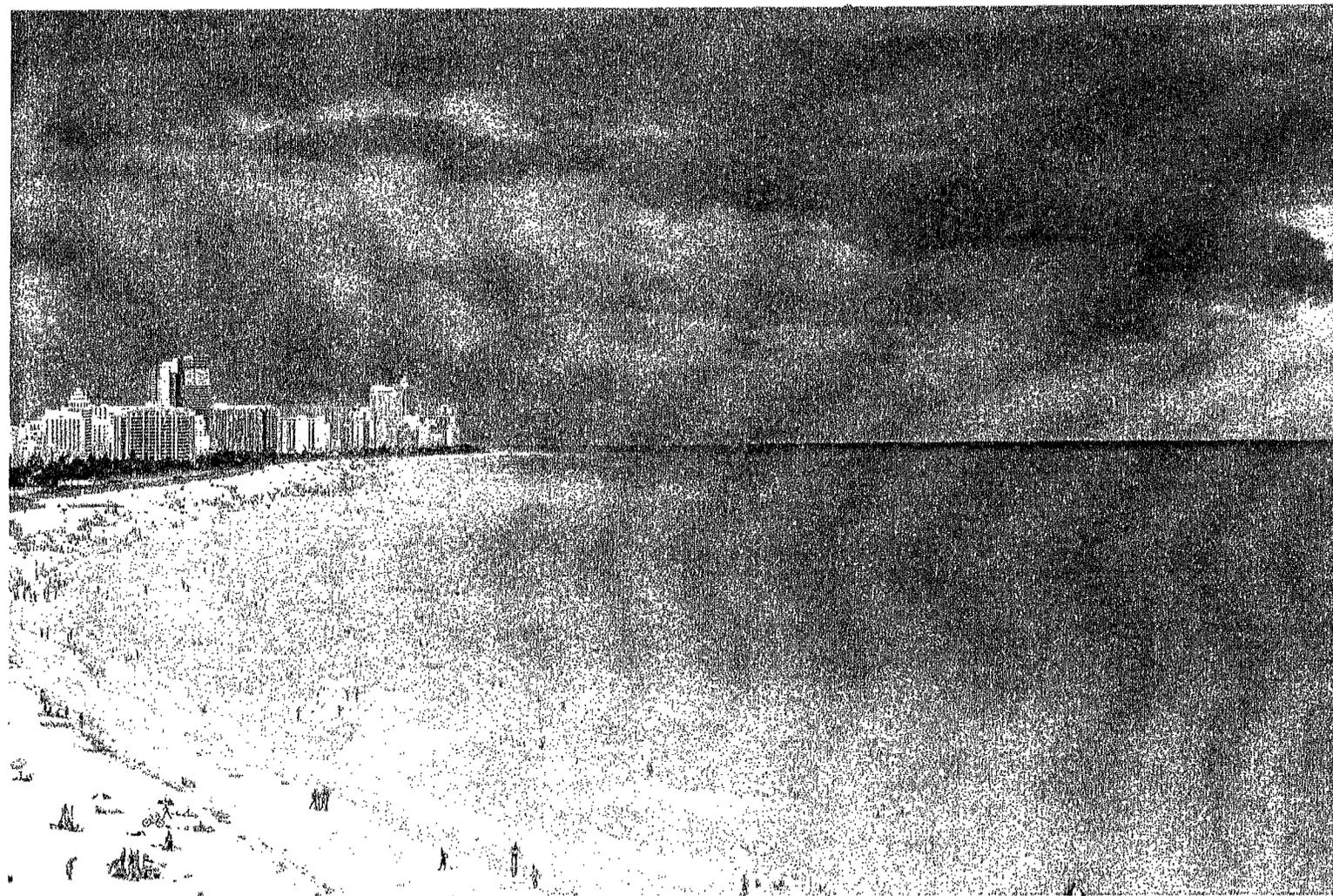


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City of Miami Beach, Florida

Performance and Operational Audit



Crowe HorwathSM

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The City of Miami Beach, Florida
Performance and Operational Audit

EXECUTIVE SUMMARY

The City of Miami Beach, Florida (the City), engaged Crowe Horwath LLP (Crowe) to conduct an independent performance and operational audit over several key city processes to determine the efficiency and effectiveness of the City's:

- Key internal controls;
- Department/division processes (including uses of technology); and
- Department/division operations and structure.

We conducted our audit in accordance with *generally accepted governmental auditing standards* (GAGAS) issued by the Comptroller General of the United States. 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. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or material non-compliance may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the performance audit objectives.

We conducted the audit through a series of interviews, documentation reviews, process walkthroughs and detailed testing on a sample basis. We evaluated the City's processes against standards and requirements for internal control, including The Committee of Sponsoring Organizations of the Treadway Commission's (COSO) internal control framework.

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PROJECT OVERVIEW

Background

A resolution of the Mayor and City Commission of the City was approved for services related to auditing the processes of certain regulatory departments or divisions in response to an earlier investigation. The scope includes, but is not limited to, reviewing organizational structure and culture, internal controls, processes and operations of the:

- Code Compliance Division;
- Fire Inspection process;
- Parking Enforcement Division;
- Fire Prevention Division;
- Public Works Department (permitting processes only);
- Planning Department (permitting process, concurrency fees, impact fees and other related areas); and
- Special Master Process.

Objectives

Our objectives to perform a performance audit over the several key city processes have been defined as follows:

- Identify the processes that have deficiencies and that present significant risks to the City. Provide rankings based on process complexity and risk to enable prioritization.
- For processes that have been prioritized (are within scope), gather information and document the current state of processes using a standard format that uses process maps (diagrams) and narrative descriptions.
- For each prioritized process, identify and document control deficiencies and potential improvement opportunities. Perform verification steps to ensure current processes and control deficiencies are properly understood and documented.
- Identify best practices, where available, and review applicability to the City.
- Perform analysis of alternative process improvement approaches and create recommendations based on the analysis. Document recommendations and perform review steps to ensure there is common agreement that the recommendation adequately addresses the deficiency.

Scope and Methodology

We conducted this audit in accordance with performance audit standards contained in *Generally Accepted Government Auditing Standards (GAGAS)*, issued by the Comptroller General of the United States. 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

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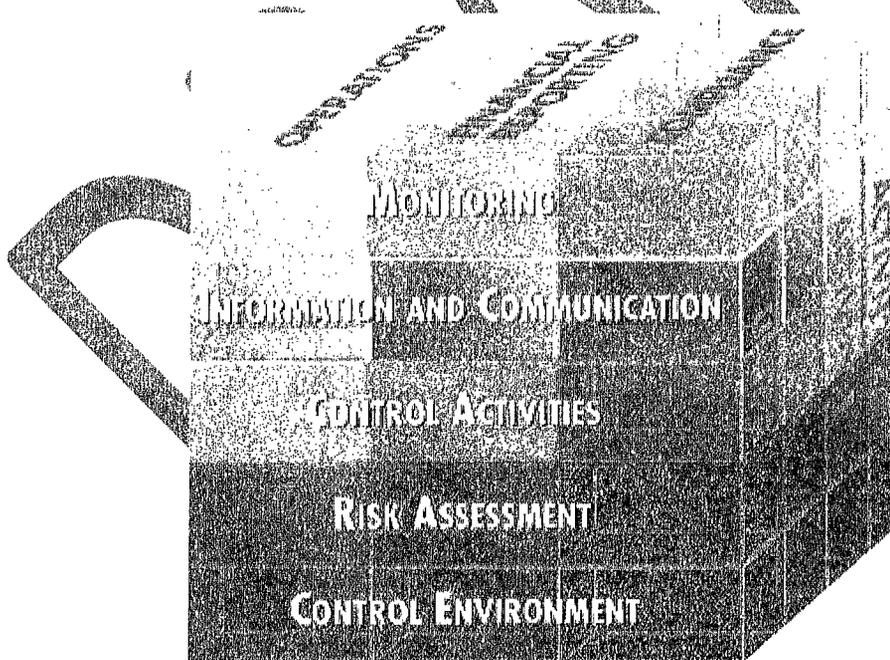
our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements or material non-compliance may not be detected, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the performance audit objectives.

