



**Internal Audit Committee of  
Brevard County, Florida**

**Internal Audit of  
Building Permitting – One Stop**

**Prepared By:  
Internal Auditors  
April 26, 2019**



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April 26, 2019

The Audit Committee of  
Brevard County, Florida  
2700 Judge Fran Jamieson Way  
Viera, Florida 32940-6699

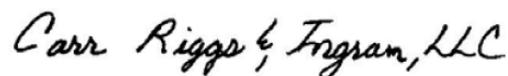
Pursuant to the approved 2018/2019 internal audit plan, we hereby submit our internal audit of the Building Permitting – One Stop function. We will be presenting this report to the Audit Committee at the next scheduled meeting on May 8, 2019.

Our report is organized in the following sections:

<b>Executive Summary</b>	This provides a summary of the observations and testing results related to our internal audit of the Building Permitting – One Stop function.
<b>Background</b>	This provides an overview of the Building Permitting – One Stop function.
<b>Objectives and Approach</b>	The internal audit objectives and focus are expanded upon in this section as well as a review of our approach.
<b>Observations Matrix</b>	This section provides the results of our internal audit procedures, including our recommended actions and management’s responses.
<b>Other Observations</b>	This section provides a summary of observations made during the internal audit process and recommendations.

We would like to thank all those involved in assisting the Internal Auditors in connection with the internal audit of the Building Permitting – One Stop function.

Respectfully Submitted,



**INTERNAL AUDITORS**

## **Executive Summary**

# Executive Summary

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## Overview

The Building Permitting - One Stop program (“One Stop”) is administered and coordinated by the Building Code Division (“Division”) of the Planning & Development Department (“Department”). The Chief Building Official is the Building Code Division Manager. The primary function of the Division is the administration and enforcement of the Florida Building Code and other state and local laws, rules and regulations governing building construction. The Division is completely fee supported and receives no general fund revenue support. The permitting and inspection process is the mechanism used for ensuring building construction meets the minimum construction code standards. The One Stop program centralizes the building permit process by providing customers a single point of contact to other County agencies that have related construction rules and regulations.

The focus of this internal audit is to review the processes and controls in place and evaluate the County’s response to meeting the community’s increased building and development needs specifically with respect to the permitting process via the One Stop program.

## Objectives

The primary objectives were to assess whether the system of internal controls over the One Stop function is adequate and appropriate for promoting and encouraging the consistent application of management’s objectives for compliance with policies and procedures.

## Observations

Observation ratings are a subjective evaluation of the severity of the concern and the potential impact on the operations. An observation rating of “High” represents an issue of immediate concern and could cause significant operational issues if not addressed soon. A “Moderate” rating is an issue that may also cause operational issues and does not require immediate attention but should be addressed as soon as possible. Observations given a “Low” rating could escalate into operational issues but can be addressed through the normal course of conducting business.

The following is a summary of observations noted.

Ratings by Observation	Risk Rating
1. <i>Contractor License Validation</i>	Moderate
2. <i>Permit Application Review</i>	Moderate
3. <i>Department Website Links</i>	Low

## Testing Results Summary

We randomly selected and tested 40 permits issued during the last 12 months ending January 31, 2019:

Sub Process / Testing Criteria	Results
Permit Application Intake – reviewed applications for accuracy & completeness including but not limited to: owner contact info, contractor info, notice of commencement, etc.	
Permit Review & Approval – verified that the proper One Stop agencies reviewed the permit based on permit type and that any deficiencies were resolved before approval.	
Permit Issuance – verified permits were issued after final approvals were obtained & fees were calculated and paid in accordance with the County approved fee schedule.	

## **Background**

# Background

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## Overview

The Building Permitting - One Stop program (“One Stop”) is administered and coordinated by the Building Code Division (“Division”) of the Planning & Development Department (“Department”). The Chief Building Official is the Building Code Division Manager. The primary function of the Division is the administration and enforcement of the Florida Building Code and other state and local laws, rules and regulations governing building construction.

The Division is completely fee supported and receives no general fund revenue support. The permitting and inspection process is the mechanism used for ensuring building construction meets the minimum construction code standards. The One Stop program centralizes the building permit process by providing customers a single point of contact to other County agencies that have related construction rules and regulations.

## Application Intake

The One Stop process starts with the customer submittal of a building permit application to the Building Code Office. Applications are processed and distributed to One Stop review agencies using a central computer software program, Accela. The Accela program provides a workflow process that tracks agency reviews and inspections, and provides a method for fee assessment and collection. Accela also provides for file maintenance and digital file storage of all documents, plans, and surveys associated with each application. The agencies in the One Stop review include:

- Building Code - Florida Building Code plan review and inspections.
- Concurrency – Review of water & sewer capacity certificates from utility providers.
- Fire Prevention – Florida Fire Prevention Code plan review and inspections.
- Impact Fees – Assess impact fees per County adopted impact fee schedule.
- Land Development – Review residential plans for lot drainage, driveways, and sidewalks.
- Natural Resources Management – Review landscape, wetlands and environmental impacts.
- Public Works - Review for right-of-ways and easements.
- Zoning – Review for zoning regulations

Configuration within the Accela system enables a selection of various workflows and permit types. The scope of work identified on a permit application determines the permit type selected for entry into Accela, which in turn determines the appropriate workflow and review agencies.

