



OFFICE OF INTERNAL AUDIT

**REPORT TO THE PINAL COUNTY
BOARD OF SUPERVISORS**

**ONE STOP SHOP
IMPACT FEE PROGRAM
AUDIT**

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May, 2014

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Executive Summary

The Pinal County Office of Internal Audit has completed an audit of the Pinal County One Stop Shop - Impact Fees Program. The audit was included in the FY 2013-2014 Internal Audit Plan approved by the Pinal County Board of Supervisors; and was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). These standards require the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. The auditor believes the evidence obtained provides a reasonable basis for findings and conclusions based on audit objectives.

The primary objective of this audit was, "To determine if controls in the One Stop Shop Impact Fee Program are designed to provide reasonable assurance regarding effectiveness and efficiency of operations and compliance with applicable laws and ordinances." Specific audit objectives were to:

- A. Determine compliance with applicable impact fee laws and ordinances
- B. Review and analyze financial documents
- C. Review management controls and operating procedures

Overall Conclusion

The overall conclusion is the One Stop Shop has designed controls to assure compliance; however, the following areas were identified for improvement:

1. Improper separation of duties for OSS Customer Service Centers
2. No comprehensive Impact Fee program policy
3. Online services

Recommendations for improvements include:

1. Internal Audit recommends Development Services Management analyze staffing in the One Stop Shop and determine the right-size, place, and structure to provide proper separation of duties for the Impact Fee Program, and improved customer service for the OSS. For example, additional customer service counter staff would allow the Impact Fee Coordinator, and other division personnel, to return to their main job duties. One Stop Shop could continue to provide administrative support for the Impact Fee Program.
2. Internal Audit recommends Development Services Management immediately develop a policy that includes:
 - A biennial external audit of accounts and refunds
 - Cross-training for Impact Fee Program responsibilities
3. Internal Audit recommends Development Services Management, the Impact Fee Program Coordinator and Information Technology staff, continue to work on providing accessible and useful online services as part of a comprehensive customer-centric service strategy.

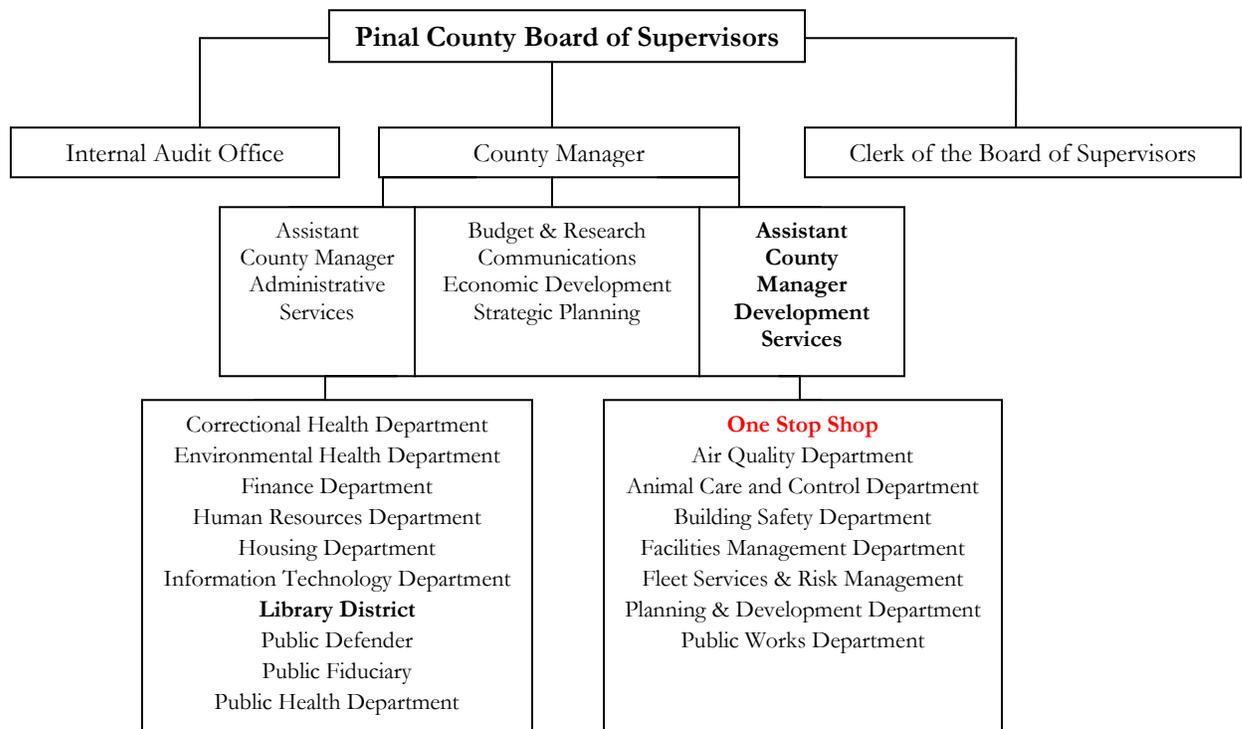
Internal Audit would like to thank the management and staff of Development Services, and the One Stop Shop, for their assistance and cooperation during the course of this audit. The following report provides additional details of audit observations and recommendations.