In making our risk assessments, we considered those internal controls that were significant within the context of the audit objectives in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Miami Beach's internal control environment. However, this report communicates in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control significant within the context of the audit objectives that we have identified during the audit.

To assess the controls at the City, we utilized industry best practices and The Committee of Sponsoring Organizations of the Treadway Commission's (COSO) internal control framework. A graphical depiction of this framework is illustrated below.

Figure 1
COSO Internal Control Model



We have also obtained an understanding of internal control that is significant within the context of the audit objectives. For internal control that is significant within the context of the audit objectives, we have assessed whether internal control has been properly designed and implemented. For those internal controls we deemed significant within the context of the audit

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objectives, we performed tests of controls including testing underlying transactions, as required by GAGAS, to evaluate the effectiveness of the design and operation of controls. This report includes any deficiencies or other matters involving internal control as required by GAGAS.

Our audit and work product are intended for the benefit and use of the City of Miami Beach only. The audit was not planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

We conducted our fieldwork from August 2012 through January 2013. The engagement team performed the following tasks in conduct of this Performance Audit:

- Held an entrance conference on August 1, 2012, to discuss the scope of the audit, identify key contact personnel per division, and outline the planned schedule.
- Risk Assessment
 - Assessed risk around the audit scope and objectives
 - Crowe conducted interviews with various departments in the City to obtain an understanding of the processes, risks and controls in place.
 - We obtained and reviewed documentation from each department related to their processes.
 - Based on the identified risks, the processes were then plotted in a matrix to graphically show the significance of the process and likelihood of an issue with the process.
- Information System Assessment
 - Assessed the major systems in place including:
 - Entity Level IT Controls
 - Access Controls
 - Change Management Controls
 - Operations and Backups
- Code Compliance, Parking Enforcement and Fire Prevention division
 - Obtained Policies and Procedures
 - ◆ Reviewed Policies and Procedures
 - ◆ Documented significant controls over each process.
 - ◆ Interviewed key personnel who performed daily tasks for each process
 - ◆ Performed walkthroughs of each process
 - ◆ Created a high level process flow
 - ◆ Determined whether differences exist between documented policy/procedure and procedure described during interview/walkthrough.
 - ◆ Assessed the current processes and controls and determined any inefficiency in the process and any control deficiencies/gaps.
 - ◆ Performed tests of effectiveness of key control(s).

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- Held a pre-exit conference on November 29, 2012, to discuss draft findings.
- Planning Department, Public Works Permitting Process and Special Master Process
 - Obtained Policies and Procedures
 - ♦ Reviewed Policies and Procedures
 - ♦ Documented significant controls over each process.
 - ♦ Interviewed key personnel who performed daily tasks for each process
 - ♦ Performed walkthroughs of each process
 - ♦ Created a high level process flow
 - ♦ Determined whether differences exist between documented policy/procedure and procedure described during interview/walkthrough.
 - ♦ Assessed the current processes and controls and determined any inefficiency in the process and any control deficiencies/gaps
 - ♦ Performed tests of effectiveness of key control(s)
- Held an exit conference on February 12, 2013, to discuss observations noted.

Risk Assessment

As part of our procedures, we conducted a risk assessment for each process in the scope of our performance audit. As part of this risk assessment, we analyzed the risks, internal controls and gaps that existed in each process.

Each risk identified was analyzed to assess its likelihood of occurrence and potential exposure to the City to determine the significance of the risk. The significance of each risk was then ranked from Low to High. Next, we assessed the controls in place to mitigate these risks. If the City had a control or controls in place to mitigate the risk, we assessed whether the control or controls adequately mitigated the risk to a low level of significance. If the risk was initially determined to be of low significance or the City had controls in place to mitigate that risk to a low level of significance, the resulting gaps did not result in an observation in the **Results in Detail** section of this report. However, these items are still reported to City management in the **Other Observations** section of this report. If a risk had a moderate or significance and there were not controls in place or the controls in place did not mitigate the risk to a low level, this resulting in a process gap. Process gaps including recommendations are included by process area as observations in the **Results in Detail** section of this report.

Information System Assessment

As part of our performance audit, we conducted an assessment of the major information systems related to the processes in the scope of our audit. Based on our assessment, we determined that the PermitsPlus system was a major system used in the processes covered under our audit.

To conduct our assessment, we reviewed the Entity Level IT Controls, Access Controls, Change Management Controls and Operations and Backups for the PermitsPlus system. We understand that the City is currently going through a system implementation to replace the PermitsPlus system. However, we felt that this assessment and our recommendations would be beneficial to the City during the implementation process. Based on our procedures, we developed some recommendations for improvement. The recommendations are presented in the **Other Observations** Section of this report.

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RESULTS IN DETAIL

This section of the report provides observations and recommendations that resulted from gaps identified in each process included in the scope of our performance audit. As discussed in the *Risk Assessment* sub-section of this report, a gap is identified as a risk with moderate or high significance that is mitigated by internal controls of the City. The observations in this section of the report are provided by Department and then by process and include a unique numbering system for each process to help the reader distinguish and reference the observations.

Code Compliance Department

Complaint Process

CC - 01 Complaint Intake

The City receives complaints from residents in reference to noise, sanitation, zoning violations, graffiti, handbills on cars, peddling, and property maintenance.

The City receives complaints from residents via email, phone calls, through the web based complaint portal (WebQA - WebQA is a web based system that residents use to submit their complaints to the City of Miami Beach) and in person.

The City has controls over tracking and documenting complaints received both in person and via WebQA. However, the City's controls over complaints received via email and telephone can be strengthened.

Specifically, the city takes complaints via email; however there is no centralized email address for complaints. Therefore, emailed complaints can be taken from various employees throughout the City.

Additionally, the City has a hotline number for taking complaints via phone. However, City employees will take complaints over the phone even when the hotline is not used, which is not necessarily a bad process from customer services standpoint, but could result in the complaint not being forwarded to the proper channels if that person is not properly trained.

There is no City policy that restricts staff from receiving complaints via phone and email.

Not all complaints are forwarded to clerical to be entered into the PermitsPlus system. Complaints may lose their independence if another employee addresses the complaint first. In other words, the complaint could be taken by an employee that is entirely independent of the subject matter of the complaint.

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Recommendation:

Complaints should be received through regulated centralized channels in order to better address each complaint. The City should enforce a policy that requires employees, who receive phone call and email complaints, to direct the complainant to the centralized hotline or to WebQA.

Management's Response:

Management agrees that receiving Code complaints via regulated centralized channels is a better system to control, manage, and properly assign the inbound calls for service.

However, management does not believe that the best practice would be to require employees who receive phone call and electronic mail (email) complaints to direct the complainant to the centralized hotline or WebQA as this would negatively impact customer service levels. The City prides itself in its customer accessibility to government services and makes available different methods by which to register a complaint.

Rather than require complainants to call yet another number that may not even be attended, a viable alternative may be to have the City employee receive the complaint from the constituent and in turn have that City employee enter the complaint in a centralized system that elicits basic information. Once implemented, Accela Automation will have the ability to serve as a central repository of complaint, and the public will continue to have the ability to make complaints via WebQA or another system compatible with Accela.

CC-02 Tracking Complaints

Best practices dictate that complaints should be received by an independent individual, adequately documented and tracked in a system, assigned for follow-up and appropriately resolved. Currently, the City uses PermitsPlus to document, track assign and resolve complaints.

Inputting complaints into PermitsPlus is a manual and labor intensive process regardless of the method in which the complaint was received. Specifically, complaints can't automatically be uploaded into the PermitsPlus system; City Clerks have to manually enter a complaint in the system.

Furthermore, there is no reconciliation process in place to verify all complaints are entered into PermitsPlus. Specifically, the City does not tie the physical complaint forms, the WebQA system or the emails back to the complaints entered into PermitsPlus

Not having a reconciliation process over this manual process increases the likelihood that complaints received may not be entered into the PermitsPlus system and thus not properly tracked and resolved.