The application intake process is handled by Customer Service Representatives (CSRs). The CSRs perform a preliminary completeness/sufficiency “Triage” review of applications, create an application within Accela system, and scan/upload all documents and plans submitted with the permit application. The next step is review by One Stop agencies. The Accela system provides a task list alerting review agencies of applications ready for their review.

## Background - continued

### Application Review

Review agencies work from their respective agency task lists and perform reviews of application documents and plans for code compliance. Review agencies perform reviews in the order received with a goal of completing all reviews within seven calendar days of receipt. Review turnaround times are monitored through a weekly “score card” report (see below - unaudited). The report reveals the seven-day review time goal is consistently met 95% of the time or better. Each review agency either approves the application or makes a finding of deficiencies and assesses the appropriate fees into the Accela. Agency deficiency comments are logged into the Accela system and are available to the customer through the County’s online system permit, BASS (Brevard Advanced Service System). Customers are notified upon completion of all agency reviews and informed the application is approved or deficient. Deficient application reviews go back to Application Intake status waiting for customer response to deficiency comments. Approved applications move forward to permit ready for issue status.

The summary and lists are color coded to indicate the amount of time in review: green is 7 calendar days or less from application or revision submittal, yellow 8 to 10 calendar days, and red indicates those applications that have not been reviewed for 10 or more days from submittal. The color-coding is intended to aid in prioritizing reviews and to assist in monitoring the One Stop team’s progress.

March 11 – March 15 Average Daily Intake: Applications Per Day 86							
Agency	Total No. In Review	0 - 7 days Old	8 - 10 Days Old	Over 10 Days old	% 0 - 7 Days	# Reviews Completed	Average Days to Complete
Building	35	35			100%	329	2.2
Concurrency	0				100%	1	1.0
Fire	44	42		2	95%	60	6.7
Impact Fees	0				100%	23	1.0
Land	31	31			100%	122	3.5
NRM	147	146		1	99%	138	7.4
Water Resources	18	18			100%	62	1.7
Zoning	3	3			100%	189	2.4

	Total in Customer Contact	0-1 Days	2 Days or More	% 0-1 Days
Customer Contact/Review Status	11	11		100%

