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Audit Report

**FOLLOW-UP AUDIT OF THE
CODE COMPLIANCE DEPARTMENT**

July 26, 2011

Office of the City Auditor
Austin, Texas

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City of Austin



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Date: July 26, 2011
To: Mayor and Council
From: Kenneth J. Mory, City Auditor
Subject: Follow-up Audit of the Code Compliance Department

I am pleased to present this audit report on the Follow-up Audit of the Code Compliance Department (CCD). The audit objective was to determine the status of the recommendations issued in the 2010 Performance Audit of the Code Compliance Function. The recommendations were intended to improve the case management solution and strengthen program operations and data reliability

We found that CCD made significant progress towards the implementation of the seven recommendations from the original report, with all recommendations either implemented or underway at this time. More specifically,

- Three recommendations are fully implemented;
- One recommendation is substantially implemented; and
- Three recommendations are underway.

We appreciate the cooperation and assistance we received from staff in the Code Compliance Department, Solid Waste Services, and the 311 Customer Service Center during this audit.

cc: City Manager
Assistant City Managers
Code Compliance Department Director
Public Information Officer

COUNCIL SUMMARY

In March 2010, the Office of the City Auditor (OCA) completed a performance audit of the Code Compliance function. The audit determined that the Code Compliance Department (CCD) should improve its case management process and strengthen program operations and data reliability. To address these issues, the auditors issued seven recommendations and CCD concurred with all.

This report presents the results of our follow-up audit. A summary of our findings is depicted in the table below.

RECOMMENDATIONS	Status Verified by Auditor as of June 2011
01. The Code Compliance Department Director should develop and implement procedures for monitoring, along with procedures for corrective action, to ensure inspector compliance with policies and procedures for complaint and violation investigation and resolution.	Underway
02. The Code Compliance Department Director should develop, implement, and monitor a training plan for inspectors to ensure inspectors receive adequate education and training both related to the City Code and to code enforcement practices. Pursuing certification in code compliance from professional organizations may be one avenue to strengthen code inspectors' skill sets.	Fully Implemented
03. The Code Compliance Department Director should emphasize in the policies and procedures the importance of keeping accurate data, provide direction for proper records management, monitor conditions and provide corrective action as needed.	Substantially Implemented
04. The Code Compliance Department Director should establish a uniform response for "parking in yard" complaints and communicate such response to CCD inspectors, the 311 Customer Service Center and the SWS Call Center.	Fully Implemented
05. The Code Compliance Department Director should work to determine, with the Law Department, their authority to refer tenant complaints directly to the Housing Authority of the City of Austin (HACA) without investigation. If allowed, the Department Director should establish a formal partnership with the Housing Authority of the City of Austin to ensure that CCD referred complaints are investigated for compliance, not only with minimum federal standards, but also with City Code.	Underway
06. The Code Compliance Department Director should work with the Office of Communications and Technology Management (CTM) to find an integrated case management solution to manage all three department activities, Dangerous Buildings and Housing, Zoning Code Compliance, and Property Abatement, with a single point of entry that has capacity to interface with 311. The solution should provide appropriate technology controls to ensure data integrity and reliable and relevant reporting, while also providing an audit trail for complaints and cases.	Underway
07. The Code Compliance Department Director in conjunction with the Assistant City Manager over CCD should consider establishing a team to evaluate practices in other cities to determine what approaches will be beneficial in Austin.	Fully Implemented

SOURCE: OCA analysis and information provided by CCD to the Controller's Office

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BACKGROUND

In March 2010, the Office of the City Auditor (OCA) completed a performance audit of the Code Compliance function. The audit determined that the Code Compliance Department (CCD) needs to improve its case management process, and strengthen program operations and data reliability. To address these issues, the auditors issued seven recommendations and CCD concurred with all.

OBJECTIVE, SCOPE, AND METHODOLOGY

This Follow-up Audit of the Code Compliance Department was conducted as part of the Office of City Auditor's FY 2011 Strategic Plan.