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Recommendation:

The City should consider implementing a system that would allow complaints to be automatically uploaded from WebQA. Additionally, the City should implement a reconciliation process to reconcile the complaints entered into PermitsPlus back to the physical forms, hotline logs and emails.

Management's Response:

Management concurs that best practices dictate that complaints should be received by an independent individual, adequately documented and tracked in a system, assigned for follow-up and appropriately resolved. That description, in itself, is that of a dispatcher with a system database similar to computer aided dispatch (CAD) that tracks every call for service, however, there are significant cost considerations to such a plan.

A reconciliation process to reconcile the complaints entered into PermitsPlus back to the physical forms, hotline logs and e-mails has already been implemented and electronic files which include photos, e-mails, and other documents relating to the case are being uploaded and attached to the main case. This process will likewise be available in Accela.

Code Inspection Process

CI – 01 Job Responsibilities

The Code Compliance Officers did not provide documented policies or procedures for their job responsibilities by job classification. We understand that City ordinances provide a general overview of department's responsibilities. However, the ordinances did not provide detailed procedures by position for the day to day operations of the department. Based on inquires with the Code Compliance department, code officers address complaints, patrol for noise, sanitation, zoning violations, graffiti, handbills on cars, peddling, and property maintenance daily, issue violations and complete paperwork.

Based on our interviews, the code department supervisors do not have a standard documented process for reviewing work completed by the officers. Each supervisor has the discretion to determine when and how they monitor their officers and their productivity.

The absence of a formal documented standard that measures each officer's productivity makes it difficult for the supervisors to ensure that inspections are done effectively, the zones have been completely covered, there is no lag in follow-up on compliance, and that all cases are closed in a timely manner.

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Not having a standard documented process in place for supervisors to conduct periodic reviews increases the likelihood that violations could go unnoticed and that officer coverage is not adequate for a specific zone of the City.

Recommendation:

The city should implement a policy that requires Code Compliance Supervisors to perform periodic, but at a minimum monthly, productivity reviews. The supervisors should review the Officer Daily logs to verify the officers spent the required time patrolling for sanitation, the time spent in each location of each zone, the complaints that are recorded for each zone and the violations written in each zone by their officers. These reviews should be documented and filed so that they are readily available for review by auditors or other interested parties.

Management's Response:

Management agrees that Code Compliance Supervisors do not have a standard process in place for periodic reviews of subordinate productivity. While some of these processes are found in written directives and emphasized at weekly supervisor staff meetings, the Division will continue to standardize procedures and directives in Standard Operating Procedures format so that the foundation of the duties of a supervisor are found in one general policy.

Supervisors are also required to verify their officers' time spent in each location of each zone, sanitation enforcement, and review of the caseload assigned to their squad members. Random AVL (GPS) reviews of subordinates' daily travels in their City vehicles are compared to assigned cases and monitored for time spent on calls and patrol locations. Documentation is on file and evidenced by Code officers that have received discipline based on their supervisor's reviews/random audits.

Finally, productivity reviews for each squad are conducted at supervisor staff meetings. While not all supervisor review practices are mandated by policy, management believes that allowing for some discretion within a broader sense of parameters for supervisors to determine when and how they oversee subordinates contributes to the overall development of management styles and individual growth; however, a Standard Operating Procedure should serve to provide some guidelines for subordinate workload assessments. Documentation is on file and available for review.

Code Inspection and Code Compliance Processes (The following observations apply to both the complaint and inspection processes)

CD – 01 Non-Compliance Identification

Code officers should examine for issues of non-compliance with the code regulations on noise, sanitation, zoning violations, graffiti, handbills on cars, peddling, and property maintenance during an inspection in addition to the original compliance issue.

During our walkthrough with a code compliance officer, we observed that during an inspection the code officer reviewed the entire area for potential violations when addressing a complaint. Specifically, we noted that the officer examined the property for violations outside of what was specified in the complaint. However there is no tool, such as an inspection checklist, provided for officers to refer to and sign to document that all potential compliance issues were reviewed.

Without a reference guide and documentation, it is possible that there may be areas of non-compliance that are unnoticed during an inspection.

The code officers rely on training to identify issues of non-compliance in the field, there is no reference material used as a guide.

Recommendation:

The city should provide a tool such as a checklist for officers to utilize to review for potential code non-compliance while conducting an inspection. The city can provide a form for officers to complete at every inspection that identifies the compliance areas to observe e.g. noise, sanitation, zoning violations, graffiti, handbills on cars, peddling, and property maintenance. This form should also require the officer to initial that such issue has been reviewed and resident or business is in compliance.

Management's Response:

Management agrees that a tool such as a checklist for officers to utilize to review for code violations while they're on site conducting inspections would be beneficial. Those lists (for the more common violations) are in the process of being created and will be made available for integration in Accela by July 2013.

CD – 02 Supporting Documentation

When addressing a complaint or completing an inspection, the officer should document the details of the case including:

- The zone,
- what complaint is being addressed or issue being inspected,
- the contact information of the violator in question,

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- supporting evidence identifying there is an issue of non-compliance and the violation information or that there is no valid ground for the complaint.

This information should be documented at the inspection site for each case in the PermitsPlus system. The PermitsPlus system does not allow for officers to upload pictures onsite; therefore, the officer is required to go back to the office to upload pictures into the PermitsPlus system. The officers are assigned laptops and air cards for internet while they are in the field.

Not having the ability to upload pictures from the inspection site increases the likelihood that case files in PermitsPlus may remain incomplete. Without supporting evidence documented, there may be inadequate support if the violator decided to appeal. This may expose the City to an increased amount of lost cases and revenue.

Recommendation:

Crowe recommends that the City implement a procedure or control within the new case management system that they are seeking to utilize that allows pictures to be attached to a case onsite. The new system should have the capability to upload files remotely.

Management's Response:

Management agrees that the City should implement a procedure or control within the new case management system (Accela) that allows pictures to be attached to a case onsite and have files uploaded remotely. This capability has been configured in Accela Automation.

CD-03 Courtesy Notices and Violations

There are instances of non-compliance in which the officer may issue a courtesy notice. The criteria to determine which non-compliance instances can result in a courtesy notice and for what reason is not clearly defined.

Code Compliance has no official written policy for what results in a violation or a courtesy notice. The officers use discretion in determining when they will issue a violation versus a courtesy notice when addressing a complaint or performing an inspection.

As a result, courtesy notices may be given instead of a violation. If the code officers are not consistently assigning violations, this may result in a loss of revenue for the City. Without a clear definition of what constitutes a fine and when a courtesy notice can be issued the code officers use their judgment to decide which could result in inconsistent treatment.

Recommendation:

The city should develop a policy for noncompliance that strictly defines when a courtesy notice can be given. The city should require the officers to document the reason and rationale when they issue courtesy notices and the supervisors to review them daily.

Management's Response:

Management agrees with the recommendation that general guidelines for when warnings may be given are appropriate and that supervisory review of the rationales would be ideal. Some of our City ordinances already have controlling language with respect to when a courtesy notice or oral warning can be issued by a Code Compliance Officer versus a Notice of Violation. Management will increase the level of training and monitoring relating to the proper exercise of discretion. That training will include providing strong examples of when written warnings may be appropriate. Any exercise of this discretion must be reported to supervisors on the same day utilized for the purpose of determining whether a warning was appropriate. Ultimately, some discretion and judgment must be left to the Code Compliance Officer.

CD – 04 Linking Cases

When a violation is recorded and a case (CE) is created in PermitsPlus, the officer has to manually link the corresponding complaint information (XC) that was originally entered into PermitsPlus and that initiated the case.

During our interviews, we learned that the PermitsPlus system does not allow for the XC to be automatically linked to the corresponding CE. The officer or clerk that is submitting the information has to write down the XC number, and exit the screen where the XC information is held before returning to the screen with the CE that they created and inputting the corresponding XC number.

As a result, complaint files (XC) may be omitted or incorrectly attached to the wrong case due to the manually process of linking the complaints to the cases. Supporting documentation may also be omitted or attached to the wrong case file.

The PermitsPlus system does not have the ability to create a case file from the complaint file therefore automatically linking the two.