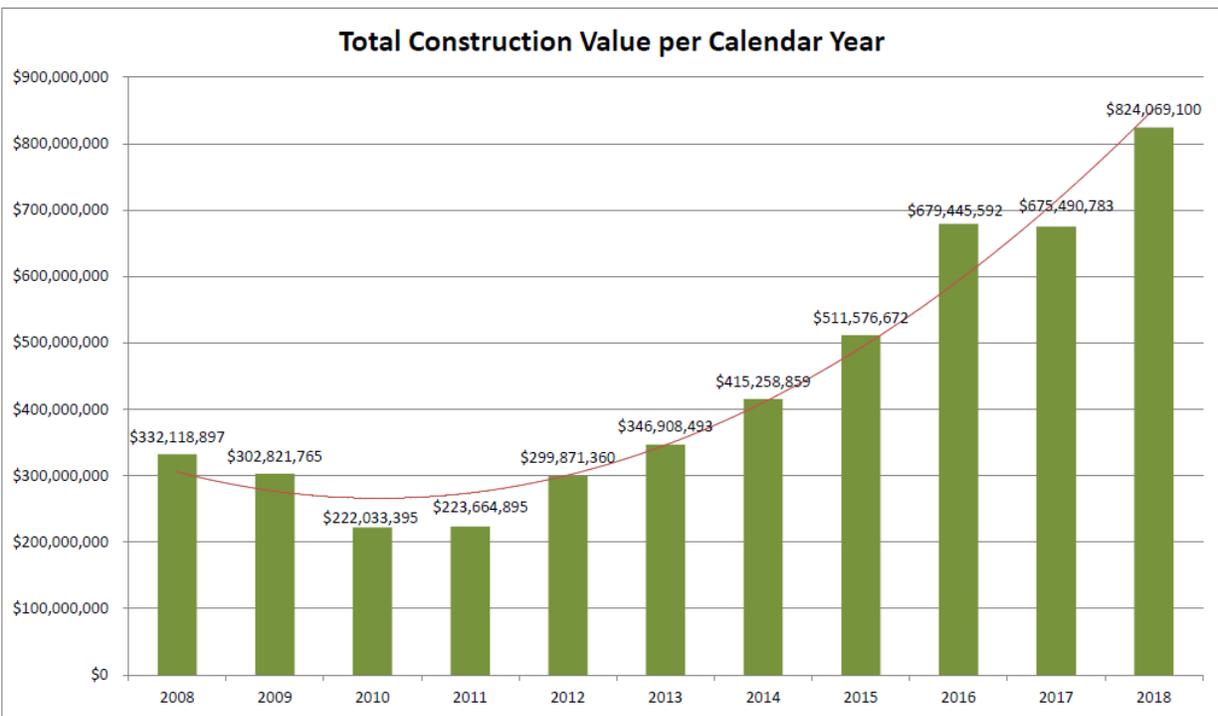
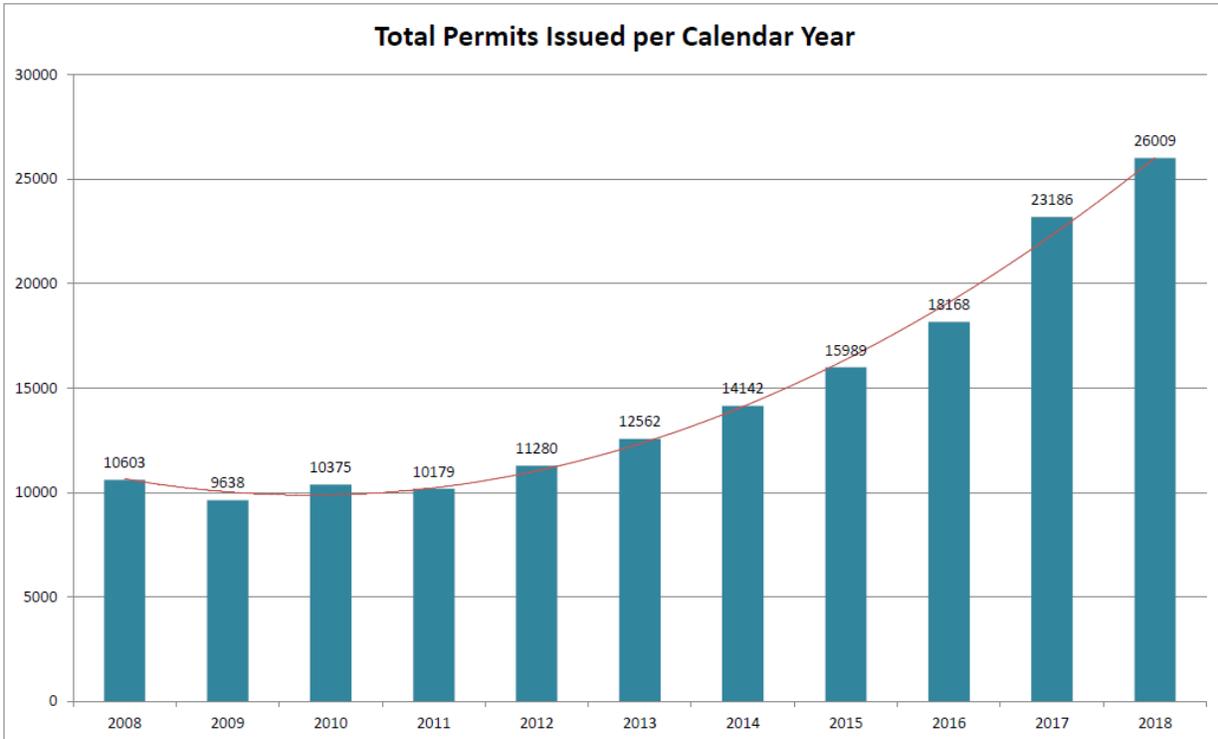
### Permit Issuance

The customer pays the permit fees assessed by the review agencies; then the permit is issued. The project commences and the work is inspected as it progresses. Upon successful completion, the permit status becomes final. Depending upon the scope of the project, a certificate of occupancy or certificate of completion is issued.

