



CITY OF RICHMOND
CITY AUDITOR

DATE: August 13, 2019

TO: Mrs. Selena Cuffee-Glenn
Chief Administrative Officer

FROM: Louis Lassiter *LL*
City Auditor

SUBJECT: Department of Planning and Development Review (PDR)
Permits and Inspections Audit

The City Auditor's Office has completed the PDR Permits and Inspections audit and the final report is attached.

We would like to thank the Planning and Development Review staff for their cooperation and assistance during this audit.

Attachment

cc: The Richmond Audit Committee
The Richmond City Council
Sharon Ebert, DCAO Economic & Community Development
Mark Olinger, Director of Planning & Development Review

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City of
RICHMOND
Office of the City Auditor

Audit Report# 2020-02

**Department of Planning and Development Review
Permits and Inspections**



Audit Report Staff

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Highlights

Audit Report to the Audit Committee, City Council, and the Administration

Why We Did This Audit

The Office of the City Auditor conducted this audit as part of the FY19 audit plan approved by the Audit Committee. This audit focused on the permits and inspection process.

What We Recommend

The Building Commissioner:

- Update and reconcile the inventory listing to the actual number of elevators and provide an accurate listing to the vendor.
- Develop and implement a process for tracking, scheduling and validating the completion of elevator inspections/certificates.
- Reviewing and validate the invoices submitted by the elevator inspections vendor prior to processing payment and recover the overpaid funds.
- Ensure elevator billings are done timely and reconcile the deposits to RAPIDS for fees collected.
- Reconcile the variance between the cash receipts and RAPIDS for the elevator inspection fees.
- Ensure re-inspection fees are charged as required and work with PDR Director to update the EnerGov System to automatically assesses fees
- Develop a cross training inspector program, implement a quality assurance process and adjust the staffing level of inspections, in relation to achieving workload goals.
- Revise the staffing and workflow process for permit intake.

We made other recommendations to improve operations.



Permits & Inspections

Background

Permits and Inspections (P&I) is in the Planning and Development Review Department. P&I is responsible for accepting and reviewing permit applications and/or plans for new construction, renovations, electrical, plumbing, and other permits within the City of Richmond. Building permits are applications that require the City's approval for construction on property within the City. Fees are based on the permit type and value of construction. During CY2018, P&I issued 13,150 permits and 45,577 inspections.

Works Well

Permit fees for various trade types were properly calculated.

Needs Improvement

Findings #1 & #2– Elevator Inventory Accuracy, Inspections, and Certificate Issuance – P&I did not have an accurate listing of elevators. Based on a sample of 34 elevator locations, 19/34 did not have documentation to support the completion of Category 1 inspections and 18/34 did not have documentation to support the completion of Routine inspections and 17/34 elevators inspection reports identified the certificates were not current. The auditors also noted as of 6/25/2019 P&I had not issued current certificates for any of the City facilities managed by the Department of Public Works.

Finding #3 – Elevator Inspection Vendor – Duplicate Billings – The City paid twice for 24 inspections resulting in an **overpayment of \$3,752**.

Finding #4 – Unbilled Elevator Fees – P&I pays the vendor for elevator inspections then subsequently bills customers for the inspection. P&I did not bill customers for elevator inspections over the last three years resulting in estimated **lost/delayed revenues of \$1,057,545**.

Finding #5 – Re-inspection Fees - A total of 3,318 re-inspections that were eligible for re-inspection fees were not charged resulting in **lost revenues of \$138,323**.

Finding #6 – Permit Issuance Timelines - A sample of 100 permits revealed P&I did not meet their permit issuance goals. It took over 30 days to issue 18% of the permits tested.

Finding #7 - Inspector Workload - Inspectors conducted more than 15 inspections on a given day 721 times out of 3,757 (19%) of all inspection workdays during CY2018. To cover the heavy workload, the inspection supervisors also conducted inspections. The City does not have cross-trained inspectors to help efficiently address multiple inspections from the same property or in the same geographic area on the same day.

Finding #8 – Staffing - Staffing within the Permit Application Center was often not at full capacity. The Center was fully staffed only 14% of the time which impacts customer service.

Finding #9 – Process Workflow – A comparison with another county showed several potential efficiencies that can be achieved in the permit processing workflow.

Finding #10 – Contractors & Business Licenses - The EnerGov System is not configured to restrict issuing permits when a Contractor and/or City Business Licenses have expired.

Finding #11 – Special Revenue Fund – A total of \$55,817 was not allocated to the Technology Fund but was subsequently corrected when identified by the auditors.

Finding #12 – State Levy Submittal – The required 2% State levy on permit fees were not submitted timely or accurately to the State during FY2018 but was subsequently corrected when identified by the auditors.

Findings #13-16– We had other findings in the areas of: staff qualifications, document retention, policies and procedures and special inspections.

Management concurred with 28 of 30 recommendations. We appreciate the cooperation received from management and staff while conducting this audit.

BACKGROUND, OBJECTIVES, SCOPE, METHODOLOGY, MANAGEMENT RESPONSIBILITY and INTERNAL CONTROLS

This audit was conducted in accordance with the Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States. 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 the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

BACKGROUND

Permits and Inspections (P&I) is in the Planning and Development Review Department. P&I is responsible for accepting and reviewing permit applications and/or plans for new construction, renovations, electrical, plumbing, and other permits within the City of Richmond.

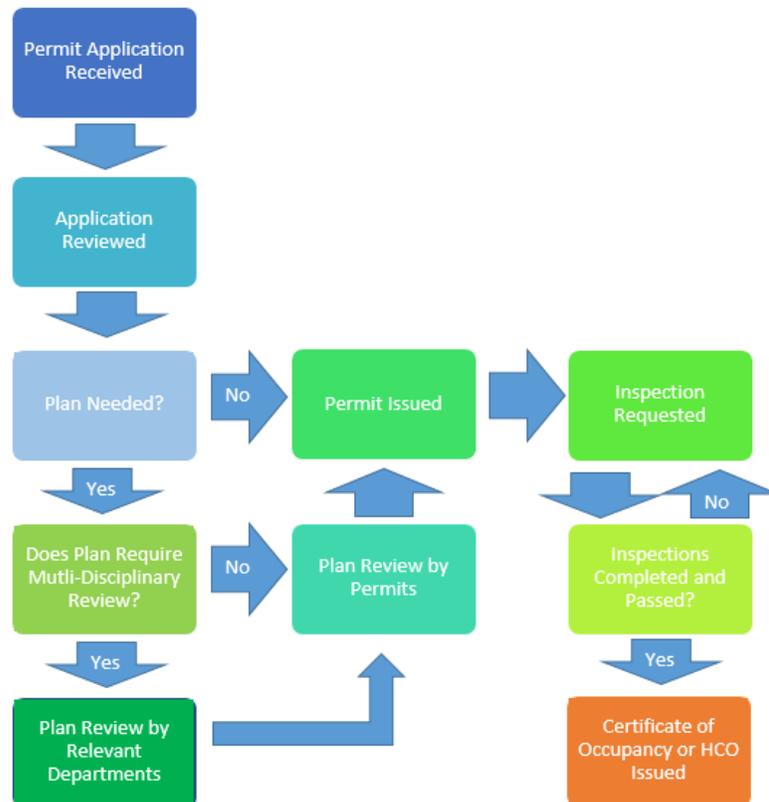
Building permits:

Building permits are applications that require the City's approval for construction on property within the City. Fees are based on the permit type and value of construction (*See Appendix A for fee Schedule*). Once permits are approved, inspections are completed at varying construction phases to ensure compliance with the Virginia Uniform State Building Code (VUSBC). During CY2018, P&I issued a total of 13,150 permits and 45,577 inspections.

