FOLLOW-UP AUDIT OF
BUILDING PERMITS

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The Honorable Chairman and Members of the Board of County Commissioners

We have conducted a follow-up review to our audit of Building Permits. The objectives of our review were to determine the implementation status of our previous recommendations.

Of the ten recommendations contained in the audit report, we determined that all have been implemented. The status of each recommendation is presented in this follow-up review.

We appreciate the cooperation shown by the staff of the Building Department and the Environmental Management Department during the course of this review.

Respectfully Submitted,

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Approved:

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Scope and Methodology

We conducted a follow-up audit of Building Permits. The purpose of our follow-up review is to determine the status of previous recommendations for improvement.

The purpose of the original audit was to:

1) Determine that fees were charged and collected in accordance with the approved governmental user fee and uniform fine schedules.

2) Determine the adequate and timely enforcement of the Florida Building Codes (Building Codes).

3) Determine that building permit inspections were performed in compliance with applicable laws, rules, policies and procedures.

4) Determine that required inspections for commercial, business and industrial properties were performed.

To determine the current status of our previous recommendations, we conducted an interview with management to determine the actual actions taken to implement recommendations for improvement. We performed limited testing to verify the process of the recommendations for improvement.

Our follow-up audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and, accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances. Our follow-up testing was performed during the months of January and February 2009. The original audit period was October 31, 2003 through March 31, 2006. However, transactions and processes reviewed were not limited by the audit period.
Overall Conclusion

Of the ten recommendations in the report, we determined that all were implemented. We commend management for implementation of our recommendations.

Background

The primary objective of the Pinellas County Building Department is to protect the public’s life, health, safety and welfare as it relates to standard construction practices. Its jurisdiction extends to the unincorporated areas of the County and Belleair Beach, Madeira Beach, Redington Beach and North Redington Beach.

The Building Department is under the County Administrator and is organized into administrative, clerical, building, electrical, plumbing, mechanical and plan review sections. The Building Department’s Fiscal Year 2005 Operating Budget Request was $3,794,000 with a total of 58 permanent employees and positions. Expenses are recorded in the General Fund.

The Building Department reviews construction plans and inspects construction projects in progress at various intervals. Plans are reviewed for compliance with building, electrical, plumbing, gas, mechanical and energy requirements. Pursuant to a successful review, permits are issued for construction.

Once construction begins, the Building Department conducts code-required site inspections for compliance with the Florida Building Code. These inspections continue until construction is completed and the building is certified for occupancy (CO). Under the Florida Building Code, the permitee/contractor has the responsibility to request the required inspections.

A separate entity, the Pinellas County Construction Licensing Board, has the responsibility for regulating certain construction and home improvement contractors.
This section reports our follow-up on actions taken by management on the Recommendations for Improvement in our original audit of Building Permits. The recommendations contained herein are those of the original audit, followed by the current status of the recommendations.

1. **Building Permit Inspections Were Sometimes Not Being Done.**

Our review determined about 16% of the building permits never got inspected before they expire. Our testing found that about 75% of those expired permits actually had the work completed. Allowing building permits to expire should not be an easy method to avoid inspections and circumvent established controls. Inspections provide assurance that the work actually performed was allowed under the permit and that the work completed met building code standards.

To gauge the extent of contractors not calling for inspections on permits and to estimate the significance of this problem, we reviewed expired permits. We reviewed roofing, electrical and other building trade contractors that had 50 or more permits to determine the number of permits that did not have inspections. This initial analysis was on 31 contractors generating 4,247 permits, which found 682, or 16%, were not inspected. We then focused on roofing contractors, regardless of the number of permits. This produced 49 contractors generating 3,802 permits, of which 580, or 15%, had not been inspected.

We estimate that approximately 20,400 permits are issued annually by the Building Department. If the rates for the general permit population are consistent with our sample, then there would be 2,870 to 3,468 permits each year that would be issued, but never inspected.
We found that Hernando County fines permit holders/contractors for failure to obtain inspections. The fine is $500 for the first offense and $500 for repeat offenses and/or disciplinary action pursuant to Hernando County's construction licensing ordinance.

We Recommend management develop procedures to ensure that expired building permits get inspected or are properly cancelled if not used. The Building Department should enact a penalty for failing to obtain inspections and report violations to the Pinellas County Construction Licensing Board.

Status:

Implemented. Procedures have been developed and permits are tracked in the Permits Plus software system, which also generates automatic letters and reports on expired permits. Complaints are filed with the Construction Licensing Board for expired permits classified as abandoned due to lack of inspections. Re-instatement penalties are based on the User Fee Schedule, which has been updated and increased.

2. Building Permits Lacked Required Documentation.

Building permit files indicated that some of the permits reviewed did not contain the contractor’s work plan or installation list. Permit files that are incomplete do not receive final inspections to close the permit. Building permits should not be allowed to expire without a final inspection approval.

In our test for building permit documentation, we selected 120 permits for review and found 4 permits, or 3%, did not have all the required documentation on file. The work plan or installation list from the contractor was not filed for the permits tested. Five of the permits did not have a final inspection performed.

Permits should not be allowed to expire when inspections show work was performed. There currently are no real penalties for
failing to provide work plans or installation lists and infractions are not reported to the Pinellas County Construction Licensing Board.

The Building Department needs to be able to compel the permit holders to provide the required documentation. This would help ensure that all permits are inspected and subsequently closed.

We Recommend Management develop procedures to ensure permit holders submit all required documentation and have all required inspections. The procedures should address taking appropriate measures for permit holders that fail to comply, including reporting violations to the Pinellas County Construction Licensing Board, as appropriate. Staff training should be conducted to ensure proper inclusion of documentation and closing of permits.

Status:

Implemented. Management’s Permits Plus software system tracks and documents all permits. Complaint/Violation/Citation procedures have been established and documented. These procedures include reporting violations to the Pinellas County Construction Licensing Board, which are identified through automatic reporting within the Permits Plus system. A checklist has been developed and implemented and the appropriate staff trained.

3. Demolition Permit Inspections Were Not Being Done.

Our review of demolition permits found that 18% of the permits did not have any inspections. The Florida Building Code requires demolition permits to have two different inspections. The first inspection is made after all utility connections have been disconnected and secured in such a manner that no unsafe or unsanitary conditions exist during or after demolition operations. A final inspection is made after all demolition work is completed.

Our initial test of 30 demolition permits found that six permits did not have an inspection performed. The test was expanded to
another 60 permits resulting in another nine permits without an inspection. This test was further expanded to an additional 12 permits, of which three did not have an inspection.

Overall, 18 of the 102 total demolition permits sampled, or 18%, did not have an inspection. These permits without an inspection are included in our concerns noted in Opportunity For Improvement No. 1 regarding inspection relating to building permits sometimes not being done.

**We Recommend** the Building Department ensure they inspect all demolition permits and establish penalties for violators, and report them to the Construction Licensing Board for possible sanctions.

**Status:**

Implemented. Utilizing the Permits Plus software, management implemented policies, procedures, reporting and checklists for demolition inspections.

### 4. Complaint Violations Were Not Resolved Timely Or Completely.

Nearly half of the complaints of violations received by the Building Department remained open after six months. The most common complaint of a violation was for working without a building permit. For the audit period, there were 777 violations where the Building Department imposed double permit fees or tenfold permit fees for working without a building permit. Our testing found instances where no inspections were ever done after previously cited violators obtained a building permit. We noted specific concerns regarding investigating, enforcing, correcting and deterring complaint violations as follows:

A. Complaints were not getting resolved in a timely manner. The average age of open complaints was 214 days at the time of our review.

At the time of our review, we found that 205 of the 412 open complaints were over six months old. We
selected 60 complaints to determine that they were properly resolved. We found that 52 had a second notice issued, but 38 of these had no additional information of any action taken. There were no system checks or date flags that indicate to the user that a complaint violation needed additional action or follow-up.

B. Enforcing violations should deter repeat or chronic violators. Violations (and a related penalty) are issued for work without a permit or beyond the scope of the permit. In our review of violations, we identified contractors with multiple violations and found that 260, or 2%, of the contractors committed more than one violation. We further analyzed violations for chronic offenders and found seven contractors that had five or more violations. One contractor had as many as 23 violations. Chronic violators are not reported to the Pinellas County Construction Licensing Board.

C. Correcting violations should ensure that the violation is resolved. We further selected 30 violations which all happened to be for work without a permit. Of the 30 violations, 24 were corrected by the violators obtaining permits, paying additional fees, and having the work inspected. Of the six violations that were not corrected, three were enforced by the Building Department by performing inspections. The remaining three permits were not inspected and subsequently expired and were considered abandoned. The conditions causing the violations were never inspected to ensure the work complied with the Building Codes.

D. Deterring licensed contractors from working without a permit should reduce complaints.

- The fines and penalties for working without a permit lag behind other counties. Pinellas County’s penalty for the first violation to work without a permit is to charge double the permit cost, but other counties also charge a fine of $50 to $250. Only upon a second violation (regarding the same
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project) is a fee of ten times the regular fee assessed for an “after the fact” permit.

- If the permitted work done is not correct, most other counties impose penalties on second reinspection, but Pinellas County does not impose penalties until the third reinspection. In addition, there was no systematic reporting of problem contractors to the Pinellas County Construction Licensing Board for sanctions.

In addition, the Building Department should monitor customer service through a customer complaint tracking, analysis and reporting process and through customer surveys.

We Recommend management develop procedures to ensure complaints are investigated in a timely manner and any violations are corrected. The procedures should address taking appropriate measures for permit holders that fail to comply, including reporting violations to the Pinellas County Construction Licensing Board, as appropriate.

Management should specifically:

A. Establish a formal system for follow-up on open violations and uncollected citations.

B. Report chronic violators to the Pinellas County Construction Licensing Board.

C. Relate violations to permits and require inspections to be performed.

D. Review the fines and penalties structure to consider adding fines to penalties.

Status:

A. Implemented. Violations are tracked in the Permits Plus System. If a citation is unpaid, additional citations are generated and tracked based on next action date. In court, a judge will either request payment or set up a payment schedule. At this time, the case is part of the criminal
system and the State is responsible for collections as the monies do not come back to the County. Management is considering the Special Master Program that the County recently started which brings the monies back to the County.

B. Implemented. Violators are reported to the Pinellas County Construction Licensing Board and automatic letters generated by the Permits Plus system inform both the homeowner and the contractor of the notification.

C. Implemented. Violations are associated with permits, as are date flags, indicating inspection due dates. Automatically generated letters and follow-ups are sent to inform the homeowner and the contractor if necessary inspections have not been completed.

D. Implemented. Once permits are classified as abandoned due to lack of timely inspections, they must be reinstated, at which time appropriate fees/penalties are incurred. Timely inspections must then be scheduled or the process repeats. A violation may not be cleared without completion of the process unless the structure is removed.

5. Roof Underlayment Inspections Were Not Always Performed.

Reroof underlayment inspections were not being done consistently by either the County or contracted inspectors. Reroofing permits for tile and metal roofs require an underlayment and final inspection, while asphalt shingle roofs only require a final inspection in Pinellas County. The Florida Building Code, under Section 105.6.1, Required Inspections, provides that the building official shall determine the timing and sequencing of when inspections occur and what elements are inspected at each inspection. The building code states that roofing inspections shall, at a minimum, include an inspection of the following building components; dry-in, insulation, roof coverings, and flashing. A completed roof would limit the degree that the components could be inspected.
We randomly selected 90 reroofing permits issued during the audit period to determine whether an underlayment inspection and a final inspection were performed. The test results showed that 60 of the 90, or 67%, of the permits did not have an underlayment inspection, but only had a final inspection.

**We Recommend** management consider requiring all reroof permits to have underlayment inspections.

**Status:**

Implemented. Effective September 1, 2008, management implemented an In-Progress Inspection policy which states, “All re-roofs must have an in-progress inspection called.”


No written policies and procedures existed on how to conduct commercial inspections, and there were no forms to record inspection results. Also, there was no system to direct which one of the over 28,000 properties needed to be inspected. The two inspectors used the County Code language to conduct inspections. The inspection results were not recorded unless there was a notice of violation issued, and each inspector selected which properties in their half of the County to inspect.

The properties subject to inspections are generally described as, “Every commercial, business or industrial establishment and the premises on which it is situated in the county used or intended to be used for commercial, business or industrial occupancy...”

**We Recommend** management develop written policies and procedures for commercial, business and industrial property inspections. The results of the inspections should be documented and provided to the owner. A methodology for determining all properties subject to inspections, assigning inspections, recording
results, enforcing violations and monitoring the frequency of inspections should be developed.

**Status:**

Acceptable alternative implemented. The responsibility for Commercial Inspections has been transferred to the Code Enforcement Division of the Environmental Management Department. Management from Code Enforcement utilizes existing policies and methodologies already in place for residential enforcement to assign, enforce, record results for, and monitor commercial inspections. Members of the Code Enforcement staff have been trained accordingly. A draft of Chapter 22 is currently in progress to change the wording directing enforcement authority to Environmental Management. It should be noted that initially two additional staff members were also transferred to Environmental Management, which brought available staff to 23. Since that time and due to limited budgets, nine positions have been eliminated necessitating a reactive rather than proactive approach to enforcement.

**7. Public Information Could Be Improved.**

The Building Department’s website provided the public with useful information on the building permit process, but did not provide any online services for building permits.

Online services offered to citizens include inquiry access to building permit records. The Department Peer Review report on the Nature’s Watch project recommended that inspection and plan review results be available online. In providing online access to building permit information, the Building Department should also consider how to communicate reminders to the permit holder for any requirements they have not completed. In particular, there should be reminders for problems with permit holders not submitting all required documentation, especially work plans or work lists, outstanding violations, required inspections and expired permits. Including reminders in the record information can continually stress to the permit holders any unfulfilled obligations, especially calling for required inspections.

Alternatively, the Building Department could consider installing an Integrated Voice Response System (IVRS telephone system) for
inspection and plan review results information to handle phone inquiries. The system could also do automated calling of permit holders for communicating inspection information and reminders for required documentation or required inspections.

**We Recommend** management consider providing more information to the public through the use of automated systems to increase compliance with building permits.

**Status:**

Implemented. Management has implemented “Customer Corner” on the Building Department web page where the frequently asked questions section provides useful permit related information to the public.