# Background - continued

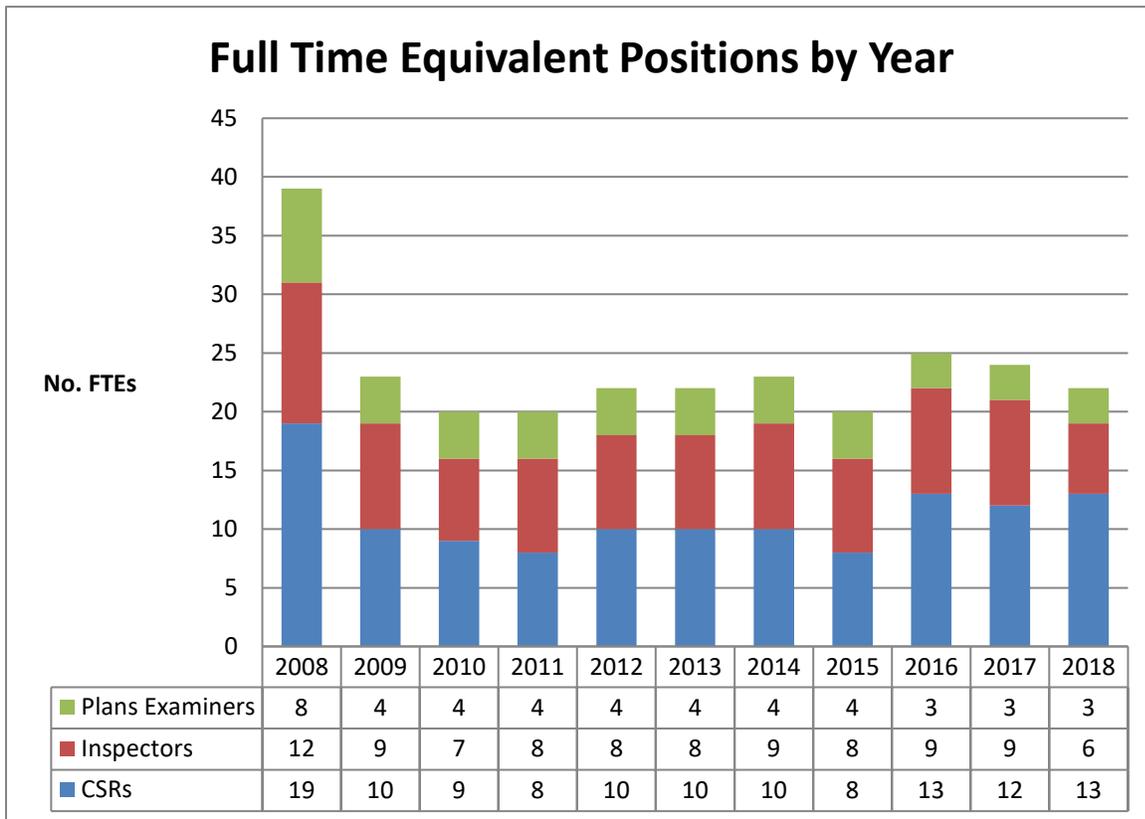
## History/Background

The building permitting program has used the Accela computer system since late 2007. This system was implemented during the economic downturn when staff were reduced by 60%. See charts below.



Source: Chief Building Official (unaudited)