Inspections:

Inspections are required to ensure compliance with VUSBC. Inspections are determined based on the type of permit and are completed at varying stages of construction. Inspections can be requested by permit applicants via phone system (IVR) and are scheduled for the next day. Depending on the number of inspections received and staffing availability, P&I contacts those

that cannot be completed within a day and reschedules them to the next available business day. The flowchart below shows the process flow from permit application to issuing a certificate of occupancy:



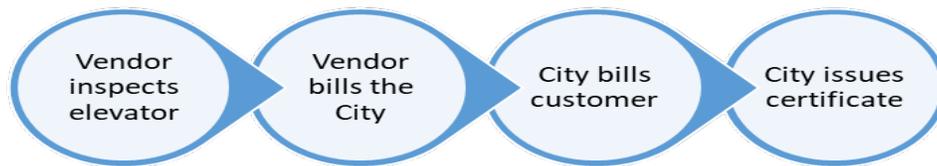
Auditor Prepared

Elevator Inspections:

Annual maintenance inspections on elevators begin six months after the completion of construction. Annually, there are two types of inspections completed on an elevator, Category 1 and Routine. Category 1 is a Life Safety inspection conducted once a year (elevator maintenance vendor is on site for inspection) and a Routine inspection (less detailed) is completed six months after. Every five years a Category 5 (full load) inspection is completed. This replaces a category 1 inspection during that period. Prior to the implementation of EnerGov, all inspections and elevators were tracked in a database called ELOPs. Each year the inspections would be

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automatically scheduled for the same two months each year based on their anniversary date. After the implementation of EnerGov, all tracking of elevators are done manually. The below chart represents the process for elevator inspections:



Budget and Actuals for FY2018

The following table represents PDR's FY2018 actual revenues and expenditures.

Cost Center Description	Revenues	Expenditures	Net Amount
Land Use Administration	\$1,036,717	\$312,975	\$723,742
Permits & Inspections Administration	\$8,262,334	\$3,685,238	\$4,577,096
Administration	\$0	\$1,634,955	(\$1,634,955)
Prop. Maint. Code	\$6,100	\$2,961,578	(\$2,955,478)
Planning & Preservation	\$15	\$344,322	(\$344,307)
Zoning Administration	\$0	\$742,095	(\$742,095)
Projects/Grants	\$0	\$1,500	(\$1,500)

Auditor Prepared from RAPIDS Data

Special Revenue Technology Fund

According to Ordinance 2008-292-282, five percent of the permit fees must be allocated to the Special Revenue Technology Fund. The Special Technology Fund is used for PDR's ongoing system needs.

State Levy

According to the VUSBC §107.2, “the local building department shall collect a 2% levy of fees charged for permits issued under this code and transmit it quarterly to Department of Housing & Community Development (DHCD) to support training programs of the Virginia Building Code Academy.” Payment is to be remitted quarterly based on the construction permits collected during the designated period.

OBJECTIVES

The objectives of this audit were to evaluate the efficiency, effectiveness, and compliance to Code of the residential and commercial permit inspection processes as it relates to construction and other activities.

SCOPE

The controls and procedures in place for the permits and inspections issued for residential and commercial construction during CY2018. We also analyzed revenues and expenditures for elevator inspections from FY14 through May of 2019.

METHODOLOGY

The auditors performed the following procedures to complete this audit:

- Interviewed management and staff;
- Reviewed and evaluated relevant policies and procedures and tested for compliance;
- Reviewed hard copy files for permits, inspections, and vendor reports/invoices;
- Analyzed permit timelines; and
- Performed other tests, as deemed necessary.

MANAGEMENT RESPONSIBILITY

City management is responsible for ensuring resources are managed properly and used in compliance with laws and regulations; programs are achieving their objectives; and services are being provided efficiently, effectively, and economically.

INTERNAL CONTROLS

According to the Government Auditing Standards, internal control, in the broadest sense, encompasses the agency's plan, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It also includes systems for measuring, reporting, and monitoring program performance. An effective control structure is one that provides reasonable assurance regarding:

- Efficiency and effectiveness of operations;
- Accurate financial reporting; and
- Compliance with laws and regulations.

Based on the audit test work, the auditors concluded that internal controls related to the Permits and Inspections process need significant improvements, which are discussed throughout this report.

FINDINGS and RECOMMENDATIONS

What Works Well

Fee Calculation

The auditors recalculated a sample of permit fees for various trade types and determined that EnerGov is properly calculating the permit fee based on the information provided by the applicant.

What Needs Improvement

Finding #1 –Inventory Accuracy & Required Elevator Inspections

Virginia Maintenance Code (VMC) requires annual periodic inspections and tests of elevators and escalators. A locality shall be permitted to require a six-month periodic inspection and test. All periodic inspections shall be performed in accordance with § 8.11 of the American Society of Mechanical Engineers (ASME) A17.1. According to § 8.11.1.1.1 of the ASME, “periodic inspections shall be made by an inspector employed by the authority having jurisdiction or by a person authorized by the authority having jurisdiction.”

The elevator inventory listing used by P&I for billing purposes differs from the listing used by the elevator inspector (vendor) and the active inventory list in EnerGov. The table below depicts the elevator inventory by source:

<i>Inventory Source</i>	<i>Number of Elevators</i>
<i>Billing List</i>	1,555
<i>Vendor Inspection List</i>	1,520
<i>EnerGov System</i>	2,737

Auditor Prepared

P&I management indicated that there are new construction elevators that have not been added to EnerGov. Additionally, the inspection vendor is inspecting elevators based of a listing provided several years ago.

The City transitioned to a new land management system (EnerGov) in 2016. With this transition, an elevator inspection module was not implemented. The inventory records transferred to EnerGov were inaccurate. We noted there were multiple records per address and the active status was changed. Although the module was not implemented in 2016, management did not develop other processes to track additions and deletions. Without an accurate elevator

inventory, inspections may not be performed as required. This could result in potential life safety issues in the City.

The auditors selected a sample of 50 elevators from EnerGov to validate whether the required inspections were completed. Sixteen of the elevators were identified as “inactive” or private residences which do not require inspections leaving 34 in our sample for testing. The results are as follows:

- Category 1/Category 5 annual inspection
 - 15 - Documentation provided to support completed inspections.
 - 19 - Inspection documentation missing.
- Routine Inspections
 - 16 - Documentation provided to support completed inspections.
 - 18 - Inspection documentation missing

The City does not have a formal process in place to ensure that all elevators within the City are inspected by the vendor. P&I management indicated that they rely on the inspection vendor to schedule and conduct the necessary inspections. Since the implementation of EnerGov in May 2016, P&I has not had the ability to track the inspections that have been completed by the vendor. This may result in the required inspections for active elevators within the City may be overlooked for required inspections, resulting in unsafe elevators operating within the City.

