

**PLANNING AND DEVELOPMENT  
CONSTRUCTION SERVICES CENTER  
AUDIT 16-08  
SEPTEMBER 26, 2016**



# CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

September 26, 2016

Honorable Bob Buckhorn  
Mayor, City of Tampa  
1 City Hall Plaza  
Tampa, Florida

RE: Construction Services Center, Audit 16-08

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on the Construction Services Center, Audit 16-08.

The Construction Services Division has already taken positive actions in response to our recommendations. We thank the management and staff of the Construction Services Division for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover  
Internal Audit Director

cc: Dennis Rogero, Chief of Staff  
Sonya Little, Chief Financial Officer  
Bob McDonough, Administrator of Economic Development  
Thomas Snelling, Director of Planning and Development  
John Barrios, Construction Services Center Manager

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*/s/ Vivian Walker*

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Vivian Walker, Auditor

*/s/ Christine Glover*

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Christine Glover, Audit Director

**PLANNING AND DEVELOPMENT  
CONSTRUCTION SERVICES DIVISION  
AUDIT 16-08**

**BACKGROUND**

The Construction Services Division (CSD), a division of Planning and Development, is a “one-stop shop” for all construction permitting and inspection needs. CSD “reviews construction plans, issues permits, and performs inspections to ensure building projects are built safely and in compliance with state and local codes and regulations to help ensure a vibrant, livable, and safe-built community.”<sup>1</sup>

**STATEMENT OF OBJECTIVES**

This audit was conducted in accordance with the Internal Audit Department's FY2016 Audit Agenda. The objective of this audit was to determine if permits are issued in compliance with established approval processes.

**STATEMENT OF SCOPE**

The audit period covered permitting activity that occurred from October 2015 through March 2016. Permitting workflows were viewed via Accela, automated software used by CSD. This audit did not include inspection activity after permit issuance.

**STATEMENT OF METHODOLOGY**

A limited data reliability review was performed related to the approval paths for Accela. Additionally, internal controls related to payment acceptance and overrides were discussed with Management.

**STATEMENT OF AUDITING STANDARDS**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusion based on the audit objective.

**NOTEWORTHY ACCOMPLISHMENTS**

CSD permitted nearly \$10 billion worth of construction from FY2011-FY2016 (projected) and set a record in FY2015 of permitting more than \$2.4 billion worth of projects.<sup>2</sup>

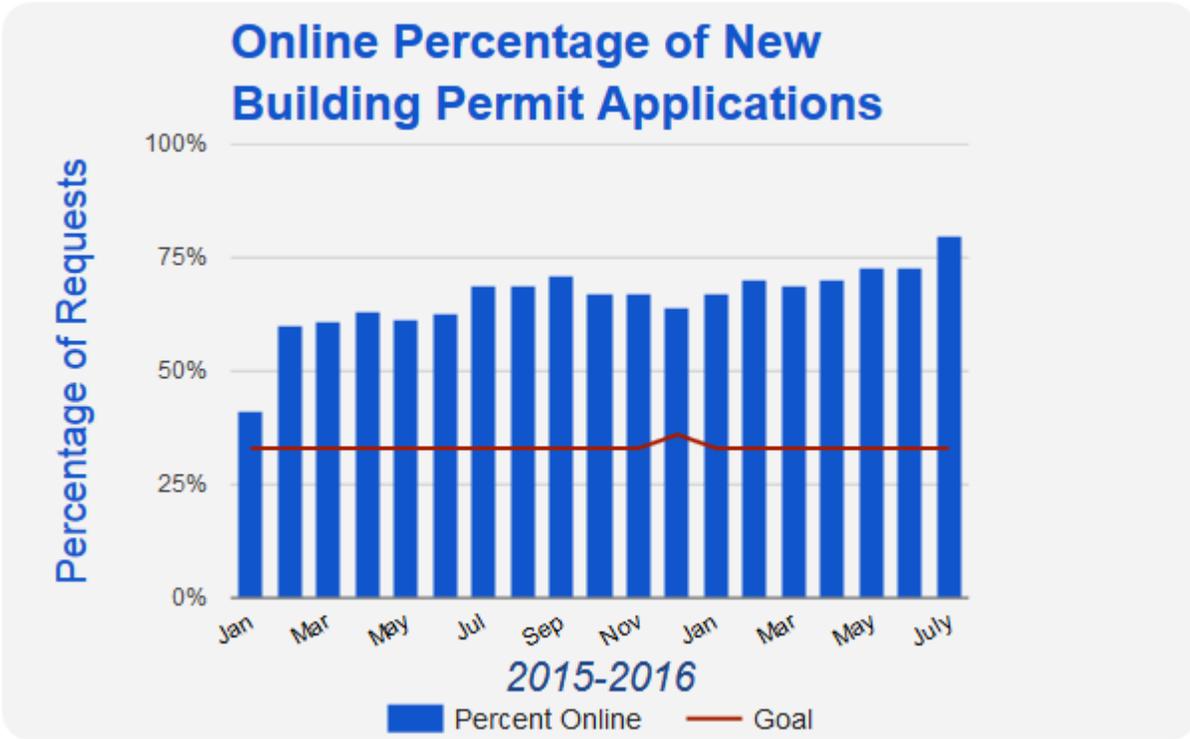
As of January 2015, an online permitting system – Accela was implemented. CSD has observed a 22% increase in online application traffic for new building permits and continues to exceed its 33% goal. Additionally, CSD has not only met the goal of 33% of all new building permits being submitted online vs in person, but – in the month of April (see chart below<sup>3</sup>), had online submissions of 63%.