Recommendation:

Crowe recommends that the City implement a procedure or automated control within the new case management system that they are seeking to utilize that allows the case files to be created from the complaint files. The new system should have the capability to automatically link the two.

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The City should also implement a procedure to review and document a daily reconciliation of the XC and the corresponding CE to confirm the information has been inputted accurately.

Management's Response:

Management agrees with the recommendation that the City should develop a procedure or automated control within the new case management system (Accela) that allows the case files to be created from the complaint files and have the capability to automatically link the two. This capability has been configured in Accela. Additionally, the ability to "audit" the linked files to determine accurate reporting and uploading of information will be included and monitored via reports

CD – 05 Complaint follow-up

When a violation is issued the violator is allowed time to achieve compliance. The amount of time the violator has to achieve compliance is triggered when the violator receives the notice of violation and is determined by the type of violation. When the time period to correct the non-compliance expires or when the violator notifies the City, the Code Compliance Officer will return to site of noncompliance to ensure compliance was met.

Per the Code Compliance Director, officers should review open cases on a weekly basis. However, during our documentation of the Code Compliance inspection process, we noted there was no documentation of these reviews. Furthermore, an inspection report we reviewed had cases that had been open for almost a year. There is no written policy or procedure requiring officers to do a full review, address and reconcile open cases to comply by dates. The director does a high level review once a month; however, open cases still could go unnoticed.

With no policy mandating that officers perform and document a weekly review, there may be cases that are not revisited for compliance review. This may result in a lack of compliance enforcement and increased exposure to violations.

The code officers and code supervisors have no set procedures for the frequency and consistency they review comply by dates to ensure all cases have been revisited for compliance. Due to a deficiency in control design, there are no requirements to perform a reconciliation of compliance cases.

Recommendation:

The city should develop a procedure that requires code officers to collect and review comply-by dates weekly and a policy that mandates a secondary review by supervisors.

Management's Response:

Management agrees with the recommendation that the City should develop a procedure that requires Code Officers to collect and review comply-by dates weekly and a policy that mandates a secondary review by supervisors. The new case management system, Accela, will automate the process for re-inspections for compliance for each officer daily by zone. These re-inspections are triggered by the time for compliance entry of the original case file—much like an automated electronic tickler.

Code Violation Process

CV – 01 Noise Violations

Noise violations are issued if there is a complaint or a patrolling officers notices excessive, unusual and unnecessary per a reasonable persons standards if plainly audible at 100 feet between the hours of 11pm and 7 am.

During our interviews we noted that the code department considers noise violations one of the more important violations since the majority of violations they receive are due to noise violations.

The determination of a noise violation may be vague and require the officers to use their judgment on what is considered unusual or unnecessary.

Recommendation:

The city should consider revising the ordinance to more objectively determine when a noise violation has occurred. Specifically, the City should consider revising their noise violation policy to include a decibel threshold that when exceeded would trigger a violation. These measurements should be completed through the use of a mobile noise testing device.

Management's Response:

Management is open to looking at other more objective criteria to determine when a noise violation has occurred. The Noise ordinance, as adopted, has been upheld as constitutional in the 11th Judicial Circuit sitting in an appellate capacity. Other methods (such as noise/decibel meters) have proven to be difficult or impossible to sustain in other jurisdictions. Code Compliance Officers are required to exercise their judgment in evaluating the validity of a noise violation.

Fire Prevention Department

Fire Permitting Process

FP – 01 Construction Permits

The City has limited procedures to ensure that the proper permits are obtained for all construction projects taking place within the City. Specifically, there are no formal procedures for identifying construction occurring within the City and verifying that proper permits have been obtained.

Construction permits are required to be obtained for all construction taking place within the City. Permits must be obtained before construction begins. The process is initiated by the customer submitting his or her construction plans to the Building Department. Plans are then reviewed by the Building Department and other City departments as applicable depending on the type of construction project.

For that reason, construction may begin without the proper permit(s) being obtained. In addition, construction may begin without reviewers' issues being satisfactorily resolved and consequently without the proper permit(s) being obtained.

Recommendation:

The City should implement procedures to help ensure that permits are obtained for construction projects within the City. Specifically, the City should consider implementing a City-wide policy and procedure that informs City personnel the proper protocol to report potential violations (e.g. construction projects that do not have a clearly visible permit). In addition, the City should consider utilizing current inspectors that are already assigned to perform duties throughout the City to look for potential violations. In other words, officers already in the field could be doing this as part of their normal procedures.

Management's Response:

Management feels this is a plausible recommendation. We currently have Web Q &A and a mobile app "Report it" where City employees and others can report suspected unpermitted activities. Currently, the Fire Prevention Division as well as the Building Department- Violations Division and Code Enforcement Division already cite business owners and residents for work taking place without a permit. This process is complaint driven generated by residents, business competitors, guests, tourists, and employees. In addition, when the fire inspectors conduct their annual fire inspections, they do cite violators when they notice work taking place without a permit.

Currently, there is an informal procedure where each inspection discipline advises the other if there is unpermitted work noticed during a scheduled inspection, for example, when the fire inspector does the inspection and he/she notices that something could be a code violation, it is reported to the proper discipline. This may or may not be a code

violation after the certified inspector checks it out. Management will review the current informal process and work toward implementing a formal procedure for reporting unpermitted activities.

FP – 02 Workflow Requirements

Workflows created in PermitsPlus should reflect all divisions/departments that are required to review project plans. The Workflows are created by building Department clerks. The specific workflow depends on the type of project. These plans should be reviewed by someone other than the person who performs the original review.

Workflows establish the departments/divisions that are required to review plan(s). A list maintained by Building Department clerks sets forth the departments/divisions that are required to review plans(s) for each type of project. Building Department plan reviewers review workflows to determine whether all departments/divisions are properly included as reviewers in accordance with established criteria; however, some projects do not require plan review by the Building Department, which may result in workflow omissions not being detected and there is no second-level review of plans.

Therefore, workflows may omit departments/divisions that are required to approve plan(s) and plan reviewers may approve plan(s) that do not meet established guidelines.

Projects that do not require review by the Building Department are not subject to review to ensure the accuracy of workflows created by Building Department clerks. Current City practices do not require second-level reviews of plans.

Recommendation

We recommend that the City establish a policy that necessitates that all workflows require approval by the Building Department to ensure that plans are routed to the appropriate departments/divisions for review. We recommend that the City also require that all plans be reviewed by someone other than the person who performs the original review.

Management's Response:

Management feels this is a plausible recommendation. Currently, the PermitPlus system has workflows automated to include reviews by the appropriate departments/ divisions based on the type of permit application submitted. All the appropriate departments/ divisions must review the plans before the workflow is completed. The workflow in Accela Automation will be the same type of workflow that we currently have now in PermitsPlus.

In order to implement this recommendation as stated, we would have to hire three additional fire plans examiners to provide sufficient personnel to allow a secondary

review by someone other than the initial reviewer. This process may create a delay in turnaround time.

Fire Inspection Process

FI – 01 Inspection Assignments

Inspector assignments should ensure regular rotation of inspectors and inspection teams. Currently, the firefighters sign up in the Telestaff system for overtime and the Fire Marshal makes assignments. If no firefighters sign up, the Fire Marshal has to draft firefighters to perform inspections or cancel the inspection for the night.

We noted the following items related to the method used by the City to assign night inspection duties:

- Only a small number of inspectors perform night inspections because night inspections are performed on a voluntary basis.
- The assignment methodology does not ensure regular rotation of inspection teams.
- There are no safeguards in place to prevent overrides of system assignments. Fire Marshals and others within the Fire Prevention Division have the ability to override system assignments without requiring formal approval.

Having the same inspector or team of inspectors repeatedly perform night inspections poses a familiarity threat to the City. In addition, system overrides may result in inspector assignments out of the order of priority determined by the system. Such changes may be made without valid underlying reasons.

Firefighters perform night inspections on a voluntary basis. The City's scheduling system application (Telestaff) prioritizes inspectors based on their overtime hours for a trailing three-year period. Priority is given to inspectors with the least number of overtime hours. The City's current practices do not require review and approval by someone other than the person initiating a change in assignments.