Recommendations:

- 1. We recommend that the Building Commissioner update and reconcile the inventory listing to the actual number of elevators and provide an accurate listing to the vendor which is updated regularly to reflect all additions and deletions.***
- 2. We recommend that the Building Commissioner develop and implement a process for tracking, scheduling, and validating the completion of elevator inspections.***

Finding #2 –Elevator Certificate Issuance

As a part of the testing of elevator inspection documents for the 34 active elevators, seventeen inspection reports identified the certificates were not current. The auditors also noted that as of 6/25/2019 P&I had not issued current certificates for any of the facilities managed by the Department of Public Works.

According to the VMC §606.1, the most current elevator certificate of inspection shall be on display, attached to the elevator at all times, or in a location available to the public. Certificates are issued by the City when the conducted inspections are “passed and paid.” Once an inspection has been completed, City staff is supposed to send bills for the inspection fees. Once payment is received, a certificate is prepared and provided to the location for the units inspected.

The City does not have a formal process that outlines and tracks the issuance of elevator certificates. P&I management did not have proper oversight over the collection of fees and issuance of certificates. The lack of current certificates for elevators is resulting in violations of the VMC.

Recommendation:

- 3. We recommend that the Building Commissioner develop and implement policies and procedures for timely issuance and tracking of elevator certificates upon completion of the required inspections.***

Finding #3 – Elevator Inspection Vendor – Duplicate Billings

The City paid the inspection vendor a total of \$181,515 for services in CY2018. Approximately 2,353 elevator inspections were completed by the vendor in CY2018. The auditors analyzed the payments issued to the elevator inspections vendor and noted the vendor billed and the City

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paid twice for 24 inspections that had been billed and paid in prior months. These Inspections should only be billed and paid once.

A formal process was not in place to reconcile the invoices to the actual inspections conducted. P&I staff relies on the accuracy of the inspection vendor's invoices. The City paid a total of \$3,752.50 for the duplicate billings.

Recommendations:

4. *We recommend that the Building Commissioner develop and implement a process for reviewing and validating the invoices submitted by the inspections vendor prior to processing payment.*

5. *We recommend that the Building Commissioner recover the overpaid funds.*

Finding #4 – Unbilled Elevator Fees

The auditors noted that although the inspection vendor was paid for the last three years, P&I staff did not bill customers for those inspections. P&I staff started billing customers during FY2019. As of April 25, 2019, out of an estimated 1,524 elevators, P&I staff had not billed customers as depicted by the graph on the right.



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The auditors also reviewed the elevator fee revenues recorded in RAPIDS from FY2014 through FY2019 (through May 2019) and noted the revenues recorded in RAPIDS declined significantly from \$658,449 in FY2014 to \$8,714 in FY2018.

The auditors noted the recorded revenues for the period of July 1, 2018 through May 31, 2019 had a variance \$77,645.

Source:	Revenues
Cash collected	\$323,930
RAPIDS	\$246,285
Variance	(\$77,645)

P&I staff were unable to explain the variance and indicated they will have to research the postings in RAPIDS and compare them to the daily deposits. The auditors noted improper segregation of duties as one individual is responsible for all aspects of billings and receipts.

Generally Accepted Accounting Principles (GAAP) require that revenues and expenses are recorded within the same accounting period. The City should bill and collect fees due in a timely manner. P&I management did not have a formal process in place to ensure customers were billed timely.

The lack of billing by the City for elevators over the last three years has resulted in significant delayed/lost revenues. Based on a conservative analysis, the City did not bill revenues of \$1,057,545 as depicted in the table below:

Period	Unbilled Elevators	Unbilled Revenue
2016-2017	1,144	\$ 406,120
2017-2018	1,212	\$ 430,260
2018-2019	623	\$ 221,165
Unbilled Revenues		\$ 1,057,545

Auditor Prepared

Not billing the customers means that the City did not receive payment and as a result certificates were not issued. Revenues related to costs incurred is not in compliance with GAAP. The elevator fee revenues collected were not properly reflected in the general ledger.

Recommendations:

- 6. We recommend that the Building Commissioner develop and implement a formal process to ensure elevator billings are done timely.*

- 7. We recommend that the Building Commissioner develop and implement a process to improve internal controls and to periodically reconcile the deposits to RAPIDS for the elevator inspection fees collected.*

- 8. We recommend that the Building Commissioner research and reconcile the variance between the cash receipts and RAPIDS for the elevator inspection fees revenues.*

Finding #5 – Re-Inspection Fees

Inspections that are not in compliance with the Building Code are failed and corrections must be made prior to requesting a re-inspection. For failed inspections, P&I management indicated re-inspection fees are charged as follows:

Inspection	Fee Charged
1 st Failed Inspection	No
2 nd & Subsequent Failed Inspections	Yes

Auditor Prepared

According to City Ordinance 2011-80-65, P&I is allowed to charge fees of \$32 and \$63 for residential and commercial re-inspections, respectively.

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During CY2018, P&I conducted 45,577 inspections. This includes inspections conducted more than once for the same inspection type (re-inspection). The auditors analyzed the re-inspections conducted noting whether P&I charged the appropriate fees. The analysis revealed P&I did not charge fees for 3,318 re-inspections. The table below depicts the lost revenue due to not charging the applicable re-inspection fees:

	Residential	Commercial	Total
Eligible for Re-inspection Fees	2,281	1,037	3,318
Lost Revenues	\$72,992	\$65,331	\$138,323

The re-inspection fees were associated with 666 commercial permits and 1,666 residential permits. Based on the re-inspection fees not charged by the City, a total of \$138,323 was identified in lost revenues. The lost revenues could be used to increase staffing and improve operations.

P&I management does not have formal policies and procedures in place to guide the staff on the application of re-inspection fees. Without written policies and procedures, the inspectors may not consistently carry out management's intent. EnerGov does not auto-generate fees for failed inspections to automatically hold permits that have failed multiple inspections until the fee (s) have been paid.

The inspectors are not as productive when they have to visit the sites multiple times for the same inspection. This may delay other inspections as resources are exhausted conducting re-inspections.

Recommendations:

9. We recommend the Building Commissioner implement, monitor and enforce policies and procedures to ensure re-inspection fees are charged as required.

10. We recommend the Building Commissioner work with the Planning and Development Review Director to update the EnerGov System to ensure it automatically assesses a re-inspection fee for all eligible re-inspections and hold further work on the permit.

