



Internal Audit Report

BOCC Community Development Revenue



Report Number: 2018.06
Date: July 17, 2018

Audit of BOCC Community Development Revenue



Date: July 17, 2018

To: The Honorable Linda Doggett, Lee County Clerk of the Circuit Court & Comptroller

From: Tim Parks, Chief Internal Audit Officer/Inspector General

Re: Audit of BOCC Community Development Revenue

Dear Ms. Doggett,

The Inspector General Department has completed an audit of BOCC Community Development Revenue. David Rollman, CIA, Senior Internal Auditor conducted this review.

This audit activity conforms to the Institute of Internal Auditor's (IIA) *International Standards for the Professional Practice of Internal Auditing (Red Book)* and the Association of Inspectors General (AIG) *Principles and Standards for Offices of Inspector General (Green Book)*.

The audit client's response is attached to this report. We wish to express our appreciation for the cooperation and assistance provided us by management and staff during this review.

This report will be posted to the Clerk of Courts website, www.leeclerk.org, under Inspector General, Audit Reports. A link to this report has been sent to the Lee County Board of County Commissioners and appropriate parties.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Tim Parks".

Tim Parks, Chief Internal Audit Officer/Inspector General
Inspector General Department

TJP/GK

**Audit of BOCC Community Development
Revenue**



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Executive Summary

The audit of the Board of County Commissioners (BOCC) Community Development was included in the 2017 BOCC Annual Audit Plan. A risk assessment project was completed for all BOCC business units prior to creating the audit plan.

The objective of the Community Development audit was to determine if effective internal controls are in place, evaluate the effectiveness and efficiency of the department's processes, and to determine if the department is in compliance with applicable laws, regulations, policies and procedures.

Our conclusion is that the Community Development Department is performing its revenue collection function in a satisfactory manner. The employees appear to be adequately trained to perform the work. We offer one recommendation to add value to the function.

A sample of fees charged by the Community Development Department was traced to the Lee County External Fees and Charges Manual. All fees within the sample were in agreement with the fees listed in the manual.

All Community Development Department fees listed in the External Fees and Charges Manual were traced to BOCC authorization of the fee. Authorization could not be located for nine of the fees. It is recommended that the nine fees be resubmitted to the BOCC for approval.

Background

The Lee County Community Development Department oversees planning, zoning, development and building services, environmental review, building inspections, and code enforcement for the unincorporated areas of Lee County.

Community Development administers:

- The Lee Plan, which is the comprehensive plan for growth in unincorporated Lee County.
- The Lee County Land Development Code, the regulations which implement the Lee Plan and other ordinances adopted by the Board of County Commissioners.
- Construction Review, approvals and permits for all zoning, site development and building construction.
- Code Enforcement of the Land Development Code and other County ordinances regarding land use and construction standards.
- Verification of Flood Insurance Rate Map information for parcels.

Audit of BOCC Community Development Revenue



The department collects and reconciles fees and other revenue pertinent to the various services that it performs. In fiscal year 2017, the department collected and reconciled nearly \$14.3 million in community development fees and about \$14.8 million in impact fees for Lee County.

Objective, Scope, and Methodology

The audit objective was to determine if effective internal controls are in place, evaluate the effectiveness and efficiency of Community Development Department processes, and to determine if the department is in compliance with applicable laws, regulations, policies and procedures.

A decision was made to limit the scope of the audit to a review of revenue. Revenues from the Community Development Department were reviewed to determine whether all fees and other revenue were properly approved, appropriate and reconciled. A sample of fees was traced to the External Fees and Charges Manual. All Community Development fees listed in the External Fees and Charges Manual were traced to BOCC authorization.

The audit methodology was comprised of the following steps:

- Preliminary Risk Assessment - A meeting was held with management to discuss the audit objective and scope and to solicit information regarding risks.
- Planning - Audit procedures were developed based upon research, audit objectives, scope, and the preliminary meeting.
- Field Work - Managers and employees were interviewed for insight on the operations. Evaluations and tests were conducted on operations and procedures to address and complete the audit fieldwork.
- Wrap-up - an Exit conference was held with management to discuss the audit results.

Observations and Recommendations

Fees

A sample of fees charged by the Community Development Department was traced to the fees listed in the External Fees and Charges Manual. All of the fees in the sample conformed to the fees listed in the manual. No exceptions were found.

All of the Community Development Department fees listed in the External Fees and Charges Manual were traced to BOCC approval of the fees. Nine of the fees listed in the manual could not be traced to the BOCC action authorizing the fee.

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Recommendation


It is recommended that the nine fees be resubmitted to the BOCC for proper authorization.

MEMORANDUM
FROM
THE DEPARTMENT OF
COMMUNITY DEVELOPMENT

TO: Tim Parks
Chief Internal Audit Officer/ Inspector General
Lee County Clerk of Courts

DATE: June 12, 2018

FROM:


David Loveland, Director

RE: Audit of Community Development Revenue

This memo is to acknowledge receipt of the audit results of your department's review of our revenues. We are in agreement on the recommendation to have the Board of County Commissioners reaffirm the nine fees listed in the External Fees and Charges Manual for which authorizing action could not be verified. We will work with County Administration to schedule Board action on this issue at an upcoming BOCC meeting.

I want to thank David Rollman of your staff for his professionalism and diligence in conducting this audit. Please let us know if you need anything further from our office.

cc: Roger Desjarlais, County Manager
Doug Meurer, Assistant County Manager
Pete Winton, CFO/Assistant County Manager
Tom Grissom, DCD Senior Fiscal Officer