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<sup>1</sup> Information taken from Construction Services Division webpage.

<sup>2</sup> Mayor's 2017 Budget Presentation

<sup>3</sup> Source: <http://www.tampagov.net/metrics/planning-and-development>



**AUDIT CONCLUSIONS**

Based upon the test work performed, we conclude that permits were issued in compliance with established approval processes. However, fees collected as required by the State of Florida are not being remitted.

## **REMITTAL OF STATE FEES COLLECTED**

STATEMENT OF CONDITION: The CSD is not remitting fees collected on behalf of the State of Florida quarterly as required. Since the implementation of Accela (January 2015), the quarterly report has not been submitted - along with the collected fees - to the State Department of Business and Professional Regulation or Community Affairs. The fees are being collected and are recorded in a dedicated account. As of May 2016, the trial balance for the account totaled more than \$360K. Note: Construction Services Management indicated that the State, through verbal communication explaining the issues associated with the City's Accela permitting software, was aware of the City's inability to report as required.

CRITERIA: Florida Statute 553.721 and 468.631 require the collection of a 1.5% fee for specified types of permits. The collected fees are to be remitted to the State Department of Business and Professional Regulation and the Department of Community Affairs on a quarterly basis.

CAUSE: The current software is not capable of providing the data necessary to report the required information to the State of Florida.

EFFECT OF CONDITION: Non-compliance with statute requirement to report activity and remit collected fees quarterly.

RECOMMENDATION: Management should document, in writing, that the State is aware of the inability to provide the data to support permit activity. Management should also pursue an alternative method of identifying the amount due to the State and remit as soon as possible, with any adjustments being made when the data becomes available.

MANAGEMENT RESPONSE – PLANNING AND DEVELOPMENT: We agree with the recommendation and offer the following explanatory comments. The Accela system implementation was a new implementation with many complex requirements. Upon go-live in 2015, all permit data was transferred to the new Accela system and we could no longer extract the data from the old system in the particular manner required by the State. It became clear earlier this year that the required report would not be a standard feature of the system. The changes required to the software to report activities to the State of Florida have been made. These changes will meet the State's particular reporting needs. Reports and remittances to the State of Florida will be forwarded to the State of Florida prior to the end of September. We have taken care to automate the report and reinstate our previous procedure and generating reports and payments every quarter as required by the State. We will also provide written documentation to the State of Florida explaining the reason for the delay.

TARGET IMPLEMENTATION DATE: September 2016