Finding #6 – Permit Issuance Timelines

The auditors reviewed a sample of 100 permits from application to issuance date. Based on a review of the permits issued during CY2018, P&I did not meet their permit issuance goals. The auditor noted it took over 30 days to issue 18% of the permits tested. The table below depicts the testing results compared to the goals:

Permit Issuance to Goal

	% Permits Issued within 1 Day	% Permits Issued within 7 Days	% Permits Issued within 30 Days	% Permits Issued over 30 Days
Goal	50%	70%	100%	0%
Actual	40%	64%	82%	18%

Auditor Prepared

The table below depicts the number of days it took to issue the 18 permits over 30 days:

No. of Permits	No. of Days to Issue
31 to 60	10
61 to 90	7
Over 90	1

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Depending on the complexity of the permit, there may be plans that need to be reviewed. In the sample items exceeding 60 days, plan review caused the increased permit issuance timelines. The auditors noted some delays were due to the internal process as well as customer delays as depicted below:

Cause of permit issuance delays of over 60 days	
P&I process delays	P&I and Customer delays
6	2

Auditor Prepared

The auditors noted in one instance it took P&I 70 days to complete the plan review. Additionally, P&I did not track their performance goals to gauge timeliness of permit issuance.

Delays in issuing permits cause loss of productivity for the customers. It also decreases confidence in the City by those attempting to build in the City. If the effects of a delay in issuance of a permit are too great, builders may consider doing future business in a locality with faster permit issuance times. Lengthy permit issuance times may cause delays in construction, as all builders will need to obtain at least one permit before work can begin. Delays in construction are often costly for the builder and may cause reputational damage to both the City and the builder.

Recommendations:

11. We recommend that the Building Commissioner track and monitor Permits and Inspections performance goals to gauge staff performance.

12. We recommend that the Building Commissioner implement a quality assurance process to monitor plan review timelines.

Finding #7 – Inspector Workload

Supervisors for each trade area assign inspections for the day based on each section’s specific criteria (region, inspection type, inspector availability). Some of the inspections requested are

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researched in EnerGov to determine if there is anything that could prevent the inspection from passing (e.g. audit, special inspections) before the inspection is performed. According to the inspection supervisors, 15 inspections per day per inspector is the maximum manageable number of inspections.

The auditors analyzed the number of inspections per day conducted by the inspectors assigned to P&I during CY2018. These averages include inspections conducted by the supervisors. According to management, the supervisors conducted inspections as needed to cover the heavy workload. On average, the supervisors conducted inspections on 197 workdays out of 249. They averaged nine inspections per day. The daily average of inspections per inspector was as depicted below:

<i>Trade</i>	<i>Average per Inspector with Supervisors</i>	<i>Average per Inspector without Supervisors</i>
<i>Building</i>	13.49	16.91
<i>Plumbing</i>	9.19	11.25
<i>Mechanical</i>	9.21	9.21
<i>Electrical</i>	11.28	13.86
<i>All Trades</i>	<i>10.96</i>	<i>13.00</i>

Auditor Prepared

The auditors also noted the inspectors conducted more than 15 inspections per day 721 times out of 3,757 (19%) of all inspection workdays during CY2018. Inspectors conducted more than 20 inspections per day on 156 workdays out of the 721 times.

According to management, they have challenges achieving the inspector workload goals due to the lengthy hiring process. The supervisors do not have a process in place to monitor the inspectors' work for quality assurance due to the time spent conducting inspections. The

auditors also noted, inspectors are not cross-trained in different trades to increase productivity and reduce travel time.

Inspectors may miss Building Code violations when their workload is beyond the desired maximum. Supervisors conducting inspections precludes them from performing quality assurance activities, such as:

- Conducting re-inspections for quality assurance;
- Follow up on expired permits;
- Follow up on major construction projects; and
- Timely answering customers phones calls and e-mails.

Due to the heavy workload, the inspectors may rush their inspection and miss observations that may result in poor or incomplete construction and safety issues. Cross training inspectors in multiple trades could reduce the time needed per inspection as more inspections could be conducted per day.

Recommendations:

13. We recommend the Building Commissioner develop a cross training inspector program to conduct multiple inspections when visiting one property and to manage fluctuating workload between trades.

14. We recommend the Building Commissioner implement a quality assurance process to monitor inspector workloads and sample quality assurance re-inspections.

15. We recommend that the Building Commissioner adjust the staffing level of inspections, in relation to achieving inspector workload goals.

Finding #8 – Staffing

To perform at optimal capacity, full staffing must be available the majority of the time. A consistent staffing level will allow P&I to:

- Decrease wait times.
- Decrease permit processing times.
- Have regular staff meetings for communication, training, and general updates.

The auditors noted staffing within the Permit Application Center (11 positions) is often not at full capacity. The table below depicts the total work days and their staffing levels during CY2018:

Total work days	Days fully staffed	Days with missed employee hours
249	36	213
<i>Percentage of total</i>	<i>14%</i>	<i>86%</i>

Auditor Prepared

According to management, the high workload caused employee absenteeism, which further increased the daily workload. Low staffing levels have increased wait and processing times for permit applications. The large amount of time needed to process permit applications may lead to customer complaints and dissatisfaction. Additionally, the high workload may increase stress and cause low employee morale.

Recommendation:

- 16. We recommend that the Planning and Development Review Director conduct an analysis to determine the appropriate staffing level and adjust it accordingly.*

Finding #9 – Process Workflow

The auditors conducted a walkthrough of another locality's (Chesterfield County) permitting process for comparison purposes. This comparison revealed that for the in-person application

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submittals without plan reviews, the City has one more step. The City has a separate step to process payment before issuing a permit. The City also keys permit data, scans documentation, and validates contractor and business licenses at the beginning of the process. The auditors noted that for drop-off and in-person with plans application submittals, both the City and Chesterfield have the same number of steps. The table below depicts the number of steps for the in-person permit application submittals:

<i>In-Person</i>	No. of Steps Without Plan	No. of Steps With Plan
<i>Richmond</i>	8	13
<i>Chesterfield</i>	7	13

Auditor Prepared

The differences between the two localities for the in-person process without plan reviews are as follows:

Richmond:

- Front desk (four steps)
 - Reviews application for completeness and enters in a queue.
 - Enters permit data.
 - Validates contractor and business licenses.
 - Scans external documents and enters into EnerGov.
- Permit Technician (two steps)
 - Customer waits until called.
 - Reviews and approves permit application with customer.
- Cashier (two steps)
 - Customer waits for cashier
 - Accepts payment and issues permit.

Chesterfield County

- Front Desk (one step)
 - Reviews application for completeness and enters customer into queue and assigns a customer number.
- Permit Technician (six steps)
 - Customer waits until called.
 - Enters permit data.
 - Validates contractor and business licenses.
 - Scans external documents and enters into their system (POSSE).
 - Reviews and approves application with customer.
 - Processes payment and issues permit.

The auditors also noted:

- In-person submissions in the City take priority over drop-off applications. In Chesterfield, walk-in customers take priority over mail or drop off applications. Mail is worked in between customers. They also have back office staff that can process mail, but will never require a walk-in customer to wait on us to process mail/drop off applications.
- City departments individually send notes to the customers for most multi-disciplinary plan reviews, while Chesterfield has a single plan review document. Chesterfield also has plan review comments on the web. A customer can see each department's comments as reviews are completed by county staff, they just send one letter at the end of the process instructing the customer to respond to all departments comments at one time.
- Chesterfield separated the process for residential and commercial building permit applications. Commercial trade permits without plans can be processed downstairs in their primary customer service area. Commercial plan reviewers are on the second floor, while the residential plan reviewers are in the customer service area on the first floor, which was by design. They did not want the do-it-yourself homeowner to wait in

line behind a more involved commercial customer as each type of application has its own staff to process submissions. The City does not differentiate between residential and commercial.