Recommendation:

We recommend that the City consider revising its current procedures to increase its population of inspectors (i.e. increase the total pool of inspectors that qualify for inspections). In addition, changes to inspection assignments should be documented and approved by someone other than the person initiating the change.

Management's Response:

Management agrees with the recommendation to increase its population of inspectors. Currently, the firefighters who are certified as inspectors sign up for the lead inspector

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slot. Any firefighter can sign up for the second inspector slot even if not certified as an inspector. The Fire Administration is proposing a different method of performing the inspections that will increase the number of firefighters participating in the program.

The Captain of Fire Prevention Division and the Chiefs are the only people authorized in the Telestaff software to make assignments for night inspections and can modify the assignments after a cancellation. Although the Captain may cancel an assignment he cannot delete or remove an assignment and all changes will be recorded in Telestaff in an audit trail. Other staff in Fire Prevention cannot make any changes to the assignments as indicated above.

FI – 02 Inspection Documentation

Documentation of the results of inspections should indicate the individuals who performed the inspections and those who reviewed inspection results.

The following items were noted related to night inspections:

- Inspectors do not sign off on inspection forms indicating that they performed the inspections.
- There is no documented review of the completed inspection form by the Fire Marshal.
- There is no documented review of the inspection summary report by the Fire Marshal.
- During our observation of a night inspection, we noted that certain venues were inspected by only one member of the inspection team.

Inspection forms do not indicate who performed inspections and who reviewed inspection results. In addition, having one inspection team member perform inspections presents opportunities for irregularities that could be avoided by having both members of the inspection team perform inspections. Current procedures do not require sign-offs by inspectors and reviewers.

Recommendation:

We recommend that the City enforce the requirement that inspectors perform inspections in teams. This should be documented by requiring that each inspector sign off on the inspection form next to each location inspected. We further recommend that the Fire Marshal document review of completed inspection forms and inspection summary results.

Management's Response:

Management agrees with the recommendation that inspectors perform inspections in teams and that the Fire Marshal document review of completed inspection forms and inspection summary results. The inspection form has been changed by adding a signature section at the end that includes the firefighters signature and the fire marshal's review signature. The firefighters will sign at the end of the form instead of each line for efficiency and certification statement. The Fire Marshal will also sign off the summary report review.

The current policy is that both firefighters must be together when performing night inspections. If one of the firefighters ventures out on his/her own, then the individual will receive disciplinary action. A reminder email will be sent to all lead inspectors to follow this directive.

FI – 03 Inspection Venues

Internal control should ensure that all venues are subject to inspections and that venue information is updated timely and accurately.

There is no process in place to ensure that the master list of venues reflects all information relevant to performing inspections. On the night of our observation, we noted that the inspection form contained outdated venue information. Some venues had closed and relocated but the inspection form did not reflect those changes. In addition, one venue was named incorrectly on the inspection form.

Inspections may exclude venues that should be subject to inspections.

Recommendation

We recommend that the City implement controls to ensure that all venues are included in the population from which venues are selected for inspection and that venue information is verified for completeness and accuracy.

Management's Response:

Management agrees with the recommendation that all venues should be included in the population from which the venues are selected for inspection and that venue information is verified for completeness and accuracy.

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FI – 04 Inspection Schedule

Inspections should be performed in a systematic and logical order that contemplates the nature and level of risk involved.

Inspection shifts begin at 10 p.m. and end at 6 a.m. During those shifts, inspections are not performed in any particular order. On the night of our observation, we noted that venues were inspected at times when violations were not most likely to occur. For example, some restaurants were inspected past 2 a.m., which was several hours later than their advertised closing times.

Venues may not be inspected at their peak times when violations are more likely to occur. For example, nightclub violations are more likely to occur late at night or early in the morning, whereas restaurant violations are more likely to occur earlier.

This is a result of the lack of controls over the determination of the inspections schedule.

Recommendation:

We recommend that the City establish a systematic and logical approach to inspecting venues. The revised approach should take into account the timing of inspections and how they relate to when violations are most likely to occur. Inspection shifts should be adjusted accordingly.

Management's Response:

Management agrees with the recommendation that the City should establish a systematic and logical approach to inspecting venues.

The list of locations selected for inspection is generated by a random number selection and the Night Inspection Coordinator sorts the group in alphabetic order of Street. The policy is that the restaurants are inspected between 10pm to 11pm since the nightclubs are not opened yet. The Fire Marshal has added the word "restaurant" to the names of the establishment to make it easier on the inspector to identify those locations to visit earlier in the night. The night inspectors can select the restaurants from the group to inspect between 10pm – 11pm and then concentrate on the nightclubs after 11pm or midnight. During special events weekends, the shift is adjusted as necessary; starting earlier at 9pm or ending later at 5am, or both.

Parking Enforcement Department

Parking Ticketing and Tow Process

PT – 01 Complaints Dispatching

All parking complaints are received and fielded by the dispatcher. The dispatcher should send an officer to address the issues promptly.

Parking Officers are dispatched to complaint issues based on their shift and zone. The dispatcher uses the zone assignment sheet they receive at the beginning of the shift in order to determine which officer to send to the incident site. Officers might not get to site in time and violator may be gone.

If officers are attending to another complaint or on the opposite side of the zone may not get to the complaint site immediately resulting in a delay of action and resident dissatisfaction.

Officers are sent to address incidents based on which zone they are assigned; however, only in some instances will the dispatcher pull an officer from another zone.

Recommendation:

The City should implement a procedure to mandate the first available officer in the closest proximity is dispatched to complaint sites.

Management's Response

Management agrees with the recommendation. We have created procedures where the Parking officer shall be dispatched to complaint issues based on their availability and proximity to the complaint site, the dispatcher shall send the first available officer in the closest proximity to the complaint side in question and an officer shall be at the complaint site within 30 minutes of the receipt of the complaint. The attached written directive (see SOP No. 2013-013) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

PT – 02 Identifying Parking Permits

The enforcement officers are to verify vehicles have the proper parking tags for the area they are parked.

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When an officers reports to a complaint site, he/she to visually survey areas of interest in order to identify people who have parked in permitted areas without the proper parking permits.

Vehicles without proper parking permits may not be identified and appropriate action not taken as a result.

The enforcement officers address complaints individually, even in instances of surveying communities for proper parking permits.

Recommendation:

The city should implement a policy that requires officers to team up when addressing complaints that require officers to canvas large areas.

Management's Response:

Management agrees with the recommendation. We have created procedures where larger areas shall be canvassed by multiple officers made up of teams. These teams shall be assigned contingent upon availability and proximity to the complaint site. The attached written directive (see SOP No. 2013-013) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

PT – 03 Citation Supporting Documentation

The enforcement officers are to accurately document all information pertaining to the citation. Supporting documentation and violation information should be recorded for all areas of noncompliance.

It is a manual process for the officers to document the vehicle information during an instance of noncompliance. There are no pictures taken to verify and reconcile in order to ensure the information is accurate. The officers take pictures of the vehicles committing a violation that requires a tow but not for citations.

Vehicle and violation information may not be entered correctly. Violators may refuse to pay citations with incorrect information or appeal claiming the violation doesn't belong to them. Officers may not have supporting evidence for a citation in case a violator decides to appeal resulting in loss of revenue.

There is no policy that requires officers to gather supporting information for the citations given.

Recommendation:

The City should implement a policy that requires supporting documentation taken for all instances of noncompliance.

Management's Response:

Management agrees with the recommendation. We have created procedures where officers are to accurately document all information pertaining to the citation or enforcement action, supporting documentation and violation information should be recorded for all areas of noncompliance and officers are to take photographs with their Autocite and city issued camera for all areas of noncompliance. The attached written directive (see SOP No. 2013-015) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

PT – 04 Confiscated Tags

Parking should not release tags to violators who haven't paid the appropriate fine.

The confiscated tags are maintained in the main office until violators provide receipt of fine payment. Receipt verification is not documented on the tag logs.

Without proper documentation of receipt it is possible tags may be returned to violators who haven't paid.

There is no policy that requires officers to document the receipt and fine amount paid prior to returning confiscated tags.