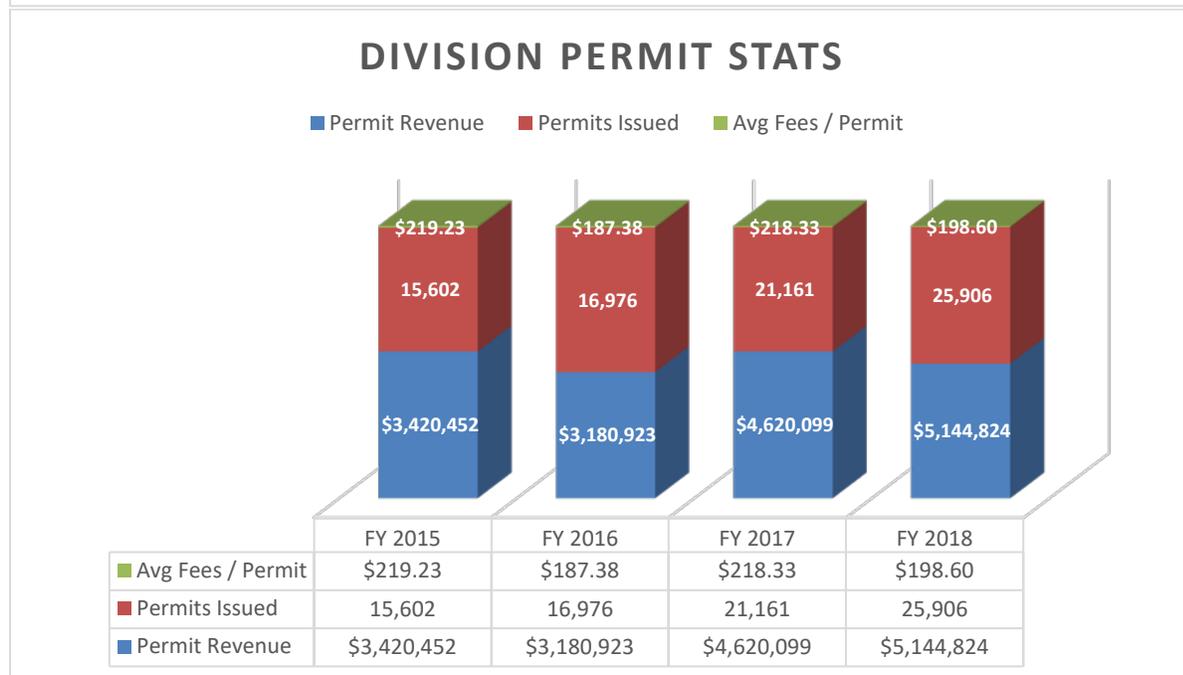
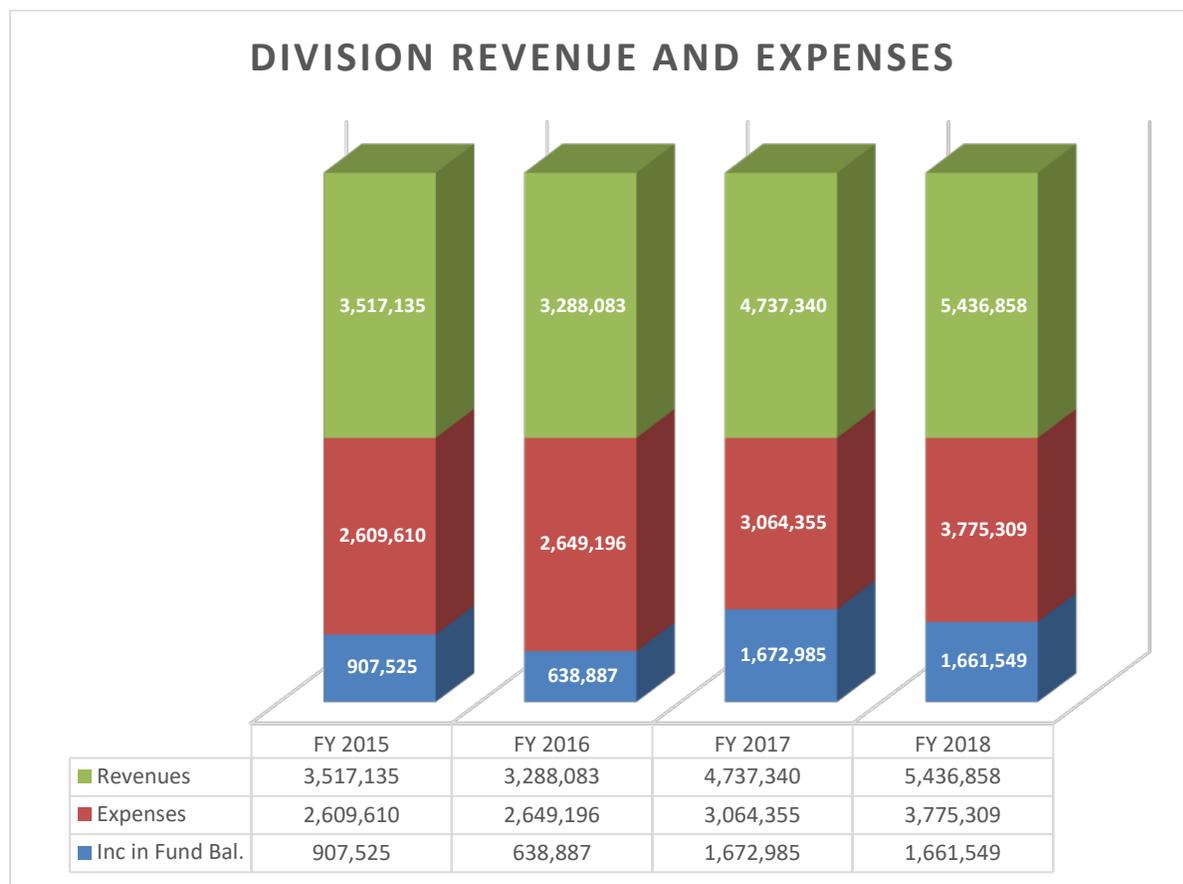
## Background - continued



**Source: Chief Building Official (unaudited)**

Although there has been significant recovery in the construction sector, through the leveraging of the Accela technology, the County has not had to increase staff levels to pre economic downturn levels, yet appears to still be able to efficiently serve its customers - as demonstrated in the above charts (pages 4 – 6).

## Background - continued



**Source: Chief Building Official (unaudited)**

The fluctuations in permit revenue and average fees per permit from year to year are a function of the following: permit types, individual job values and permit volume. FY 2018 permit stats were adjusted to exclude the effect of building permit fees waived by the County Commissioners for repairs of Hurricane Irma related damages, which increased the average fees per permit by approximately \$14.