Utilizing front desk staff to perform an initial review and data entry for all permit applications create a longer waiting time at the front desk while the information is researched and keyed in EnerGov. Customers also have to wait again to be seen by the Permit Technicians. The multiple waiting lines extend the customers' time to obtain permits, which can lead to frustrated customers. Additionally, an additional step is added to see a cashier to pay the fee and obtain the permits.

The high volume of in-person permit application submissions has resulted in PDR's prioritization of in-person intake. This means that drop-off submissions take longer to process as fewer resources are devoted to reviewing them. P&I does not differentiate between application types. This means that there is no specialization of review skills and residential customers may need to wait longer as commercial applications may be more complex.

P&I does not require a central point of contact to disseminate information to customers for multidisciplinary reviews. The current workflow creates inefficiencies, which have led to increased customer wait times and increased volume of in-person application submittals. Long wait times and being passed between employees can contribute to customer dissatisfaction and complaints. Ultimately, high wait times and customer dissatisfaction may result in decreased construction in the City. Also, the number of activities performed at the beginning of the process creates a bottleneck.

Recommendations:

17. We recommend that the Building Commissioner revise the workflow process by consolidating the majority of the front desk data entry and review, as well as cashiering and permit issuance to the Permit Technicians. The revised process should also segregate commercial and residential applications.

18. We recommend that the Building Commissioner establish and implement a process to ensure drop-off permit submissions are prioritized along with the in-person application submissions.

19. We recommend that the Building Commissioner establish and implement a process to ensure that all plan review notes from all departments are centrally gathered and submitted to the applicant.

Finding #10 – Contractor's Licenses & City Business Licenses

According to Chapter 5 of the City Code, contractors completing work of \$25,000 or more within the City must obtain a City Business License. It further states that contractors applying for permits within the City must provide proof of a valid contractor's license from the State Board of Contractors. Additionally, according to the Code of Virginia §54.1-1103, contractors engaging in work within the Commonwealth must be licensed.

As a part of the permit intake process, P&I employees validate contractors and business licenses, which is updated in EnerGov. The auditors noted that EnerGov is not configured to restrict issuing permits when a Contractor and/or City Business Licenses have expired. This may result in permits being issued to contractors that do not have a valid Contractor License and/or City Business License which could result in violations of the Building Code and loss of revenues to the City.

Recommendation:

- 20. We recommend the Planning and Development Review Director configure the EnerGov System to require current Contractor and Business Licenses prior to issuing permits.*

Finding #11 – Special Revenue Fund

Ordinance 2008-289-275 was established to increase the permit fees to offset the costs of purchasing and maintaining a new land management tracking system. In addition, Ordinance 2008-292-282 was established to make an initial investment into the P&I Technology Renewal Fund. Five percent of these fees are required to be allocated to the Special Revenue Fund.

During FY2018, year to date fees for PDR totaled \$9,291,493, which results in a \$464,575 calculated allocation to the Technology Fund. The calculation for the FY2018 allocation was only based on fees of \$8,175,160 for a submitted adjustment of \$408,758. This resulted in a total of \$55,817 that was not allocated to the Technology Fund. This means that funding may not be available for needed upgrades. PDR staff used the preliminary general ledger balances instead of the final revenues to calculate the Special Revenue Fund allocation. Additionally, PDR staff did not have written procedures to guide staff through the process. PDR has subsequently made the adjustment for the identified variance.

Recommendation:

- 21. We recommend the Planning and Development Review Director develop and implement a process to ensure proper allocation of funds to the Special Revenue Fund. This process should specifically require using final general ledger revenues to calculate the allocation.*

Richmond City Auditor's Report# 2020-02
Department of Planning and Development Review – Permits and Inspections
August 13, 2019

Finding #12 – State Levy Submittal

According to the VUSBC, a 2% surcharge must be collected for educational programs for the Department of Housing & Community Development (DHCD). Each quarter, DHCD submits an invoice to the City requesting payment within 45 days as of the end of each quarter.

The auditors noted the required 2% State levy on permit fees were neither submitted timely nor accurately reported to the State during FY2018. Staff submitted the first quarter payment timely and accurately. However, inadvertently resubmitted the first quarter payment along with the second and third quarter payments. The table below depicts the FY2018 payments due dates and submittals:

Quarter	Period Ending	Due Date	Payment Date	In Compliance
1 st	9/30/17	11/14/17	10/26/17	Y
2 nd	12/31/17	2/14/18	5/11/18	N
3 rd	3/31/18	5/15/18	5/11/18	Y
4 th	6/30/18	8/14/18	3/25/19	N

Auditor Prepared

Department management indicated that due to a change in staffing, the submittals were not processed timely. Additionally, the Department does not have a written process to guide their staff in accomplishing this function. As a result, the State was underpaid by \$20,719. This was brought to their attention during the audit and has been corrected since.

Recommendation:

- 22. We recommend the Planning and Development Review Director develop and implement a process to ensure the 2% levy payments are submitted to the State timely.**

Finding #13 – Staff Qualifications

The staff composition within P&I is comprised of 42 employees in 14 positions. Each job description outlines the current minimum qualifications for employment. DHCD developed the Virginia Certification Standards (VCS) which define employee qualifications for building officials and technical assistants. The auditors tested compliance with the education and certification qualifications of all employees against their minimum qualifications and noted that:

No. of Positions	City Qualification	
	Compliant	VCS Compliant
42	32	37
Percentage of Total	76%	88%

Auditor Prepared

The following 10 were non-compliant for City qualification requirements:

- 100% (3) of the Code Enforcement Inspector Supervisors
- 100% (4) of the Plans Examiners
- 50% (3) of the Engineer II's

The following 5 were non-compliant for VCS certification requirements:

- 100% (4) of the Plans Examiners
- 8% (1) of the Code Enforcement Inspector I

The auditors also noted four of fourteen job descriptions did not match the position requirements, responsibilities and qualifications as follows:

- Code Enforcement Inspector Supervisor
- Drafting Technician
- Operations Manager
- Plans Examiner

Per the Virginia Construction Code (VCC) §105.2.2, “a technical assistant shall be certified in the appropriate subject area within 18 months after becoming a technical assistant. “ VCC §105.2.2 also states that additional qualifications may be set by the locality, which the City has formally documented in the job descriptions.

Per VCS 13VAC5-21-51 all certificate holders must attend 16 hours of continuing education every two years in order to maintain an active certification.

P&I management does not have a formal process to ensure job descriptions match the employees’ roles and responsibilities. They do not have a process to ensure compliance with VCC. Management does not have procedural oversight to ensure that certification requirements are continuously met after initial hire.

Employees’ certifications are not maintained and up-to-date. Additionally, lack of training leaves employees less informed to changes in their field. This means that P&I may not be properly assuring that construction is being performed to code, allowing for future structural and safety issues.