Recommendation:

The city should enforce a policy that requires employees, who are the tag custodians, to document the receipt, fine amount and signature of both the custodian and recipient in order to provide accountability.

Management's Response:

Management agrees with the recommendation. We have created procedures where confiscated tags shall be maintained in the main office until such time that violators provide receipt of fine payment, receipt verification shall be documented on tag logs, tag logs shall document the receipt, fine amount, and signature of both the custodian and recipient. The attached written directive (see SOP No. 2013-016) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

PT – 05 Officer Productivity

Parking Supervisors should monitor the productivity of the officers and address issues of low performance.

Enforcement is not allowed to set a quota for officers to target their enforcement by. The Parking supervisors measure productivity by the amount of citations given in comparison to other officers who work the same shift and zone. However, since supervisors cannot say there is a certain amount of citations that should be written, the supervisors cannot effectively address issues of low performance.

Consequently, officers are not being held accountable for their productivity which may result in an increase of non-compliance issues not being addressed.

The supervisors do not have an effective way of measuring productivity and therefore cannot enforce what is believed to be low productivity.

Recommendation:

The city should implement a procedure that allows productivity to be measured based on all the responsibilities of the Parking officers. Supervisors can review the time spent in the field by monitoring the officer's daily activity reports. The actual location of the officer can be determined by reviewing the GPS located in every vehicle and the amount of citations given can be retrieved from AutoCite. These activities can be reconciled with amount of time spent in each location based upon the duty the officer was performing as written in the activity report.

Management's Response:

Management agrees with the recommendation. We have created procedures where supervisors shall monitor officer productivity by monitoring and addressing officer time management. Supervisors shall monitor time spent in the field by officers by monitoring the officer's daily activity report; AVL/GPS reports; and Autocite Productivity Log. Officer activity shall be reconciled with the amount of time spent in each location based upon the duty the officer was performing as described in the daily activity report and CAD report. The attached written directive (see see SOP No. 2013-017) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

Parking Valet Process

PV – 01 Clearing Pending Appeals

Valet Operators have a 10-day period in which they may refute a fine and take action in court. When a court case is opened, it is to be approved by the City Clerk. The city clerk verifies the accuracy and validity of actions and forwards document to Special Master. For a valet operator to apply for meter rentals or reserve an area for ramping, they cannot have any cases in outstanding status

Currently, there are no controls to verify that administration frequently reviews outstanding cases in order to update those that have been cleared.

With no schedule of when to update the valet appeal cases, approved valet operator may be falsely refused services. The administration refers to the special master section of the city clerk's website when an operator is in question.

The outstanding statuses may not be updated in a timely manner due to a deficiency in controls over the review process.

Recommendation:

The city should implement a policy that requires administration to have a set schedule to update the status of the cases.

Management's Response:

Management agrees with the recommendation. We have created procedures where the status/synopsis for each respective case is reviewed on a monthly basis after each hearing through the City Clerk's website under Special Master Agenda. In addition, the Space Rental Liaison will be utilizing the calendar in the Accela Program for tracking purposes. The attached written directive (see SOP No. 2013-A) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

Planning Department

Planning Concurrency and Impact Fees

PCI – 01 Fee Calculations

The City utilizes Microsoft Excel (Excel) spreadsheets to calculate concurrency and impact fees. Due to the inherent risks of using Excel, fee calculations may be inaccurate due to various reasons; accidental misstatement of numbers, incorrect information supplied, or incorrect calculation formulas.

Fees should be determined in a timely manner and on a fair and consistent basis that allows payment to be completed. Fees may be determined at a level either too high or too low.

In addition, there is no documented second-level review of concurrency and impact fee calculations.

Recommendation:

The City should implement a process to have a second review of the Excel calculation formulas and inputted values to verify accuracy.

Management's Response:

Management agrees with the recommendation to have a second reviewer of calculated formulas and imputed values to verify accuracy. The Planning Department will develop a methodology to have a second reviewer who signs off on the calculated formulas and values, while pursuing integration of this function with the new Accela system to provide greater accuracy and transparency.

PCI – 02 Cash Receipts

During our procedures, we noted that Manual cash receipts (MCRs) are filled out and completed, then given to the cashier, by the payee, to handle payment. MCRs are being filled out and handed over without any form of review for accuracy.

Cash receipts should be completed in a timely manner with accuracy. In addition, Fees should only be signed off in PermitsPlus when proper proof of payment is received and approved.

Also, there is a risk that the MCRs may be manipulated prior to being processed by the cashier. Currently, there is no second-level review of the accuracy of MCRs. Further, there is no check to determine that an MCR is not manipulated by payee prior to being processed by the cashier.

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Counter Planner may sign off in PermitsPlus without receiving proof of payment from customer. If the Counter Planner were to mistakenly sign off on a payment that was not properly approved and receiving, revenues could be misstated. There is no formal system or control to ensure that proof of payment is verified prior to dismissal of fee in PermitsPlus.

Recommendation:

A second-level of review of completed MCRs will reduce the risk of inaccuracies. Further, review by the cashier for accuracy, or an increase of automation in the cashier process, could reduce the risk of payee manipulation to the MCR. A check system could be implemented that creates a registry and compares payments accounted for at the cashier with payments received and signed off on in PermitsPlus.

Management's Response:

Management agrees with the recommendation. With the new Accela system, where MCR's will no longer be used, Planning will assess any fees, such as for concurrency, as part of the Building Permit Process. The appropriate staff members will be trained on generating invoices through the Eden system for cases not involving Accela Automation. This will mitigate the risk associated with the use of MCRs. We will sign off on plans as long as all applicable Planning Fees have been assessed in Accela. A person would not be able to get their Building Permit issued until all applicable fees, including from Building and Planning, have been paid.

PCI – 03 Concurrency Fee Policies and Procedures

There is no comprehensive document setting forth the policies and procedures for assessing concurrency fees. Policies and procedures currently being followed are contained in three separate documents within the Miami Beach Code, a Commission letter, and the comprehensive plan. Because policies being followed are from three separate documents not specifically designed for concurrency fees, certain policies and procedures may not be followed in an appropriate manner.

Recommendation:

The three separate documents used to guide concurrency policies and procedures should be reviewed and combined into a comprehensive document.

Management's Response:

Management agrees with the recommendation. While it is not possible to replace the City Code and the Comprehensive Plan with an all-inclusive legal document, a policy manual could be created that combines the information in these documents for ease of use.

Permitting

PP – 01 Permit File Review

We selected 60 permit files to determine if the application file contained the supporting documentation required by the application for the specific permit requested and that fees assessed were accurate. During our review, we identified the following:

- Four permit applications were not signed by the reviewer;
- Two permit files were missing the application;
- One permit application was not signed by the applicant;
- Two permit applications did not have sufficient supporting documentation within the file from which Crowe could determine the accuracy of the fee that was assessed;
- Five permits were missing supporting documentation;
- Two permits did not have the Manual Cash Receipt (MCR) documented;
- Eight permits did not have the housing type documented;
- Eight permit applications did not have the project type identified; ;
- One permit applicant was overcharged by \$25 per review of the MCR and discussion with the plan reviewer;
- One permit did not have enough information to confirm the appropriate supporting documentation was supplied;
- Two permits did not have the corresponding building number; and
- Three permits did not have the fee charged documented.

In addition, we selected four conditional use permits and noted that three of the four permits were missing the conditional use application documentation required by the Planning Department. One application was also missing the proof of payment and another did not contain evidence of staff review and approval.

Recommendation:

We recommend that the City require that a quality control review be conducted of permit applications, including conditional use applications, to determine the accuracy and completeness of file documentation and the initial planning reviewer's determination to grant or not to grant a permit.

Management's Response:

Management agrees with the recommendation. With the new Accela system, these Administrative Design Review approvals and Land Use Board applications will be included in the automated permitting process and should standardize record keeping and application accuracy.

Planning and Public Works Permitting

The following recommendations relate to both the Planning and Public Works Department Permitting Process.

