



Internal Audit Department

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

Post Office Box 7800, Tavares, FL 32778

Phone: (352) 253-1644 Fax: (352) 253-1645

July 18, 2011

Ms. Amye King, Director
Growth Management
Post Office Box 7800
Tavares, FL 32778-7800

Ms. King:

As scheduled per the Clerk's Annual Internal Audit Plan, we have performed a combined follow-up audit of four audit reports issued in 2008-2009 including BCC 2008-01 Administration, BCC 2008-06 Planning and Community Design, BCC 2009-03 Building Services, and BCC 2009-04 Zoning. A total of 21 audit findings were contained in the original reports.

Based on our follow-up audit work and discussions with Growth Management staff, we are closing 18 of the original audit findings. Our follow-up audit indicated these original findings have either been addressed and adequate corrective changes have been implemented or are no longer valid. During our audit, we also found that the remaining three original findings were not corrected in accordance with the management action plans and still require management's attention. A summary of the status of the management action plans is attached in our final report, BCC 2011-07 – Follow Up to BCC 2008-2009 Growth Management Audits.

We appreciate the cooperation and assistance provided by the Growth Management 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".

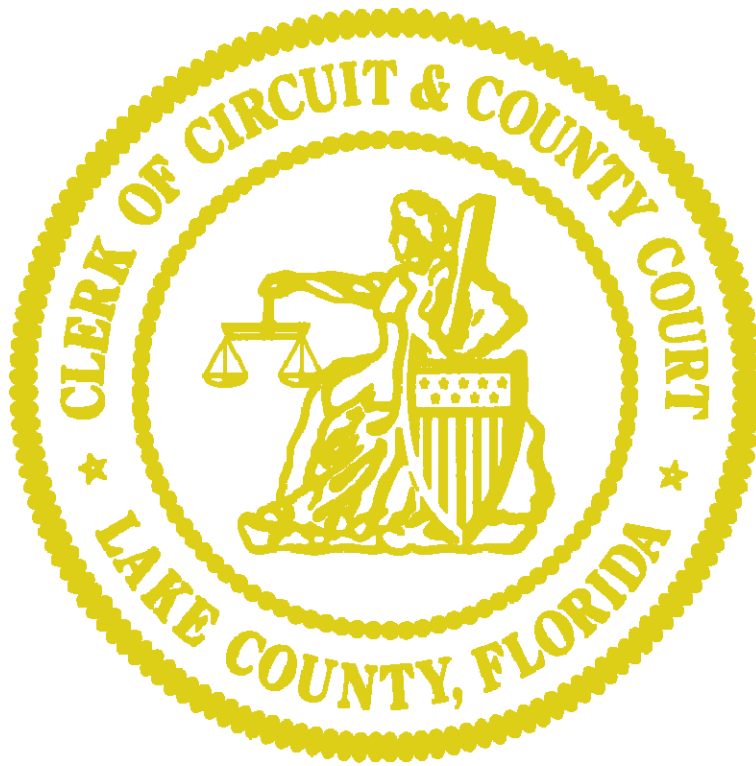
Jeremy Martin, CPA
Internal Audit Director

JM/ag

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

Neil Kelly

Clerk of the Circuit Court • County Court • Board of County Commissioners
550 West Main Street • Post Office Box 7800 • Tavares, Florida • 32778-7800
(352) 742-4100 • www.lakecountyclerk.org



Internal Audit Department

BCC 2011-07

Follow Up to BCC 2008-2009 Growth Management Audits

Lake County Board of County Commissioners

July 18, 2011

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
Overview	2
Scope.....	2
Objectives.....	2
Overall Evaluation	3
Opinion.....	3
 SUMMARY OF ORIGINAL AUDIT FINDINGS	 4

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 divisions within the Growth Management Department. This was a combined follow-up audit to Audit Numbers BCC 2008-01 Administration, BCC 2008-06 Planning and Community Design, BCC 2009-06 Building Services, and BCC 2009-07 Zoning division audits.

The Growth Management Department is responsible for short and long-range planning; review, permitting and inspection of land development; and monitoring of the environment in unincorporated Lake County under the County's Comprehensive Plan and Land Development Regulations.

Currently, the Department is further organized into the Administrative, Building Services and Planning and Community Design divisions. Administration includes staffing and funding for Growth Management's Administration, Development Processing, Impact Fee Coordination and the East Central Florida Planning Council. Building Services oversees building and contractor licensing and administers and enforces the Florida Building Code through plan review, permitting, and inspections in unincorporated Lake County and the Town of Montverde. The Planning and Community Design Division now includes Zoning and is the entry point into the development and permitting process for Lake County. It is also responsible for the review of all commercial, industrial, public facility and residential site development within unincorporated Lake County for compliance and consistency with the Lake County Land Development Regulations and Comprehensive Plan. The Division is also responsible for maintaining the internal consistency of the Land Development Regulations and consistency of those regulations with the goals, objectives and policies of the Comprehensive Plan.

Since the original audits were initiated in 2008 and 2009, the Department has experienced significant changes in its organizational structure and staffing levels. For example, the Zoning Division has been merged into the Planning and Community Design Division and the Code Enforcement Division, once a part of the Growth Management Department, is now organizationally aligned within the Conservation and Compliance Department.

The primary objective of the original audits was to determine whether internal controls are 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 the department staff during the audit were sincerely appreciated.

SCOPE

Management desired to know if the management actions plans agreed to in the original reports were implemented. The timeframe 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 Department staff to be focused on their responsibilities and eager to provide assistance in the audit whenever possible. Management has addressed many areas where improvements were recommended in the original audits and we commend them for doing so. There are still areas for improvement on three of the original audit findings. The controls implemented are essential to improved accountability over the Department's operations.

OPINION

Based on the results of our audit testing, we have determined that the Growth Management Department has effectively implemented plans supporting the recommendations for 18 of the 21 original audit findings. Specifically, the BCC 2008-01 Administration audit report included five findings, all of which will be closed; the BCC 2008-06 Planning and Community Design audit report included four findings, all of which will be closed; the BCC 2009-06 Building Services audit report included seven findings, five of which will be closed; and the BCC 2009-07 Zoning audit report included two findings, one of which will be closed. We have determined that internal control weaknesses still exist for those plans that were not completely implemented. No additional findings came to the auditor's attention, and as a result, an audit findings and recommendations section is not included in this report.

AUDIT BY:

Jeremy Martin, CPA, Internal Audit Director
Alice Garner, CPA, Senior Internal Auditor

SUMMARY OF ORIGINAL AUDIT FINDINGS

The following charts summarize the status of the original audit findings and the results as of the completion of the follow-up audit. Nothing came to the auditor's attention to warrant the creation of any new findings.

Open Action Plan - Control weaknesses that need additional corrective action.

Audit BCC 2009-03 Growth Management Building Services

Finding	Finding Description	Status	Comments
1	Application of County (cell phone) policy, addressing productivity, increased costs, potential FLSA issue, and policy inconsistent with IRS regulations/guidance.	Open	Processes have been developed, however, documentation could not be provided to support consistent application of written procedures.
2	(Lack of) accountability for funds collected.	Open	Some internal controls exist, however, cash receipts management is still lacking in proper segregation of duties, adequate authorization for transactions and appropriate safekeeping of assets. .

Audit BCC 2009-04 Growth Management Zoning

Finding	Finding Description	Status	Comments
2	No formal methods of establishing accountability for funds collected.	Open	Some internal controls exist, however, cash receipts management is still lacking in proper segregation of duties, adequate authorization for transactions and appropriate safekeeping of assets.

Closed Action Plan - Control weaknesses for which corrective action has been completed to the auditor's satisfaction.

Audit BCC 2008-01 Growth Management Administration

Finding	Finding Description	Status	Comments
1	Password privacy (not properly managed and) BioPassword (program not working as intended).	Closed	Management re-communicated security policy and Biopassword program is no longer used.
2	Lack of a departmental (strategic plan), mission and vision statement.	Closed	Strategic planning should be initiated at the County level. Performance measurement for operations is in place throughout the department.
3	(County Comprehensive Plan is not up-to-date and is) out of compliance (with state statute).	Closed	A process is in place to ensure the timely updating, implementation and integration of the county comprehensive plan, the evaluation and appraisal report and land development regulations.
4	Service efforts and accomplishments (not formally measured).	Closed	Performance measurement for operations is in place throughout the department.
5	Lack of a formal administrative division.	Closed	Centralization of functions would be ideal, but current economic conditions and staffing levels make it an impractical change.

BCC 2008-06 Growth Management Planning and Community Design

Finding	Finding Description	Status	Comments
1	Development and use of performance measures (is in place).	Closed	No action was required.
2	(Lack of) certification of personnel (included in job descriptions).	Closed	Job descriptions have been updated and staff appears to have at least the minimum required qualifications for their position.
3	Lack of a formal training plan.	Closed	Budget constraints prevent the department from implementing formal training programs. Staff appears to have at least the minimum required qualifications for their position.
4	Missing tools to maximize performance.	Closed	Staff has the resources they need to successfully perform their assigned duties.

BCC 2009-03 Growth Management Building Services

Finding	Finding Description	Status	Comments
3	Workload indicators show a disparity in inspectors' productivity. (Inadequate and inefficient workload assignment.)	Closed	Budget constraints and staffing levels hinder management's ability to efficiently assign workload to inspectors. However, a process in place to keep track of the certifications held to ensure assignments can be made effectively.
4	Personnel Management (potential FLSA issue).	Closed	Nothing came to the auditor's attention during the review that would indicate an FLSA issue.
5	County vehicles could be used in a more efficient and effective manner (inefficient assignment of county vehicles).	Closed	Location of assigned County vehicles appears reasonable and in accordance with established policy.
6	No vehicle tracking device or device to assist with location of inspection sites.	Closed	Navigational resources used by inspectors are sufficient.
7	There are no high intensity safety flashers on Building Services Inspector vehicles.	Closed	Inspector vehicles are equipped with the appropriate safety equipment needed.

BCC 2009-04 Growth Management Zoning

Finding	Finding Description	Status	Comments
1	Potential FLSA issue.	Closed	Nothing came to the auditor's attention during the review that would indicate an FLSA issue.