Recommendations:

- 23. We recommend that the Building Commissioner establish and implement a formal process to ensure compliance with the City and Virginia Certification Standards.*
- 24. We recommend that the Building Commissioner work with Human Resources to ensure that all job descriptions accurately reflect the current duties of each position.*
- 25. We recommend that the Building Commissioner enforce the requirement for active certifications in order to perform the relevant job duties.*

Finding #14 – Document Retention

General Schedule GS-06 of the Code of Virginia and the Library of Virginia indicates permit applications must be retained and accessible throughout the retention period of three years after the applications are submitted. Also, according to P&I management, their process is to scan and save all permit applications in EnerGov.

The auditors tested 119 of 13,150 permit applications to determine whether P&I retained them according to State requirements. Testing revealed:

Sample Size	Found in EnerGov	Found Hard Copy	Not Found	Permit # Error Could not Determine
119	83	27	8	1

Auditor Prepared

P&I does not have formal procedures to ensure consistency amongst all staff members. Additionally, P&I does not have quality assurance procedures over the retention of permit applications. Without properly documented procedures staff compliance cannot be evaluated. Additionally, P&I may not be able to respond to Freedom of Information Act (FOIA) requests if the need arises.

Recommendations:

26. We recommend that the Planning and Development Review Director establish formal procedures to ensure permit applications are scanned and saved in the System.

27. We recommend the Planning and Development Review Director Implement oversight procedures to ensure management intentions over the permit applications are carried out as intended.

Finding #15 – Policies & Procedures

Written policies and procedures provide guidance to employees to perform their duties consistently in conformance with policies. Also, they can be used as an effective employee training tool. The P&I policies and procedures manual has not been updated since 2010. Since that date, P&I implemented EnerGov, which changed some of their processes (i.e. old policy references the old building code, Cornerstone, which is the old software). The auditors also noted the information disseminated to the public does not reflect current practice.

With the implementation of EnerGov in 2016, management had to prioritize the system implementation and on-going system updates. Without current policies and procedures, consistent processes cannot be enforced as they are not documented. Furthermore, inaccurate information may be disseminated to the public, which creates frustration and inefficiencies internally and externally.

Recommendation:

28. We recommend the Planning and Development Review Director update the Permits and Inspections' policies and procedures manual to reflect the current environment.

Finding #16 – Special Inspections

A Special Inspection is the installation, fabrication, erection, or placement of components and connections requiring special expertise (earthwork, concrete, masonry, fireproofing) to ensure compliance with construction documents and referenced standards in the VUSBC. Special inspections are completed by a third party certified vendor. City staff review and approve the inspections prior to final sign off on the construction. According to the Planning and Development Review Department's Special Inspection Manual, a statement of required

inspections as well as a schedule for completion must be submitted to the City for review and approval prior to issuing the final Certificate of Occupancy.

The auditors noted that City inspectors are visiting sites multiple times without the Special Inspections reviewed and approved prior, resulting in an inefficient use of resources. Based on an inquiry with the Department there is not a separate workflow in EnerGov for the review and approval of special inspections.

Recommendations:

29. We recommend the Planning & Development Director establish a process in EnerGov for the review and approval of special inspections.

30. We recommend that the Building Commissioner enforce the completion, review, and approval of all special inspections prior to visiting the sites.



City of Richmond Fee Schedule

Effective 11/18/13

The minimum administrative fee for permits which have been either withdrawn or rejected shall be five percent (5%) of the initial permit fee but in no case less than twenty five dollars (\$25.00).

The minimum plans review for permits which have been either withdrawn (where the subject review has been undertaken) or rejected shall be ten percent (10%) of the initial permit fee, but in no case less than twenty five dollars (\$25.00).

Any minimum revised plan fee once a permit has been issued shall be ten percent (10%) of the initial permit fee, but in no case less than thirty dollars (\$30.00).

Any excess fee greater than two dollars (\$2.00) shall be returned to the permit holder upon written request.

A building, mechanical, sign, electrical, security, plumbing, gas-piping, tank, fire alarm, sprinkler, hood/fire suppression, civil/storm water, demolition, or elevator permit to erect, construct, reconstruct, enlarge, extend, repair, structurally alter or move a building or structure shall be calculated as follows:

Residential only – 1 & 2 Family

Value of Work	Permit Fee
\$0-\$2000	\$63.00
Over \$2000	\$63.00*

* add **\$6.07** per thousand or fraction thereof for residential construction. A 2.00% state surcharge is added to the final calculated fee. Value of Work equals the higher value of either the Contractor or RS Means price

Commercial only

Value of Work	Permit Fee
\$0-\$2000	\$131.00
Over \$2000	\$131.00*

* add **\$8.50** per thousand or fraction thereof for commercial construction. A 2.00% state surcharge is added to the final calculated fee. Value of Work equals the higher value of either the Contractor or RS Means price.

Demolition:

Residential	\$184.00	Commercial	\$368.00*
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*For commercial structures up to 10,000 feet of floor area; add an additional \$.01 per square foot floor area above 10,000 square feet, not to exceed a maximum of \$1,000.00.

Inspection Fees:

Reinspection or **Failure to Appear** for an on-site inspection other than a required inspection or **Special Inspection** during normal working hours (request for an on-site inspection not required at the time of the request).

Residential	\$32.00	Commercial	\$63.00
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After Hours Inspection: **\$95.00 per hour**
(Weekdays 5:00 PM to 8:00 AM; Weekends; Holidays)

Egress Lighting Test Changes:

Initial	\$ 95.00 per hour
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Retests Due Failure **\$184.00 per hour anytime**
(Weekdays 5:00 PM to 8:00 AM; Weekends; Holidays)

Board of Appeals: \$184.00
(Building, Electrical, Mechanical, or Plumbing Board of Appeals)

Building Maintenance Code:
Certificate of Occupancy **\$263.00**
(Includes temporary and partial)
Reprinting of Certificate of Occupancy **\$ 32.00**

Code Modification Request:
Code Modification Fee **\$ 125.00***
(*per code section modified, maximum fee \$375.00, per submission)

Small Business Permits:
Permit Fee: **\$300.00**

Sidewalk Café Permits:
Permit Fee **\$150.00**

Dance Hall Applications:
1st time and renewing application fee: **\$100.00**

Working Without A Permit Investigation:
Investigation of “Stop Work” order **\$200.00** (per permit)

Electrical Certification for Change in Use:
Inspection and write up of report **\$60.00 per hour**
Fee for after hours inspection **\$90.00 per hour**
(Weekdays 5:00 PM to 8:00 AM; Weekends; Holidays)

Annual Elevator Inspection with Test:		Mid Year Inspection Without Test:	
Elevator Type:	Fee	Annual Inspection	\$125.00
Cable Elevators			
1 – 4 Floors/Openings	\$150.00		
5–10 Floors/Openings	\$175.00		
>10 Floors/Openings	\$200.00		
Cable Hydraulic	\$150.00		
Hydraulic	\$150.00		
Escalator	\$150.00		
Miscellaneous units not listed above	\$100.00		
Certification Processing Fee	\$ 40.00 each		
Reinspections	\$ 50.00 per visit		

Total Fee for Annual Elevator Inspection with Test consists of Certification Processing Fee plus the fee for the Elevator Type

New Work (including reinspections after lock out) refer to the permit application fees.