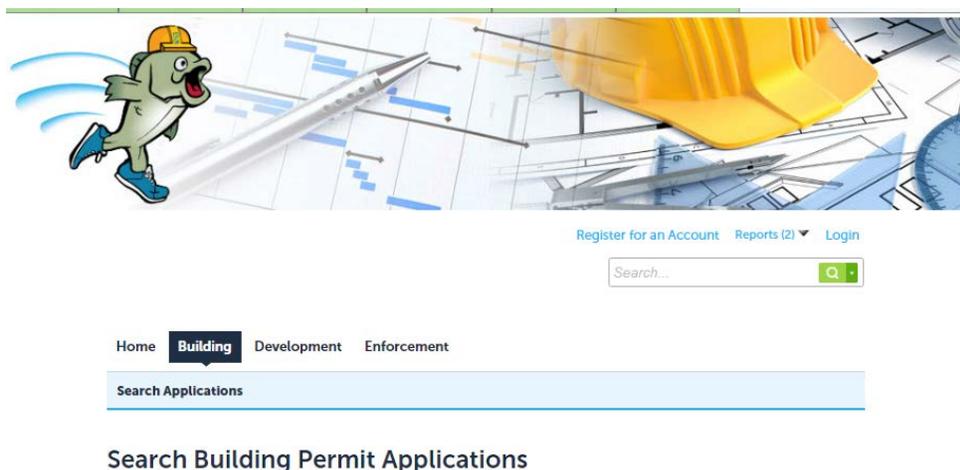
# Background - continued

## Digital and Online Services

The County's focus in the last five years has been on providing its customers online service capabilities through the implementation of the Brevard Advanced Service Site (BASS) online permitting system. The County has also implemented the digital plan submittal and review process to allow acceptance of permit documents and plans in a digital (pdf) format instead of paper, with the ultimate goal of going completely paperless. Online services through BASS provide citizens and customers with 24/7 real time access to permitting information within the Accela database. Online services includes the ability for customers to perform online permit search, make online payments, track permit application status and access review comments, schedule inspections and view inspection results. The BASS system provides licensed contractors with a secure account registration enabling online submittal of certain permit application types and online issuance of permits. Current available online permit types include:

- Residential and Commercial Roofing
- Residential and Commercial HVAC Mechanical
- Residential Fences
- Residential Swimming Pools
- Residential Swimming Pool Resurface
- Residential Whole House Generators
- Residential Demolition
- Residential Door/Window/Hurricane Shutters
- Residential and Commercial Electrical
- Residential and Commercial Plumbing

To date about 45% of all permit applications received are through the BASS online system. Additional online permit types will be offered in the near future with the goal of all permit types being available online.



## Organization & Staffing

The Building Code Division (“Division”) is part of the Planning & Development Department (“Department”). Key personnel from the Department that are involved in the operations and assisted in the internal audit included:

Name	Title
Tad Calkins	Director
Michael K. McCaughin	Chief Building Official
Dawn Verostic	Customer Service Manager



## **Objectives and Approach**

# Objectives and Approach

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## Objectives

The primary objectives of this internal audit included the following:

- Obtain an understanding of the Building Permitting – One Stop Function.
- Assess the building permitting processing and related review & approval controls.
- Verify compliance with statutes, policies, procedures, administrative orders and by-laws.
- Review performance measures and identify potential benchmarking opportunities.

## Approach

Our internal audit approach consisted of three phases:

### **Understanding and Documentation of the Process**

During the first phase, we held an entrance conference with key personnel involved in the Building Permitting – One Stop program to discuss the scope and objectives of the internal audit work, obtain preliminary data, and establish working arrangements. We reviewed Florida Statutes, administrative orders, County policies and other relevant resources. We gained an understanding and documented the overall facilities management function, and related processes. We conducted interviews with management and staff and documented their respective roles in the processes. We updated our understanding of the processes and relevant controls.

### **Detailed Testing**

The purpose of this phase was performance of testing procedures based on our understanding of the Building Permitting – One Stop function to meet the objectives stated above. Our detailed procedures included inquiry, walkthrough and/or testing of individual transactions in the areas detailed below.

***Building Permitting*** - We performed a random sample of 40 building permits issued February 1, 2018 through January 31, 2019. We inspected building permit supporting documentation and other related support in Accela to test various controls in the building permitting process, verifying the following:

- Permit Application Intake – the permit application was accurate and complete based on the permit type; the CSR's submitted the permit application to the appropriate agencies in the workflow queue.
- Permit Application Review – the appropriate agencies reviewed the permit based on the type of permit; final approvals were provided only after any deficiencies were resolved.
- Permit Issuance – the CSR's only issued the permit after all the appropriate approvals were obtained, including indication that any deficiencies were resolved, by the applicable agencies and fees were calculated and paid in accordance with the County's approved schedule of fees.

***Performance Measures / Benchmarking*** - We reviewed the various current performance measures in place to determine if they were adequate and to identify any additional useful metrics and benchmarks (See background section above for examples of some of the performance measures utilized by management).

