



Clerk of the Circuit Court
Board of County Commissioners
Marion County
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Internal Audit Division

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MEMORANDUM

TO: M. Stuart McElhaney, Life Safety Services Bureau Chief
Sammie L. Luckey, Sr., Code Enforcement Director
Diane B. Tucker, Purchasing Director

FROM: David R. Ellspermann, Clerk of the Circuit Court
Wallace K. Watford, Internal Auditor

DATE: July 15, 2005

RE: **FOLLOW UP REVIEW: CODE ENFORCEMENT ABATEMENT PROJECT PROCEDURES**

The Internal Audit Division has performed a follow-up review of the Code Enforcement Abatement Project Procedures (*Report No. 2004-06, dated October 5, 2004*) to report on the status of recommendations contained therein. This review was conducted in accordance with Division Policy and Procedure #3.5 to “determine the extent of actions subsequently taken by County management in response to the findings and recommendations included in the report.”

Our review procedures principally consisted of management inquiries and review of written documentation. This report addresses only the specific recommendations and management responses contained within the original report.

Background

Our original review was performed in response to the request from the Life Safety Services Bureau Chief to review the procedures followed by Code Enforcement Department in the procurement of abatement services from contractors for projects arising from code violations of junk and litter and unsafe structures. We concentrated on whether the procurement process complied with the County Purchasing Code and departmental internal policies and whether the significant involvement of the Department in this activity can result in an appearance of impropriety in the awarding of projects.

Our review concluded that Code Enforcement had generally followed the County’s Purchasing Code in the awarding of abatement projects, with some exceptions. We noted that there had been recent significant improvements in the procedures for obtaining bids and awarding purchase orders. We concluded that there were additional opportunities to further enhance the internal controls over

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abatement project procurement. **We recommended** that Code Enforcement utilize Purchasing Department services to handle the procurement process in order to obtain best enhancements to controls and efficiency. As an alternative, we recommended certain identified improvements to existing procedures if Code Enforcement maintained full responsibility for procurement of abatement services. We further recommended that the Department revise its operating policies and procedures to include all current procedures, particularly “junk and litter” abatements, to require that each code case file have standardized and complete officer notes on the bidding process.

Results of Current Activities Performed

Our review activities included management inquiries with Code Enforcement Director and staff, discussion with the Purchasing Director and staff and review of written documentation.

We reviewed the abatement projects that were awarded subsequent to our review and examined the abatement case files. Each of these projects were advertised and awarded under the new procedures implemented by the County.

The County implemented our recommended procedures of utilizing the Purchasing Department in the awarding of abatement projects. These were identified in our report as:

- Upon notification of the abatement projects, Purchasing would fax and/or mail bid information to the contractors.
- Purchasing, along with Code Enforcement, would meet the contractors at a predetermined time for on-site inspections of the projects. This would require inspection warrants to allow access to the property. This should eliminate possibility of later “additional work” and all bids would be final since most, if not all, aspects of the job would be observed by the contractor.
- Contractors would respond directly to Purchasing with bids.
- Purchasing would tabulate the bids and inform all parties of bidders and amounts.
- Purchase requisitions and purchase orders would be prepared, approved and processed in the usual manner.
- Purchasing would ensure that any change in work and amount to any existing purchase order would be properly reflected as a revised purchase order and processed accordingly.
- Upon completion of the project, the contractor contacts the Abatement Officer, who then verifies if contracted work was completed. The invoice for services are reviewed and approved by the Director.

In addition, Code Enforcement promptly revised its operating policies and procedures to include the recommended revisions concerning abatements.

Conclusion

Our follow up review found that the new procedures were promptly implemented and are working as anticipated. Officials of both Code Enforcement and Purchasing have stated that the procedures have been beneficial and have rectified the issues identified in our original report. Both departments should be commended for such prompt and thorough enactment.

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This review was conducted by Wallace Watford, Internal Auditor, assisted by Sachiko Leon and Kathy Fitzhugh, Staff Auditors. We would like to express our appreciation to Mr. Luckey, Code Enforcement Director, and Ms. Tucker, Purchasing Director, and their staff for their cooperation and courtesy in the conduct of this followup review.

C: Patrick G. Howard, County Administrator
John D. Carter, Management Services Bureau Chief