Charge for re-stamping of approved plans (per set):
Residential **\$32.00 per set** Commercial **\$55.00 per set**

Charge for permit extensions: \$25.00

Charge for Reprinting of a Certificate of Occupancy \$32.00

**APPENDIX B: MANAGEMENT RESPONSE FORM
2020-02 PDR Permits & Inspections Audit**

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
1	We recommend that the Building Commissioner update and reconcile the inventory listing to the actual number of elevators and provide an accurate listing to the vendor which is updated regularly to reflect all additions and deletions.	Y	<ul style="list-style-type: none"> ●Our team shall compare the inventory for all elevators BEFORE ENERGOV LAUNCH MAY 2016 to all new elevator installs AFTER THE LAUNCH. ●Then we will enter all new installs into Energov to reconcile/update the inventory list for our vendor. ●Buidling Commissioner and Operations Manager will formally create written SOPs.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Operations Manager		31-Oct-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
2	We recommend that the Building Commissioner develop and implement a process for tracking, scheduling, and validating the completion of elevator inspections.	Y	<ul style="list-style-type: none"> ●Currently these processes are done informally with a manual process because after launch of Energov May 2016 it was realized this functionality was not available. ●Over the course of 3 years, the Elevator Module was re-configured, re-converted, and finally RE-LAUNCHED MAY 2019. Now to fully develop/implement processes for inspections a large amount of data entry needs to be input into Energov. ●When data entry is complete, Energov will automatically, as a part of its functions, auto-generate the scheduling, tracking, and validate inspections. ●PDR will continue use of "Energov Assist" to create additional programming if needed. ●Buidling Commissioner and P&I Staff will formally create written SOPs.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Operations Manager		30-Sep-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

**APPENDIX B: MANAGEMENT RESPONSE FORM
2020-02 PDR Permits & Inspections Audit**

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
3	We recommend that the Building Commissioner develop and implement policies and procedures for timely issuance and tracking of elevator certificates upon completion of the required inspections.	Y	<ul style="list-style-type: none"> ●Currently these processes are done informally with a manual process because after essential launch of Energov May 2016 it was realized this functionality was not available. ●So over the course of 3 years, the Elevator Module was re-configured, re-converted, and finally RE-LAUNCHED MAY 2019. Now to fully develop/implement processes for certificates a large amount of data entry needs to be input into Energov. ●When data entry is complete, Energov will automatically, as a part of its functions, auto-generate issuing and tracking certificates in a timely manner. ●PDR will continue use of "Energov Assist" to create additional programming if needed. ●Building Commissioner and P&I Staff will formally create written SOPs.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		30-Apr-20
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
4	We recommend that the Building Commissioner develop and implement a process for reviewing and validating the invoices submitted by the inspections vendor prior to processing payment.	Y	<ul style="list-style-type: none"> ●To address the issue of duplicate billing, effective immediately, the vendor shall QA/QC the documents before invoicing the City by comparing current invoices to previous invoices. ●When P&I staff receives the vendor's invoices it shall also be compared current invoices to prior invoices to ensure accuracy for billing. ●We are seeking access to Rapids and training for P&I staff to review previously paid invoices, prior to approving additional invoices for payment. ●Initiating request for Energov to create an inspection that can be logged after notifying the vendor that the invoice is paid for each unit/location.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Operations Manager, Ray Abbasi		30-Sep-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

**APPENDIX B: MANAGEMENT RESPONSE FORM
2020-02 PDR Permits & Inspections Audit**

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
5	We recommend that the Building Commissioner recover the overpaid funds.	Y	<ul style="list-style-type: none"> ●After meeting with the Building Commissioner, P&I staff shall review previous invoices and document any duplicate billing to recover from the vendor. ●P&I is seeking Rapids access to ensure accuracy. ●All invoices will be reviewed by 12/31/2019 for accuracy and separate reimbursement will be required from the vendor for any overpayments.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		31-Dec-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
6	We recommend that the Building Commissioner develop and implement a formal process to ensure elevator billings are done timely.	Y	<ul style="list-style-type: none"> ●Currently these processes are done informally with a manual process because after essential launch of Energov May 2016 it was realized this functionality was not available. ●So over the course of 3 years, the Elevator Module was re-configured, re-converted, and finally RE-LAUNCHED MAY 2019. Now to fully develop/implement processes for billing a large amount of data entry needs to be input into Energov. ●When data entry is complete, Energov will automatically, as a part of its functions, auto-generate invoices/billing in a timely manner. ●The customers shall receive their invoices 45 days prior to certificate expiration date. ●PDR will continue use of "Energov Assist" to create additional programming if needed. ●Building Commissioner and PDR Management will formally create written SOPs as well. ●It is important to note here that since September 2018, a contracted temporary employee has invoiced customers for backlogged and current billing. From that time we have collected over \$300,000 and will continue to do so.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		31-Dec-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

**APPENDIX B: MANAGEMENT RESPONSE FORM
2020-02 PDR Permits & Inspections Audit**

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
7	We recommend that the Building Commissioner develop and implement a process to improve internal controls and to periodically reconcile the deposits to RAPIDS for the elevator inspection fees collected.	Y	<ul style="list-style-type: none"> ●Rapids access is needed to ensure accuracy. We are seeking access to RAPIDS and training for P&I staff to verify and reconcile deposits for the elevator inspection fees collected. ●We shall address variances by verifying monies are being routed to the correct accounts, contacting customers, checking receipts, and check deposits. ●P&I staff shall also discuss with the Building Commissioner the status of these variances on a regular basis. ●Procedures will be written as the research continues.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		30-Sep-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
8	We recommend that the Building Commissioner research and reconcile the variance between the cash receipts and RAPIDS for the elevator inspection fees revenues.	Y	<ul style="list-style-type: none"> ●Effective immediately, P&I staff is researching previous months of cash receipt deposits of elevator inspection fee revenues that have been collected to compare with RAPIDS accounts for reconciliation purposes. ●P&I staff will document and discuss these findings with the Building Commissioner.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		31-Dec-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
9	We recommend the Building Commissioner implement, monitor and enforce policies and procedures to ensure re-inspection fees are charged as required.	Y	Will create a policy that identifies when a 3rd visit disapproval for the same inspection item requires a re- inspection fee.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Operations Manager		30-Sep-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

**APPENDIX B: MANAGEMENT RESPONSE FORM
2020-02 PDR Permits & Inspections Audit**

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
10	We recommend the Building Commissioner work with the Planning and Development Review Director to update the EnerGov System to ensure it automatically assesses a re-inspection fee for all eligible re-inspections and hold further work on the permit.	Y	Attempts are being made to do this. Energov does not currently have the ability to automatically post the fee to the permit. We will continue to work with the vendor to update the software to allow for this functionality.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		30-Apr-20
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
11	We recommend that the Building Commissioner track and monitor Permits and Inspections performance goals to gauge staff performance.	Y	It is recommended that a full time Systems Analyst be hired in order to effectuate this recommendation. The permit issuance goals of FY2018 currently do not reflect the increase in work volume that we are currently experiencing. Additional staff will be temporarily hired to run reports and extract data from Energov to generate monthly reports for management to evaluate and act on in the interim.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		30-Jun-20
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
12	We recommend that the Building Commissioner implement a quality assurance process to monitor plan review timelines.	Y	
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Operations Manager		31-Aug-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
	An escalation report is run monthly that serves as a quality control check.		