Objective

To determine the implementation status of the recommendations from the original audit.

Scope

Internal records and procedures associated with the implementation of the seven audit recommendations from March 2010 to June 2011.

Methodology

To accomplish our audit objectives, we performed the following steps:

- Reviewed recommendation status as self-reported by CCD to the Controller's Office as of November 2010.
- Interviewed CCD management and staff.
- Interviewed Housing Authority of the City of Austin (HACA) management.
- Obtained and analyzed documentation related to the implementation status of the recommendations.
- Performed limited testing on the implementation of recommendations.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT RESULTS

The Code Compliance Department (CCD) made significant progress towards the implementation of the seven recommendations from the original report. Our audit results verified that the status reported by CCD was either as reported or better in all but one instance.

- Three recommendations are fully implemented.
- One recommendation is substantially implemented.
- Three recommendations are underway.

EXHIBIT 1 Status of Original Recommendations

RECOMMENDATIONS	CCD Reported Status as of November 2010	Status Verified by Auditor as of June 2011
01. The Code Compliance Department Director should develop and implement procedures for monitoring, along with procedures for corrective action, to ensure inspector compliance with policies and procedures for complaint and violation investigation and resolution.	Implemented	Underway
02. The Code Compliance Department Director should develop, implement, and monitor a training plan for inspectors to ensure inspectors receive adequate education and training both related to the City Code and to code enforcement practices. Pursuing certification in code compliance from professional organizations may be one avenue to strengthen code inspectors' skill sets.	Underway	Fully Implemented
03. The Code Compliance Department Director should emphasize in the policies and procedures the importance of keeping accurate data, provide direction for proper records management, monitor conditions and provide corrective action as needed.	Underway	Substantially Implemented
04. The Code Compliance Department Director should establish a uniform response for "parking in yard" complaints and communicate such response to CCD inspectors, the 311 Customer Service Center and the SWS Call Center.	Implemented	Fully Implemented
05. The Code Compliance Department Director should work to determine, with the Law Department, their authority to refer tenant complaints directly to the Housing Authority of the City of Austin (HACA) without investigation. If allowed, the Department Director should establish a formal partnership with the Housing Authority of the City of Austin to ensure that CCD referred complaints are investigated for compliance, not only with minimum federal standards, but also with City Code.	Underway	Underway
06. The Code Compliance Department Director should work with the Office of Communications and Technology Management (CTM) to find an integrated case management solution to manage all three department activities, Dangerous Buildings and Housing, Zoning Code Compliance, and Property Abatement, with a single point of entry that has capacity to interface with 311. The solution should provide appropriate technology controls to ensure data integrity and reliable and relevant reporting, while also providing an audit trail for complaints and cases.	Underway	Underway
07. The Code Compliance Department Director in conjunction with the Assistant City Manager over CCD should consider establishing a team to evaluate practices in other cities to determine what approaches will be beneficial in Austin.	Implemented	Fully Implemented

SOURCE: OCA analysis and information provided by CCD to the Controller's Office

As noted in Exhibit 1 above, three of the original recommendations (recommendations 2, 4, and 7) are fully implemented. CCD developed a training plan, and a training coordinator tracks training programs and schedules needed training through TRAIN.¹ CCD also issued a written directive and communicated to appropriate CCD, Solid Waste Services, and 311 staff that “Park in Yard” complaints should be forwarded to the Austin Police Department. Lastly, CCD formed a team to look at the best practices, and managers participated in round table discussions related to code enforcement activities in other cities.

FINDING #1: Although CCD has developed new monitoring and corrective action procedures, they have not been formally approved, and supervisors do not consistently follow these procedures.

Recommendation 1: The Code Compliance Department Director should develop and implement procedures for monitoring, along with procedures for corrective action, to ensure inspector compliance with policies and procedures for complaint and violation investigation and resolution.

According to CCD management, new monitoring and corrective action procedures were developed and verbally communicated to CCD supervisors during management meetings in December 2010 and January 2011. The new procedures are currently being tested and include:

- Individual Case Feedback Checklist;
- Bi-Monthly Investigator Ride Along Feedback Meeting;
- Monthly Investigator Case Review Feedback Meeting; and
- Weekly meetings between supervisors and staff.

We noted that there is no general agreement among supervisors with the new procedures, and some supervisors stated that they follow only those procedures that they believe are best. There is some confusion as to which inspectors are subject to the new procedures. We also noted that 5 of 10 (50 %) Monthly Investigator Case Review Feedback Meeting forms reviewed were incomplete.

In addition, the new procedures have yet to be formally signed and approved by management. CCD management reported that they are waiting to formally approve procedures until after the new department director starts in July.

Inconsistent implementation of policies and procedures potentially weakens the effectiveness of the monitoring process, limits the department’s ability to identify and correct non-compliance, and hinders uniformity in the application of policies and procedures. CCD management indicated that they were aware of inconsistencies and actions are underway to address them.

FURTHER ACTION NEEDED:

CCD should formally adopt the new monitoring and corrective action process, and ensure all supervisors consistently implement these procedures.

¹ TRAIN is the City of Austin’s training tracking system.

MANAGEMENT RESPONSE: Concur

Standard operating procedure has been developed and approved via signature on 7/21/2011 by Department Director, Reference **CCD-121**. Training for supervisors has been scheduled for 8/3/2011.

FINDING #2: Although CCD policies and procedures emphasize the importance of having accurate data and proper records management, the new procedures have yet to be formally adopted by management.

Recommendation 3: The Code Compliance Department Director should emphasize in the policies and procedures the importance of keeping accurate data, provide direction for proper records management, monitor conditions and provide corrective action as needed.

CCD has developed new procedures (Accurate Data, Accurate Records, Standards for Case Documentation, and Documentation in Database Case Log) and these new procedures specify the importance of keeping and maintaining accurate data and provide direction for proper records management. Individual case reviews include verification of accurate record keeping and maintaining pictures to support inspectors' findings.

However, CCD decided not to formally approve procedures until the start of the new Director. Failure to formally approve procedures limits management's ability to hold staff accountable for complying with departmental practices.

FURTHER ACTION NEEDED:

CCD should approve, fully implement, monitor, and provide for corrective action, where necessary.

MANAGEMENT RESPONSE: Concur

Standard operating procedures signed 7/21/2011. Supervisors will be trained on monitoring policy **CCD-121** on 8/3/2011. Action plan for necessary discipline set forth by standard operating procedure **CCD-125**.

FINDING #3: Although CCD has consulted with the Law department, the establishment of a formal partnership between HACA and the City of Austin is still underway.

Recommendation 5: The Code Compliance Department Director should work to determine, with the Law Department, their authority to refer tenant complaints directly to the Housing Authority of the City of Austin (HACA) without investigation. If allowed, the Department Director should establish a formal partnership with the Housing Authority of the City of Austin to ensure that CCD referred complaints are investigated for compliance, not only with minimum federal standards, but also with City Code.

CCD and HACA staff agreed to formalize a plan to submit to each agency's executive staff, tentatively starting in mid July 2011. While there have been delays in establishing a formal plan, HACA management concurs with the issues identified in the original recommendation, and has agreed to continuously work with the City to ensure complaints are resolved appropriately.

FURTHER ACTION NEEDED:

CCD and HACA should complete plan development, obtain agreement, implement, monitor compliance, and provide for corrective action, where necessary.

MANAGEMENT RESPONSE: Concur

CCD and HACA have met to discuss an agreement then met to develop a memorandum of understanding. Information has been submitted to COA Law to review and draft the MOU.

FINDING #4: Although some integration of department activities has occurred, additional efforts to create a single point of entry interface with 311 are still underway.

Recommendation 6: The Code Compliance Department Director should work with the Office of Communications and Technology Management (CTM) to find an integrated case management solution to manage all three department activities, Dangerous Buildings and Housing, Zoning Code Compliance, and Property Abatement, with a single point of entry that has capacity to interface with 311. The solution should provide appropriate technology controls to ensure data integrity and reliable and relevant reporting, while also providing an audit trail for complaints and cases.

CCD migrated the Property Abatement database to the citywide case management database (AMANDA). The 311 integration requires an upgrade to both AMANDA and the 311 customer case management database. Because interfaces are dependent on the upgrades being complete, no specific project plan for the 311 integration has been developed at this time. In addition, according to CCD, full migration to AMANDA requires staff resources and project prioritization from CTM.

FURTHER ACTION NEEDED:

CCD, in conjunction with CTM, should complete its migration to AMANDA, develop a plan for the 311 integration, create an interface with 311, obtain any necessary resources, seek priority from the CTM Project Office, communicate, develop, implement, monitor, and provide for corrective action, where necessary.

MANAGEMENT RESPONSE: Concur

CC Track database migration to AMANDA is underway. A statement of work has been developed with the AMANDA vendor and CTM for the full migration. 311 is preparing for an upgrade to the call intake software and an interface to AMANDA will be included in the upgrade planning.

**APPENDIX A
MANAGEMENT RESPONSE**

ACTION PLAN
Follow-up of the Performance Audit of the Code Compliance Department

Rec #	RECOMMENDATION TEXT	Concurrence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
01	For Original Recommendation#1 CCD should formally adopt the new monitoring and corrective action process, and ensure all supervisors consistently implement these procedures.	CCD Concurrs with the recommendation	Develop a standard operating procedure for supervisor monitoring of staff performance. Provide training to supervisors for standard operating procedure to ensure consistent application of policy.	Standard operating procedure has been developed and approved via signature on 7/21/2011 by Department Director Reference CCD-121 Training for supervisors has been scheduled for 8/3/2011.	Matthew Christianson 974-6470.	Proposed completion date of 8/4/2011.

Rec #	RECOMMENDATION TEXT	Concurrence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
02	For Original Recommendation #3 CCD should approve, fully implement, monitor, and provide for corrective action, where necessary.	CCD Concurs with the recommendation	Present policies to new Department Director for review and signature. Monitor staff per Supervisor monitoring standard operating procedure. Reference CCD-121 Supervisor Monitoring Provide corrective action as necessary per standard operating procedure CCD-125 Discipline Procedure	Standard operating procedures signed 7/21/2011. Underway – Supervisors will be trained on monitoring policy CCD-121 on 8/3/2011 Action plan for necessary discipline set forth by standard operating procedure CCD-125	Matthew Christianson 974-6470	Proposed completion date of 8/4/2011.
03	For Original Recommendation #5 CCD and HACA should complete plan development, obtain agreement, implement, monitor compliance, and provide for corrective action, where necessary.	CCD Concurs with the recommendation	Meet with HACA staff to draft a memorandum of understanding to ensure City of Austin codes regulated by CCD are met when a complaint has been received by CCD regarding public housing owned by HACA.	CCD and HACA have met to discuss an agreement then met to develop a memorandum of understanding. Information has been submitted to COA Law to review and draft the MOU	Matthew Christianson 974-6470	Proposed completion date of August 31, 2011 or sooner

Rec #	RECOMMENDATION TEXT	Concurrence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
04	<p>For Original Recommendation #6 CCD, in conjunction with CTM, should complete its migration to AMANDA, develop a plan for the 311 integration, create an interface with 311, obtain any necessary resources, seek priority from the CTM Project Office, communicate, develop, implement, monitor, and provide for corrective action, where necessary.</p>	<p>CCD Concurrs with the recommendation</p>	<p>Migrate legacy database CC Track into enterprise database AMANDA then build an interface from 311 in to the AMANDA database.</p>	<p>CC Track database migration to AMANDA is underway. A statement of work has been developed with the AMANDA vendor and CTM for the full migration. 311 is preparing for a upgrade to the call intake software and an interface to AMANDA will be included in the upgrade planning.</p>	<p>Terri Roberts 974-1922</p>	<p>Possibly June 2012 depending on resource and funding availability.</p>