and management comments 5. Schedule and hold an entrance conference with the Auditee. Obtain the 														

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	<p>name of the departmental contact person and secure a place from which to conduct the fieldwork portion of the audit.</p> <ol style="list-style-type: none"> 6. Begin Preliminary Survey by interviewing the appropriate personnel in the Auditee Department. Document the interviews with narratives in the work file. 7. Review and document Internal Control System. (Include control points, such as the location within the system of approvals, authorizations, segregation of duties, supervision, reconciliations, computer-generated error and edit listings, exception reports, etc.) 8. After gaining an understanding of various functions, conduct several transaction walk-throughs. Revise documentation as necessary. 9. Prepare a survey memo listing the strengths and weaknesses of the system. Discuss the areas of greatest risk and exposure to the City. Also, include suggested audit objectives and test procedures. Discuss with Audit Supervisor and the Deputy Director. 10. Prepare the audit program and include a time budget and estimated completion date. Index the preliminary survey file and turn in for review. The Planning Checklist page of the Quality Control Package should be completed by the Audit Supervisor. 11. Clear review notes and revise the audit program, if necessary. 		
Audit Scope			
	Based on the work performed during the preliminary survey and the assessment of risk, the audit period will cover the operations of Construction Services Center from October 1, 1999 to April 30, 2001.		
Audit Objectives			
	<ol style="list-style-type: none"> 1. Determine if permit applications were complete and consistent with policy. 2. Determine if plan examinations were performed within stated time goals. 3. Determine if applicable fees were assessed and calculated correctly for the project. 4. Ensure that plans receiving a "Conditional Plan Approval" have the identified deficiencies corrected prior to construction completion. 5. Determine if Customer Service Enhancement fees were charged in accordance with City Council Resolution 98-0267. 		
Objective 1: Determine if permit applications were complete and consistent with policy.			
	<ol style="list-style-type: none"> 1. Select twenty (20) residential and twenty (20) commercial projects for testing. 2. Test each of the projects selected for compliance in the accurate completion of the permit application. 3. Determine if the individual signing the permit application is authorized to do so by tracing name to the Permit System's authorized signature list. 4. Ensure that the contractor is licensed by tracing name to the Permit System's authorized contractor list. 5. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 6. Summarize and conclude. 		

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<i>Objective 2: Determine if plan examinations were performed within stated time limits.</i>			
	<ul style="list-style-type: none"> 7. Ascertain the time objectives established for completion of plan review by Commercial and Residential Services. 8. Compare actual time plan examination incurred for the projects selected for testing in Objective 1 to established objectives. Investigate material variances. 9. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 10. Summarize and conclude. 		
<i>Objective 3: Determine if applicable fees were assessed and calculated correctly for the project.</i>			
	<ul style="list-style-type: none"> 11. Utilizing the projects selected in Objective 1, recalculate the fees paid and ensure collection. 12. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 13. Summarize and conclude. 		
<i>Objective 4: Ensure that plans receiving a “Conditional Plan Approval” have the identified deficiencies corrected prior to construction completion.</i>			
	<ul style="list-style-type: none"> 14. Utilizing the residential projects selected in Objective 1, determine whether plans that received a conditional approval had the noted deficiencies corrected prior to construction completion. Test at least ten (10) conditionally approved plans, which may require additional samples specific to conditionally approved projects. 15. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 16. Summarize and conclude. 		
<i>Objective 5: Determine if Customer Service Enhancement Fees were charged in accordance with City Council Resolution 98-0267.</i>			
	<ul style="list-style-type: none"> 17. Utilizing the projects selected in Objective 1, recalculate the Customer Enhancement Fees and compare to actual fees charged. Document material variances. 18. Determine if expenditures from the fund were consistent with the guidelines established in Resolution 98-0267. 19. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 20. Summarize and conclude. 		
<i>Audit Wrap Up</i>			
	<ul style="list-style-type: none"> 21. Complete and index working papers. 		

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	22. Prepare a preliminary draft of the audit report. 23. Clear review notes. 24. Forward draft to auditee and request responses within 10 working days. 25. Incorporate auditee responses into the final audit report. 26. If requested, schedule and hold exit conference. 27. Quality Control Checklist of the Quality Control Package to be completed by the Deputy Director. 28. Present the audit report to the Mayor.		