**APPENDIX B: MANAGEMENT RESPONSE FORM
2020-02 PDR Permits & Inspections Audit**

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
13	We recommend the Building Commissioner develop a cross training inspector program to conduct multiple inspections when visiting one property and to manage fluctuating workload between trades.	N	We disagree with this recommendation. Combination inspections degrade inspection quality and may undermine public safety. Inspection disciplines need to remain specialized. Some combination inspections may be possible for limited residential inspections, i.e. building/electrical and plumbing/mechanical.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
14	We recommend the Building Commissioner implement a quality assurance process to monitor inspector workloads and sample quality assurance re-inspections.	Y	A quality assurance process will be implemented with the inspection managers held responsible, however, due to our current inspection volume the inspections supervisors are in the field more than management would prefer. By refocusing their responsibilities to ensure quality inspections fewer inspections will get done.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		30-Apr-20
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
15	We recommend that the Building Commissioner adjust the staffing level of inspections, in relation to achieving inspector workload goals.	Y	The Building Commissioner will recommend for the FY21 budget that one additional inspector in each trade area be added to staffing.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		30-Jun-20
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

**APPENDIX B: MANAGEMENT RESPONSE FORM
2020-02 PDR Permits & Inspections Audit**

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
16	We recommend that the Planning and Development Review Director conduct an analysis to determine the appropriate staffing level and adjust it accordingly.	Y	Appropriate staffing levels have been assessed and requested in the past, but the requests have been denied and unfunded for the past several years. Moving forward a new request will be submitted for the FY21 budget and temporary staff will be hired in the interim to handle the increase in workflow.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	DCAO of Economic & Community Development		31-Jan-20
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
17	We recommend that the Building Commissioner revise the workflow process by consolidating the majority of the front desk data entry and review, as well as cashing and permit issuance to the Permit Technicians. The revised process should also segregate commercial and residential applications.	Y	The launch of CSS (on-line permitting) on 8/19 will alter the operations of the department. The result should be fewer walk in customers, thus staffing resources will be freed up to improve services in other areas. New credit card machines have been purchased and training is ongoing to move cashing away from a central cashier to the permit technicians. Commercial and residential applications and review processes are currently separate.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		19-Aug-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
	This process change is ongoing as all permit payments will be transacted either online or by the permit techs.		
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
18	We recommend that the Building Commissioner establish and implement a process to ensure drop-off permit submissions are prioritized along with the in-person application submissions.	N	The preference is for most owners to use the online permitting portal and this will reduce in person permitting and drop off of documents.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		19-Aug-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

**APPENDIX B: MANAGEMENT RESPONSE FORM
2020-02 PDR Permits & Inspections Audit**

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
19	We recommend that the Building Commissioner establish and implement a process to ensure that all plan review notes from all departments are centrally gathered and submitted to the applicant.	Y	This would require additional and upgraded software or additional staff to manually coordinate reviews. It is recommended that the EnerGov software be upgraded by requesting additional funds in the FY21 budget.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of PDR		1-Aug-20
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
20	We recommend the Planning and Development Review Director configure the EnerGov System to require current Contractor and Business Licenses prior to issuing permits.	Y	Efforts have been made to do this. This would require additional and upgraded software or additional staff to manually coordinate reviews. It is recommended that the EnerGov software be upgraded by requesting additional funds in the FY21 budget.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of PDR		1-Aug-20
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
21	We recommend the Planning and Development Review Director develop and implement a process to ensure proper allocation of funds to the Special Revenue Fund. This process should specifically require using final general ledger revenues to calculate the allocation.	Y	A well written and executed SOP should resolve this issue. SOP's will continue to be updated and staff responsible for allocating these funds will be held to account if procedures are not followed.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of PDR		31-Oct-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
22	We recommend the Planning and Development Review Director develop and implement a process to ensure the 2% levy payments are submitted to the State timely.	Y	A well written and executed SOP should resolve this issue. SOP's will continue to be updated and staff responsible for allocating these funds will be held to account if procedures are not followed.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of PDR		31-Oct-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

**APPENDIX B: MANAGEMENT RESPONSE FORM
2020-02 PDR Permits & Inspections Audit**

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
23	We recommend that the Building Commissioner establish and implement a formal process to ensure compliance with the City and Virginia Certification Standards.	Y	The Building Commissioner currently does not have an Executive Assistant to help with this function. It is recommended that such a position be requested in the FY21 budget. Until such time an Executive Assistant is budgeted one will be hired through temp services to assist with keeping proper records and to coordinate staff testing/training.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		1-Aug-20
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
24	We recommend that the Building Commissioner work with Human Resources to ensure that all job descriptions accurately reflect the current duties of each position.	Y	Job descriptions as well as job titles will be updated, particularly after the changes resulting from the recent class and comp study.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		31-Dec-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
25	We recommend that the Building Commissioner enforce the requirement for active certifications in order to perform the relevant job duties.	Y	The required minimum certifications for any and all positions will be actively enforced up to and including termination.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		30-Sep-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
26	We recommend that the Planning and Development Review Director establish formal procedures to ensure permit applications are scanned and saved in the System.	Y	The launch of online permitting on August 19, 2019 should resolve much of this. The remaining paper applications will be checked for proper retention by implementing quality control measures by pulling 10-12 applications per month for review and quality control. Staff will be disciplined, if compliance with state law is not being met.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Building Commissioner		30-Sep-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

**APPENDIX B: MANAGEMENT RESPONSE FORM
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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
27	We recommend the Planning and Development Review Director Implement oversight procedures to ensure management intentions over the permit applications are carried out as intended.	Y	A written policy memorandum and SOPs will be issued.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Operations Manager		30-Sep-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
28	We recommend the Planning and Development Review Director update the Permits and Inspections' policies and procedures manual to reflect the current environment.	Y	The Building Commissioner with engage staff to update the SOP manual and will going forward have all policies in wrting and distributed to all staff.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Operations Manager		31-Dec-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
	We have begun initial meetings to do this.		
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
29	We recommend the Planning & Development Director establish a process in EnerGov for the review and approval of special inspections.	Y	A written policy will be issued by August 31, 2019 stating that an approved statement of special inspections must be approved and issued with the permit. Special Inspections will not happen until after this policy is issued. EnerGov will also be updated to have special inspections visible in the workflow by 6/30/20.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Operations Manager		30-Jun-20
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
30	We recommend that the Building Commissioner enforce the completion, review, and approval of all special inspections prior to visiting the sites.	Y	A written policy will be issued stating that an approved statement of special inspections must be approved and issued with the permit. Special Inspections will not happen until after this policy is issued. EnerGov must also be updated to have special inspections visible in the workflow.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Operations Manager		31-Aug-19
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION