



**Internal Audit Department**

*Clerk of the Circuit Court • County Court • Board of County Commissioners*

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June 13, 2011

Mr. Gregg Welstead, Director  
Conservation and Compliance Department  
Post Office Box 7800  
Tavares, FL 32778-7800

Mr. Welstead:

As scheduled per the Clerk's Annual Internal Audit Plan, we have performed a follow up audit of BCC 2008-05, Conservation and Compliance Department, Code Enforcement Services Division dated July 21, 2008. Thirty three audit findings were contained in the original report.

Based on our follow up audit work and discussions with Code Enforcement Division staff, we are closing all of the original audit findings. Our follow-up audit indicated that these original findings have either been addressed and adequate corrective changes have been implemented or are no longer valid. During our audit we found one additional finding for your consideration that is attached in our final report, BCC 2011-06 – Follow Up to BCC 2008-05 Code Enforcement.

We appreciate the cooperation and assistance provided by the Code Enforcement Services Division, Conservation and Compliance Department and also other local county and governmental entities contacted during the course of this internal audit.

Sincerely,

A handwritten signature in black ink that reads "Jeremy Martin". The signature is written in a cursive, flowing style.

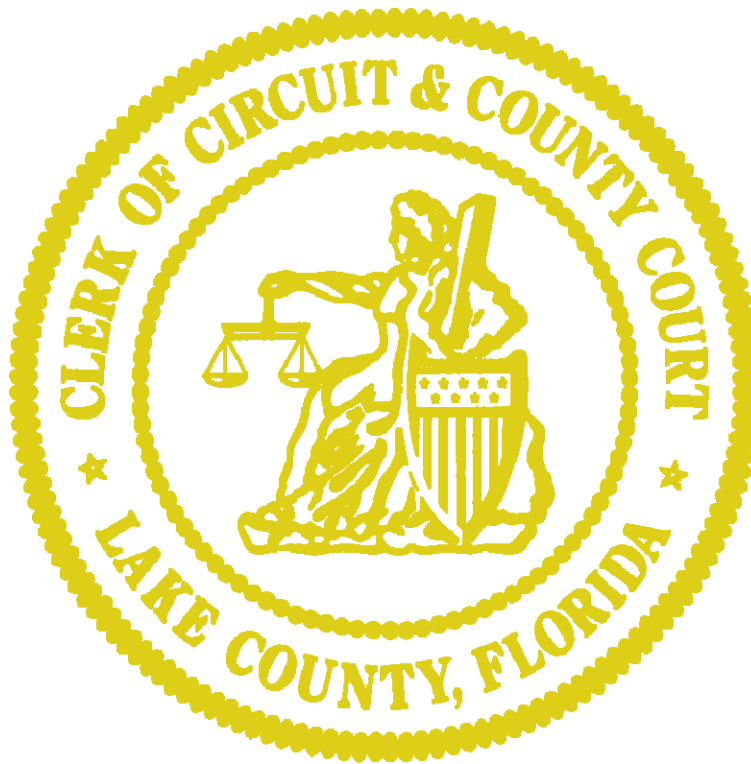
Jeremy Martin, CPA  
Internal Audit Director

JM/ag

cc: Honorable Neil Kelly, Clerk of Circuit & County Court  
Board of County Commissioners  
Darren Gray, County Manager

**Neil Kelly**

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**Internal Audit Department**

**BCC 2011-06**

**Follow Up to BCC 2008-05 Code Enforcement**

**Lake County Board of County Commissioners**

**May 27, 2011**

**CONFIDENTIAL**

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# EXECUTIVE SUMMARY

## OVERVIEW

As requested by the Interim County Manager and scheduled as part of the Annual Audit Plan, an internal audit was performed of the Code Enforcement Services Division of the Conservation and Compliance Department. This was a follow-up audit to Audit Number BCC 2008-05, Code Enforcement.

The Code Enforcement Services Division is authorized by Florida Statute and County Ordinance to enforce all non-criminal violations of the Lake County Codes and Land Development Regulations.

The Division has the responsibility to investigate all complaints for validity, and to proceed with any valid violations through an established process. Codes are created as a vehicle to enforce county ordinance. Violation of the Codes does not incur criminal penalties, but must be enforced to protect the rights and properties of the citizens. Land Development Regulations are created to help control the use and development of property. Compliance with these regulations can be obtained through proper zoning and building permitting and the development review process. However, when development is done without obtaining the proper permits and development orders, Code Enforcement has the authority and responsibility to enforce those regulations, as well.

The Division enforces many types of violations of County regulations and codes including the following:

- The control of grass and weeds;
- Parking of recreational vehicles, boats, semi-trucks and trailers;
- The accumulation of garbage, trash and debris;
- Occupying recreational vehicles outside an approved park;
- Abandoned property (including vehicles, furniture, machinery, etc.);
- Occupational licenses for both commercial and home occupations;
- Permits for buildings, signs, pools, boat docks, etc.; and
- Inspections Conditional Use Permits.

Since the original audit report issued in July 2008, the Division was removed from its placement within the Growth Management Department and placed into its current position with the Conservation and Compliance Department. As a result, significant changes in staff alignment have also occurred. The objective of the original audit was to determine whether internal controls were adequately designed and operating effectively. An internal control system consists of many policies and procedures designed to provide management with reasonable assurance that organizational goals and objectives will be achieved. It is management's responsibility for establishing and maintaining an effective system of internal control. Internal Audit is one of many monitoring tools available to assess the effectiveness of internal controls.

The courtesies and cooperation extended by division and department staff during the audit were sincerely appreciated.

## SCOPE

Management desired to know if the management action plans agreed to in the original audit were implemented. The time frame of this audit was July 1, 2010 through December 31, 2010.

## OBJECTIVES

The objectives of the audit were to:

1. Determine whether the management action plans agreed to in the original audit were implemented.
2. Determine whether other effective plans are in place for those management actions plans that were not agreed to in the original audit.

## OVERALL EVALUATION

During the course of the audit, we found the Division staff to work well together and to be focused on their duties. Employees were very forthcoming with information and appeared to be eager to assist the auditors in any way. We were extended many opportunities to observe the staff during the normal course of their work. Management has addressed all areas where improvements were recommended in the original audit and we commend them for doing so. The controls implemented are essential to improved accountability over the Division's operations.

## OPINION

Based on the results of our audit testing, we have determined that the management of the Code Enforcement Services Division has effectively implemented plans supporting the recommended changes. We also found and have included an additional area for improvement in our audit findings and recommendations.

## AUDIT BY:

Jeremy Martin, CPA, Internal Audit Director

Alice Garner, CPA, Senior Internal Auditor

## SUMMARY OF ORIGINAL AUDIT FINDINGS

The following chart summarizes the status of the original Audit Findings and the results as of the completion of the follow up audit. Any new audit findings can be found in the Findings and Recommendations section of this report.

**Closed Status** - Control weaknesses for which corrective actions have been completed to the auditor's satisfaction.

Finding	Finding Description	Status	Comments
1	Organization is misaligned.	Closed	Division repositioning and staff realignment have occurred.
2	Lack of organizational independence, program coordination and objectivity.	Closed	Division was repositioned into the Conservation and Compliance Department.
3	Lack of interdepartmental communication and redundancy of like organizational elements.	Closed	Division was repositioned into the Conservation and Compliance Department.
4	Work schedule of personnel is inefficient.	Closed	Closed prior to original audit report issuance.
5	Personal safety equipment is not adequate.	Closed	Closed prior to original audit report issuance.
6	Vehicles are lacking adequate safety equipment or markings.	Closed	Strobe lights were installed on code enforcement vehicles.
7(a)	No county policy designating normal per day work hours.	Closed	County procedure created on 06/27/08, ES-4.04.06 entitled Flexible Scheduling.
7(b)	Inconsistent application of code enforcement regulations.	Closed	A proactive practice is in place to ensure that neighboring properties of code violators are held to similar standards.
8	Lack of written, approved and published procedures.	Closed	Many policies and procedures are documented and a Standard Operating Procedures manual has been created and implemented.
9	Inconsistent application of fines and fees within procedures.	Closed	Fines may only be assessed by the Special Master and are determined using documented standards.
10	Workload numbers are padded.	Closed	Processes are in place to ensure that workload is distributed fairly.
11	Approvals for p-card purchases is not evident.	Closed	Employees receive annual p-card training, supervisory review of documents is evident and management signs the monthly transmittal sheet.
12	Petty cash fund limit is too high.	Closed	The Division no longer maintains a petty cash fund.
13	Use of assigned vehicles is not efficient and costly.	Closed	Code enforcement zones have been re-evaluated and redesigned to ensure fair distribution of assignments to staff and more efficient use of county vehicles.
14	New county vehicle policy is too restrictive.	Closed	Closed prior to original audit report issuance.
15	Violation of new county policy.	Closed	Management's assignment and use of county vehicles is in compliance with established county policy.
16	Computer support is lacking.	Closed	The quality and timeliness of computer hardware support has improved. Division management has expressed overall satisfaction with the level of service and equipment it receives.
17	Technology support is not adequate.	Closed	The quality and timeliness of software technical support has improved. Division management has expressed satisfaction with the level of service and equipment it receives.

18	Backup equipment is not available.	Closed	Back-up equipment is available as needed. Division management has expressed overall satisfaction with the level of service and equipment it receives.
19	Employees are not provided certifications for profession.	Closed	Closed prior to original audit report issuance.
20	Divisional training program is not adequate.	Closed	All code enforcement officers must complete an extensive training program, must complete certification continuing education requirements and receive other training as needed.
21	Supervisory oversight is not adequate.	Closed	Staff has been realigned and meets supervisory needs for code enforcement officers.
22	Pay is not comparable for duties performed.	Closed	Closed prior to original audit report issuance.
23	Certification, training and safety programs.	Closed	Closed prior to original audit report issuance.
24	Inspection of switch closet issue.	Closed	The switch closet is no longer managed by the Division and is locked.
25	Inspection of individual workstations issue.	Closed	Management has addressed all of the specific workstation issues.
26	Sound program administration - Special Mastery.	Closed	No action was required.
27	New management team is providing positive direction.	Closed	No action was required.
28	Workload is performed but not counted.	Closed	The current system does not permit an accurate calculation of the number of inspections performed. Management utilizes the system to track performance based on other measures, such as the progress and timeliness of staff.
29	Workload referred by others is not valid.	Closed	While it would be prudent for another Division to present its own Special Master cases, the current staff level for the other Division is not sufficient to support the workload.
30	Use of backgrounds and images in email.	Closed	The use of background images in emails is not prohibited by county policy and is not a common practice within the Division.
31	Payroll, timesheet and man-hour accounting records are accurate.	Closed	No action was required.
32	Petty cash fund management is not stringent.	Closed	The Division no longer maintains a petty cash fund.

## FINDINGS AND RECOMMENDATIONS

### **Compliance with established purchasing card procedures is not consistently followed.**

**Criteria:** The Lake County Board of Commissioners Purchasing Card Procedures manual (LC-7) identifies the basic requirements applicable to the P-Card Program. Specifically, section 601.41p of the purchasing card procedures states that the Cardholder shall, “Obtain from DCR or download from the Internet, review, confirm, and sign each monthly statement certifying that each charge is for an authorized County purchase. The cardholder shall personally sign each monthly statement acknowledging validity of purchase and receipt of goods.”

**Condition:** The auditor performed a review including six months of the Conservation and Compliance Department’s individual purchase card statements, supporting documentation and transmittals. During this review, the auditor discovered five instances, occurring in four of the six months reviewed where an employee other than the Cardholder signed the individual’s monthly statement.

**Effect:** If the Cardholder does not sign his or her monthly statement, the Department Card Representative (DCR) cannot be certain that the Cardholder has reviewed and confirmed that his or her monthly statement is accurate.

**Recommendation:** We recommend that management put a process in place to ensure that all Cardholder’s sign-off on his or her individual purchase card monthly statement.

#### **Management Response:** Agree

Although these findings are not directly related to the Code Enforcement Division (instances cited occurred in Probation and Animal Services Divisions) they were identified because Departmental DCR functions are performed by a Code Enforcement staff member.

The discrepancies and their implications have been discussed with appropriate staff in Code Enforcement as well as Probation and Animal Services during staff meetings. To ensure this does not recur, we are immediately amending our process for DCR submittals to include review and signature by each Division Manager on the monthly submittal prior to submittal to the Department Director.

**Expected Completion Date:** June 13, 2011