PWP – 01 Construction Permits

Chapter 14 of the City Code requires that permits be obtained by individuals or entities desiring to conduct a construction project in the City's. During our procedures, we noted that the City does not have a process to determine if construction projects in progress obtained the required permits prior to beginning work. One construction project was identified as having been started, but un-permitted, while shadowing a code enforcement officer. The project was reported, but does not appear to be a component of the written procedures or job requirement. Failure to monitor construction projects that are ongoing but un-permitted reduces the revenues that may be earned by the City and also may subject citizens to risk if public safety issues exist and go unresolved.

Recommendation:

The City should implement procedures to help ensure that permits are obtained for all construction projects within the City. Specifically, the City should consider implementing a City-wide policy and procedure that informs City personnel the proper protocol to report potential violations (e.g. construction projects that do not have a clearly visible permit). In addition, the City should consider utilizing current inspectors that are already assigned to perform duties throughout the City to look for potential violations. In other words, officers already in the field could be doing this as part of their normal procedures.

Management's Response

Please see management's response to recommendation FP-01

PWP – 02 Permit Workflows

The Building Department establishes workflows within PermitsPlus that specify the departments and divisions that are required to review project plans. Within its current configuration, a planning or public works reviewer may issue a permit prior to the completion of each department/division's documented approval. Specifically, it was noted that the system control could be overridden so that a permit could be issued without all of the necessary sign-offs. We did not identify an instance where the control was bypassed; however, there is not a process in place to help ensure that the procedure is executed as designed.

Recommendation:

We recommend that the City establish a policy that necessitates that all workflows require approval by the Building Department to ensure that plans are routed to the appropriate departments/divisions for review. We recommend that the City also require that all plans be reviewed by someone other than the person who performs the original review.

Management's Response:

Please see management's response to recommendation FP-02

Public Work Department

Public Works Permitting

PW – 01 Public Works Plan Review

We evaluated 35 Public Works permit files to determine if the applicant file was complete, the fee assessed was accurate, and the staff approvals were documented appropriately. During our review, we noted the following.

- 10 permit applications were not signed by the reviewer;
- Three applications were missing supporting documentation that confirmed the payments for the permits were received from applicants; and
- Two files were missing the permit application.

Current procedures do not require a review of staff permit approvals and applicant files by an individual other than the initial plan reviewer. In the absence of a review or other control mechanism, permits may be issued without the required payments being received by the City, appropriate documentation supporting the granting of a proper permit may not be obtained or retained, or permits issued erroneously may be undetected.

Recommendation

We recommend that the City conduct a review of cash receipt information to determine if payment was received for applications 120722, 120720, and 120716 prior to issuance of the permit. We further recommend that the City incorporate a periodic monitoring process to determine if adequate supporting documentation, including payment support, was received prior to issuing permits as required by City procedures.

Management's Response:

Management agrees with the recommendation. It was noted that three permit applications did not have supporting documentation that confirmed payment was received prior to permit issuance. The documentation for two of the applications were subsequently located and the other one was for a special event permit for which there is no fee charged. We will also implement a quality control plan to review a sample of permit applications on a routine basis to verify that proper procedures were followed when reviewing applications and issuing permits.

Special Master

SM – 01 Lien Process

During our procedures, we conducted interviews with two special master clerks during which we reviewed a series of 20-day notices (*Notice of Entry of Order Imposing Fines and Intent to Impose Lien / Procedures for Requesting Special Master Hearing on Fines and Lien*). Through this process, we noted that not all liens were being filed with the county at the conclusion of the 20th day referenced on the 20-day notices as required by Section 30-70 of the City Code. Failure to file the required liens and execute the code enforcement process in its entirety may subject the City to additional financial risk. Per inquiry with the clerks, there were insufficient resources to monitor and file all liens timely.

Recommendation:

We recommend that the City implement a procedure to monitor the aging of outstanding notices and orders and to follow-up on those that remain unfiled or unresolved at the conclusion of the 20th day following issuance of the order.

Management's Response:

Management agrees with the recommendation. The following procedures have been implemented to monitor the aging of the outstanding notices and orders and to follow-up on those that remain unfiled or unresolved at the conclusion of the 20th day following issuance of the order.

- 1. The Special Master Office will supplement the paper tickler system currently in use, with an electronic tickler, which reminds the Special Master Clerks of the Twenty Day Notice deadline.*
- 2. The paper and electronic ticklers will be entered by different individuals to ensure accuracy.*

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3. *Due to staffing shortages in the Special Master Office, the Office of the City Clerk will lend personnel to assist with coverage, to allow the Special Master Clerks uninterrupted time to complete this task.*
4. *Upon implementation of the Accela Automation project, the tracking of the Twenty Day Notice deadline will occur automatically through Accela*

Please note that the Special Master Office follows the Florida Rules of Civil Procedure, Rule 1.090 when computing time. Said rule reads, in pertinent part:

In computing any period prescribed or allowed by an order, the day of the act, event, or default from which the designated period begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day that is neither a Saturday, Sunday, or legal holiday.

When a party has the right or is required to do some act or take some proceeding within a prescribed period after the service of a notice or other paper upon that party and the notice or paper is served upon that party by mail, 5 days shall be added to the prescribed period.

Not following this computation of time rule, would create needless filing of liens, which is time consuming, costly and inconvenient to the property owners.

SM – 02 Incomplete Updates to Permits Plus

The special master clerks are responsible for updating PermitsPlus, which uploads data to the public-facing website based on the outcome of various hearings presided over by the Special Master. During our procedures, we reviewed the hearings that occurred on December 6, 2012, and compared the agenda notes from those hearings as maintained by the clerks to the information appearing on the public-facing website. The website did not contain information or conclusions reached as a result of the hearings due to various data points not having been inserted into PermitsPlus. In these instances, the attorneys were tasked with writing the orders so updates were not made by the clerks. As a result, internal City staff who utilize PermitsPlus for management purposes and citizens of Miami Beach relying upon the data on the Special Master's website may be either misled or utilizing incomplete information.

Recommendation:

We recommend the special master clerks document case information in PermitsPlus for each case, including those for which the clerks are not responsible for drafting the legal orders.

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Management's Response:

Management agrees with the recommendation. The following procedures have been implemented to ensure that Special Master Clerks fully Document case Information on PermitsPlus for each case, including those for which the Clerks are not responsible for drafting the orders:

- 1. The Special Master Clerk will enter full detail of orders, rulings or findings rendered by the Special Master within 24 hours of an occurrence.*
- 2. When an order is to be drafted by the Special Master or the Legal Department, rather than by the Special Master Clerk, the Clerk shall also note this on PermitsPlus (or Accela upon its implementation). Said notation shall include the name of the individual who is drafting the order and the date the assignment was undertaken. Upon return of such orders to the Special Master Clerk, the system will be updated with the additional information.*

SM – 03 Case Payments

When an order is made to pay fees for a special master case, the violator is directed to pay the fee in the office in which the case originated (e.g. Fire, Parking, Code Compliance, or Building). Customers often report to several locations before reaching the appropriate counter to pay their fees. There is not a standard policy requiring cash collections for the Special Master Office to be received and processed centrally which creates confusion for staff and customers. In addition, in the absence of a streamlined procedure monitoring actual and expected cash receipts and deposits, there is a risk that cash payments may go unrecorded.

Recommendation:

We recommend the City implement a procedure that requires customers to pay fees at a central location. In the interim, we recommend that the City complete and document reconciliations of daily cash receipts to the cash deposits to reduce the risk of theft.

Management's Response:

Management agrees with the recommendation. The City shall implement a procedure that requires customers to pay all fees, including appeal fees at a central cashier location.

SM – 04 Hearing Process

We selected 13 case files for testing to determine if the file documentation was complete. We identified one file that was missing a copy of the appeal request. The City's staff could not identify why the documentation was missing.

Recommendation:

We recommend that the City continue to search for the initial appeal request. We also recommend that City implement a process of quality control over case files. This system could include a checklist of all required documents for a case file that is completed and attached to the front of each file and/or a supervisor review of each case file to ensure the proper documentation is included in each file.

Management's Response:

Management agrees with the recommendation. A checklist will be created to verify that all documents that should be included in an appeal file are included therein. Periodically, files will be selected at random by the City Clerk to ensure compliance with this requirement.

DRAFT

OTHER OBSERVATIONS

This section contains other observations that were noted during our procedures that we believe merit the attention of City management.

Code Compliance Inspections and Violations

During our procedures, we noted that there is a risk that not all addresses for individuals are updated in the City's Code Compliance database. This could result in inspectors having incorrect information

Management's Response:

Management has noted this observation. With the implementation of the Accela Automation the application will be using the City's GIS System for addresses. This System is updated weekly with new information from Miami Dade County.

Information System Assessment of the PermitsPlus System

Based on our assessment of the PermitsPlus system, we developed several observations. These observations are detailed below.

- **Segregation of Duties** – During our review of user access on the PermitsPlus application, we noted that the four users who have administrator access rights, also have access to the development environment (Composer) and the production environment (Live Composer). This combination of access gives these users the ability to bypass the established change management process and promote or make changes to scripts directly in the production environment. In addition, we noted that management has not implemented monitoring controls in the production environment to detect unauthorized activity.

Management's Response:

Management has noted this observation. Segregation of Duties will be incorporated into the role based security of the replacement software for Permits Plus which is in the testing phase and shall become operational in the spring.

- **Access to Development** – During our review we noted five users with access to the development environment where this access is not required for the performance of job responsibilities.

Management's Response:

Management has noted this observation. Access to Development will be restricted to IT staff which will be incorporated into role based security with the replacement software for Permits Plus which is in the testing phase and shall become operational in the spring.

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- **User Administration** – Defining user access on PermitsPlus application is an important process in maintaining the integrity of the application as it provides management the opportunity to enforce appropriate segregation of duties and restrict access to sensitive functions to authorized personnel. Management's current procedures for granting users access to financially significant applications are informal (email) and do not provide a means to record and maintain the level of access granted to the user or document management's approval of the access granted for the duration of a user's employment.

Management's Response:

Management has noted this observation. Currently, it is in the development stage of an User Administration Application in order to grant access to network and city applications.

- **User Access Review** – Management performs a review of user access on the PermitsPlus application annually. This review ensures that each user requires access to the application; however, this review does not validate that each user's access within the application is commensurate with employee job responsibilities.

Management's Response:

Management has noted this observation. Departmental yearly Security review will be incorporated once the replacement software for Permits Plus becomes operational in the spring.

- **Application Password Parameters** – Passwords represent the keys to an organization's information system resources. Password strength or complexity and the frequency of change are the two main factors that make unauthorized access via password cracking unfeasible or difficult. During our review, we noted that the PermitsPlus application does not have the functionality to enforce strong passwords.

Management's Response:

Management has noted this observation. The replacement software for Permits Plus is integrated with Active Directory which has complex password parameters.

- **Security Logs/Monitoring** – The PermitsPlus application does not currently have the ability to report security related events (lock outs, security violations) or record changes to critical fields (audit logs) in order to detect suspicious or unauthorized activity.

Management's Response:

Management has noted this observation. The replacement software for Permits Plus will have audit capabilities and logs.



MIAMIBEACH

	STANDARD OPERATING PROCEDURE	SOP NO. 2013-013
	<u>PARKING ENFORCEMENT</u>	
	PARKING ENFORCEMENT COMPLAINT DISPATCHING PROCEDURES	

PURPOSE: To establish Parking Enforcement procedures and guidelines for dispatching complaints.

POLICY: It is the policy of the Department to receive, investigate, process, and take appropriate corrective and/or enforcement actions with regard to parking enforcement complaints. Complaints related to Code Enforcement are processed by Parking Dispatch; however, investigations and enforcement actions are the responsibility of the Code Enforcement Division.

PROCEDURES:

- I. COMPLAINTS DISPATCHING
 - a. All parking complaints are received and fielded by the dispatcher.
 - b. The dispatcher shall send an officer to address issues promptly.
 - c. Parking officer shall be dispatched to complaint issues based on their availability and proximity to the complaint site.
 - d. The dispatcher shall send the first available officer in the closest proximity to the complaint side in question.
 - e. An officer shall be at the complaint site within 30 minutes of the receipt of the complaint.
 - f. Larger areas shall be canvassed by multiple officers made up of teams. These teams shall be assigned contingent upon availability and proximity to the complaint site.

Prepared by:

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Reviewed by:

Patricia D. Walker, Chief Financial Officer

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	STANDARD OPERATING PROCEDURE	SOP NO. 2013-015
	<u>PARKING ENFORCEMENT</u>	
PARKING ENFORCEMENT – CITATION SUPPORTING DOCUMENTATION		

PURPOSE: To establish Parking Enforcement procedures and guidelines for supporting documentation for citations.

POLICY: It is the policy of the Department to provide supporting documentation for citations and/or other enforcement action taken in the case of administrative appeals and/or court proceeding.

PROCEDURES:

I. CITATION SUPPORTING DOCUMENTATION

- a. Officers are to accurately document all information pertaining to the citation or enforcement action. Supporting documentation and violation information should be recorded for all areas of noncompliance.
- b. Officers shall document the reason for their rejection of an LPR (License Plate Recognition) alert. Supervisors shall review all misread license plates and produce a report to reconcile with the County's Parking Violation Bureau reports.
- b. Officers are to take photographs with their Autocite and city issued camera for all areas of noncompliance.
- c. Officers shall gather any other documentation to support their enforcement action.

Prepared by:

Saul Frances, Parking Director

Reviewed by:

Patricia D. Walker, Chief Financial Officer

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	STANDARD OPERATING PROCEDURE	SOP NO. 2013-016
	<u>PARKING ENFORCEMENT</u>	
	PARKING ENFORCEMENT – CONFISCATED LICENSE PLATES (TAGS)	

PURPOSE: To establish Parking Enforcement procedures and guidelines for confiscating license plates.

POLICY: It is the policy of the Department to aggressively pursue parking citation collection efforts.

PROCEDURES:

I. CONFISCATED LICENSE PLATES (TAGS)

- a. Officers shall not release tags to violators who have not paid the appropriate fine.
- b. Confiscated tags shall be maintained in the main office until such time that violators provide receipt of fine payment. Receipt verification shall be documented on tag logs.
- c. Tag logs shall document the receipt, fine amount, and signature of both the custodian and recipient.

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	STANDARD OPERATING PROCEDURE	SOP NO. 2013-017
	<u>PARKING ENFORCEMENT</u>	
	PARKING ENFORCEMENT – OFFICER PRODUCTIVITY	

PURPOSE: To establish Parking Enforcement procedures and guidelines for officer productivity.

POLICY: It is the policy of the Department to promote employee productivity.

PROCEDURES:

I. OFFICER PRODUCTIVITY

- a. Supervisors shall monitor officer productivity and address issues of low productivity.
- b. There are no quotas permitted.
- c. Supervisors shall monitor officer productivity by monitoring and addressing officer time management. Supervisors shall monitor time spent in the field by officers by monitoring the officer’s daily activity report; AVL/GPS reports; and Autocite Productivity Log. Officer activity shall be reconciled with the amount of time spent in each location based upon the duty the officer was performing as described in the daily activity report and CAD report.

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	STANDARD OPERATING PROCEDURE	SOP NO.2013-A
	<u>PARKING ADMINISTRATION</u>	
	PENDING VALET FINE(S) APPEALS PROCESS	

PURPOSE: To establish criteria for the tracking Special Master hearings in the Accela Program.

SCOPE: This SOP applies to all Space Rental Liaison employees and supporting staff.

POLICY/PROCEDURES:

The following shall serve as the policy for scheduling updates to the status of Valet Parking Violations/Cases:

- City Clerk's office provides the Space Rental Liaison with the Special Master hearing dates.
- The status/synopsis for each respective case is reviewed on a monthly basis after each hearing through the City Clerk's website under Special Master Agenda.
- The Space Rental Liaison will be utilizing the calendar in the Accela Program for tracking purposes.
- The Space Rental Liaison requests confirmation of the aforementioned information via email to the City Clerk's Department.
- Upon receipt of the aforementioned, the Space Rental Liaison proceeds updating the status in the Valet Parking Citation Application by clicking "dismiss and/or pending to be paid".

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