### **Reporting**

At the conclusion of our procedures, we documented our understanding of the Building Permitting – One Stop function and summarized our observations related to this function. We conducted an exit conference with management and have incorporated management's responses into our report. We prepared our report and related observations and provided copies to appropriate County personnel.

## **Observations Matrix**

Rating	Observation	Recommended Action	Management Response
<b>Moderate</b>	<b>1. Contractor License Validation</b>		
	<p>During our walk through of the permitting process with one of the CSR's, we noted the contractor in the Building permitting module of Accela showed as active (no license record deficiency was noted). However, when the CSR (with the internal auditor) took the additional step to verify the contractor's licensure status by accessing a different module in Accela and clicking on "Verify License" – the reply was "No records found".</p> <p>The CSR representative had to check with the County's Licensing, Registration and Enforcement (LRE) Division to determine the contractor's actual license status. An LRE representative indicated that the contractor's license had a deficiency due to expired insurance information, and therefore was currently not active until the deficiency was resolved.</p> <p>The CSR indicated that this is a known problem within Accela resulting from the LRE module not properly interfacing with the Building Permitting module. We followed up with the CSR Manager who confirmed that this is a known issue and has not yet been resolved.</p> <p>As such, the CSR's are supposed to independently verify the status of the contractor's license as part of the permitting application intake process and document any deficiencies in Accela accordingly.</p>	<p>We recommend that the Department continue to work with the County IT Accela designated in-house specialist to determine if this module interfacing issue can be resolved. Additionally, the Department should contact the software vendor to determine if there is a cost efficient way to resolve this matter.</p> <p>Resolving this module interfacing issue will reduce the risk of the CSR inadvertently issuing a building permit to a contractor with a deficient (inactive) license.</p>	<p><b>Response:</b></p> <p>The Accela Software team has explored adding a warning that appears when an attempt is made to utilize a contractor with a deficient license. However, the team believes this warning is compatible only with Internet Explorer, thereby mandating that browser's use by the front line employees. Before deploying this solution, we will explore software compatibility issues that could arise as a result of the customer service representatives being required to use Internet Explorer exclusively.</p> <p><b>Responsible party:</b></p> <p>Amanda Elmore, Special Projects Coordinator IV (supervisor/manager for the Accela IT Team)</p> <p><b>Estimated completion date:</b></p> <p>September 30, 2019</p>

Rating	Observation	Recommended Action	Management Response
<b>Moderate</b>	<b>2. Permit Application Review / Access</b>		
	<p>We noted through inquiry and observation that the CSR's have the ability to "turn on" or "turn off" which agencies are included in the Accela building one-stop permit application review and approval workflow queue.</p> <p>Per discussion with the Chief Building Official, Mike McCaughin, and Dawn Verostic, CSR Manager, the CSR's are supposed to leave Accela at the default setting. The default setting is all agencies are "turned on" for the permit review and approval process. Management prudently determined that it should be at the discretion of the respective agencies whether or not the permit type and scope of work would be "exempt" from their review (i.e. Fire, Impact Fees, and Zoning etc.) rather than the CSR.</p> <p>However, during our discussions with three of the CSR's at the front desk, some said they exercise their judgment and turn off the agencies that do not need to be included in the permit review process.</p> <p>We did not identify any exceptions in our detailed testing of 40 sample items out of a population of approximately 26,000 permits issued; however, there is the risk that one of the agencies that is required to review a particular permit could be excluded.</p>	<p>We recommend that management perform the following:</p> <ol style="list-style-type: none"> <li>a. Work with the Accela IT specialist (and or Accela software vendor, if needed) to determine if the ability to change the manual default setting from - all agencies review - can be restricted to the CSR Manager, Chief Building Official, designated lead; or if this is not feasible;</li> <li>b. Provide guidance / training to the CSR's not to change the Accela default setting that routes the permit applications to all One Stop agencies in the work flow review queue. This recommendation does not apply to management's predetermined configurations built into Accela, which for certain permit types will automatically designate which One Stop agencies must be included in the permit application work flow review queue.</li> </ol>	<p><b>Response:</b></p> <p>The Accela Software team checked the Accela function called 'In Process Task Activation' and determined that the function is part of the workflow and does not have the capability of selective permissions or restrictions. The function is essentially an all or nothing function, meaning all users have the ability to select or 'turn on or off' review agencies in the workflow, or no users have this ability. It has therefore been determined that Recommended Action Option b will be the method to address this issue. CSR's will be provided additional guidance and training as a business practice to not change the Accela default setting.</p> <p><b>Responsible party:</b></p> <p>Dawn Verostic, Customer Service Manager</p> <p><b>Estimated completion date:</b></p> <p>September 30, 2019</p>

Rating	Observation	Recommended Action	Management Response
Low	<p><b>3. Department Website Links</b></p>		
	<p>We noted that the Department of Planning &amp; Development portal on the County website includes various broken links under “How Do I...or Do I Need...; examples include (link resources are in blue italics):</p> <ul style="list-style-type: none"> <li>• Building Code FAQ’s                             <ul style="list-style-type: none"> <li>○ <i>“How do I access the Florida Building Code?”</i></li> <li>○ <i>How do I find impact fee information?”</i></li> </ul> </li> <li>• Code Enforcement FAQ’s – <i>“Do I need a permit?”</i> this is linked to “Contract Brevard County <i>Building Department</i> for permitting requirements. The link for <i>Building Department</i> does not work.</li> </ul> <p>For the broken links noted above, when we clicked on them, it resulted in the following error message:</p> <p><i>404 – Page Not Found</i></p>	<p>We recommend that County Management work with County IT and perform the following related to the Department webpages on the County website:</p> <ol style="list-style-type: none"> <li>a. Repair the broken links noted related to Building Code FAQ’s and Code Enforcement FAQ’s</li> <li>b. Review the various other links to identify any broken links that need to be repaired.</li> </ol>	<p><b>Response:</b></p> <p>This issue has been resolved. County IT is in an ongoing process to update and improve County web pages for ADA compliance. The Building Code web page was in mid process and the broken links have been removed/repared and now function correctly.</p> <p><b>Responsible party:</b></p> <p>Jennifer Jones, Special Projects Coordinator II</p> <p><b>Estimated completion date:</b></p> <p>Completed – April 17, 2019</p>

### ***Accela Functionality***

Based on our walkthroughs and discussions with the Customer Service Manager, the Chief Building Official, and various CSR's, we noted the following with regard to the functionality / usability limitations and / or need for enhancements of Accela (some of the Accela limitations were also included in the observations above):

- **Permit Intake Date:** The available Accela reports for permits issued does not include the date the permit application was accepted (date opened). As such, management cannot presently easily capture the actual time that elapses from permit application to permit issuance for monitoring / measuring purposes.
- **Permit Expiration:** Accela does not automatically "flag" permits for notice of expiration 30 days prior or upon reaching expiration date. Presently, CSR's manually track and monitor permit expiration dates.
- **Contractor License Verification:** The modules utilized by LRE to maintain the contractor's license status does not properly interface with the module used by the Building Code Division in the permitting intake, review and issuance process. The CSR's as noted at observation 1 must manually verify the status of the contractor's license and if the verification step results in "No record found," then the CSR must contact LRE to determine the status and document any deficiencies accordingly.
- **Permit Fees Tracking:** The available Accela reports do not separate building review fees from non-permitting related fees such as the various impact fees, which are not required to be paid until subsequent to permit issuance, but prior to the final inspection and issuance of the Certificate of Occupancy or equivalent. Being able to separate the permit fees from the non-permit fees (impact fees, etc.) is necessary for internal tracking / monitoring and external tracking benchmarking purposes.
- **Document Management:** The Accela document management system is limited in the manner in which the documents are stored and displayed. The Accela system stores and displays documents in list fashion in the order that they are uploaded. The list can become quite long for larger and more complex permits where multiple versions of plans and documents are submitted, often making it difficult to determine which plans and documents are the correct and latest approved version for construction or when responding to public records requests. The document management system should have a folder configuration or other means to separate and categorize documents and plans so they can be readily identified. The Accela document tool does not provide for renaming of uploaded documents, making a standard document naming convention difficult.

We recommend that the County work with the County Accela IT specialist and the Vendor to determine if Accela has the capability to perform the functions listed above. If Accela cannot be reconfigured or upgraded to perform these tasks in a cost effective manner, management should consider other vendor platforms taking into account the cost / benefits of a new platform including the other divisions / programs that would use the new platform.

**Performance Measures and Benchmarks**

Division management uses the following performance metrics to monitor and measure the building permitting process (included in background section above:

- Permit Processing Weekly Meeting / Dashboard – permit application or revision submittal turnaround time by One-Stop Agency
- Total Building Permits Issued – last ten years
- Total Single Family Residence Permits Issued – last ten years
- Building Permits Revenue – Budget vs. Revenue – last five years
- Construction Values – last ten years

We obtained the following city benchmarking metrics from an online 2017 published study by way of example of the kind of benchmarking metrics that are available:

- The cost of a building permit ranges from as low as \$218 to as high as \$5,000 per permit.
- The median cost per permit is between \$860 and \$1,403.
- The median time required to issue a building permit is between 30 and 60 days.
- The time to issue a building permit ranges from 6 days to 684 days.

There are other resources for useful standards, ratios and metrics for self-assessment that may be more relevant to Brevard County that the County ought to consider.

We recommend that the County review the available performance metrics and industry / peer benchmarks.