Audit Scope and Methodology

The scope of the audit was to determine if controls in the One Stop Shop (OSS) Impact Fee Program are designed to provide reasonable assurance regarding effectiveness and efficiency of operations and compliance with applicable laws and ordinances.” The following methodologies were used to complete the examination:

- Review and analyze financial reports (including Annual Impact Fee reports, OSS budget reports and the Comprehensive Annual Financial Report)
- Review department expenditures; specifically p-card expenditures and vendor billings
- Interview department management and staff
- Tour One Stop Shop and satellite offices
- Review applicable laws and ordinances
- Review internal policies and procedures

Organizational Chart



Background - One Stop Shop/Impact Fees Program

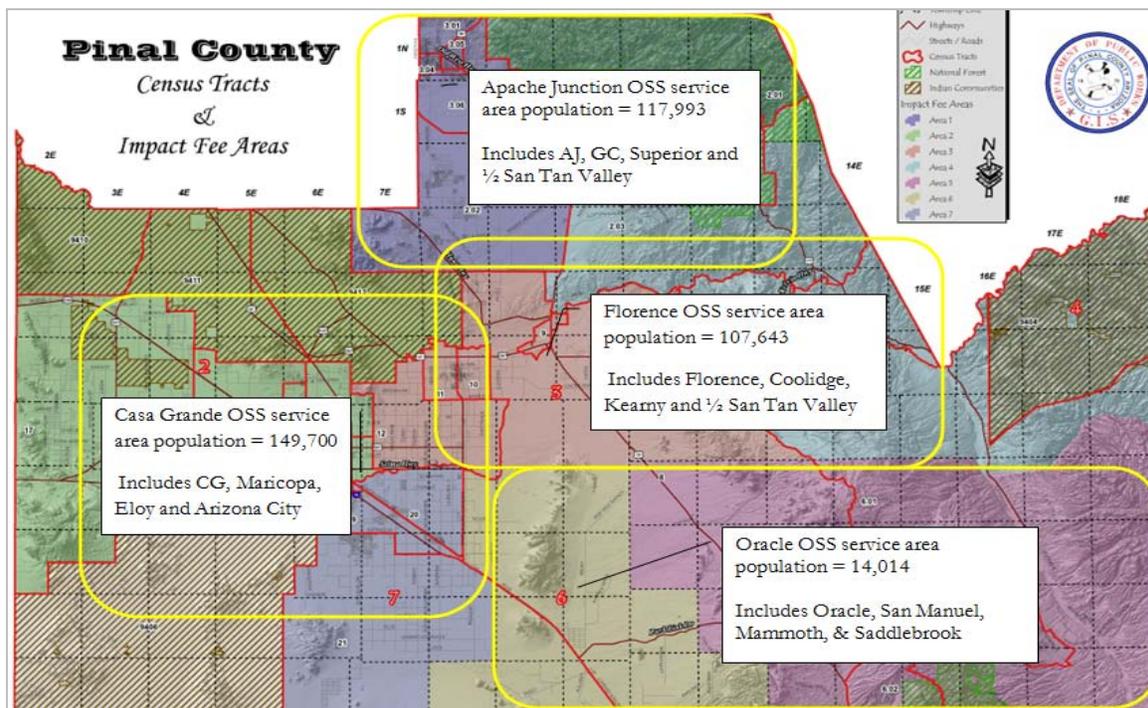
In 2005, Pinal County combined five (5) departments; (1) Building Safety, (2) Air Quality, (3) Environmental Health,¹ (4) Planning & Development and (5) Public Works into a “one-stop Development Services” department. In 2007, after the adoption of county development impact fees, Development Services added the impact fee program into their “one stop” services. The development impact fee program is administered by an Impact Fee Coordinator, and services include:

- Tracking impact fees on all residential and commercial development;
- Processing and evaluating requests for appeals, credits, and refunds per development agreements and;
- Preparing an annual Development Impact Fee report, as required by Arizona State Statute (A.R.S.11-1102)

Effective January 1, 2008, Development Services started a “One Stop Shop Customer Service Center” to provide inter-departmental coordination for customer inquiry and payment receipting, and to assist developers “...through the planning, permitting & development process in a timely manner.”² At this time, the Development Impact Fee Program was placed under the OSS span of control. In addition to impact fee services, OSS services include:

- Routing customers to the appropriate division within Development Services
- Receiving, tracking, and processing project plans, packages and public records requests
- Collecting and depositing all development services fees, including impact fees

During the fiscal year ending June 30, 2013, OSS assisted 10,313 customers and processed \$11,805,172 in fees. The fiscal year 2013/14 budget for the OSS is \$245,930, and the department is authorized for three (3) full-time employees; including the Impact Fee Coordinator. The main OSS is located in Florence, Arizona; with satellite offices in Casa Grande, Apache Junction and Oracle. In 2012, the Animal Care and Control department was added to Development Services, and collections for animal licenses were added to OSS cashing services. The map below shows current OSS service areas and approximate populations based on U.S. Census Bureau 2013 estimates.



¹ In 2012, the Environmental Health division was moved to the Public Health department.

² http://quickfacts.census.gov/qfd/meta/long_BPS030212.htm

Development-related Fees

Development-related fees fall into three broad categories; (1) **planning fees**, which cover the administrative costs associated with reviewing required documents for land-use approvals; (2) **building permits and inspection fees**, which cover the costs of site-specific permit applications and inspections; and, (3) **development impact fees**, which presumably cover the up-front costs of providing capital infrastructure and public services.

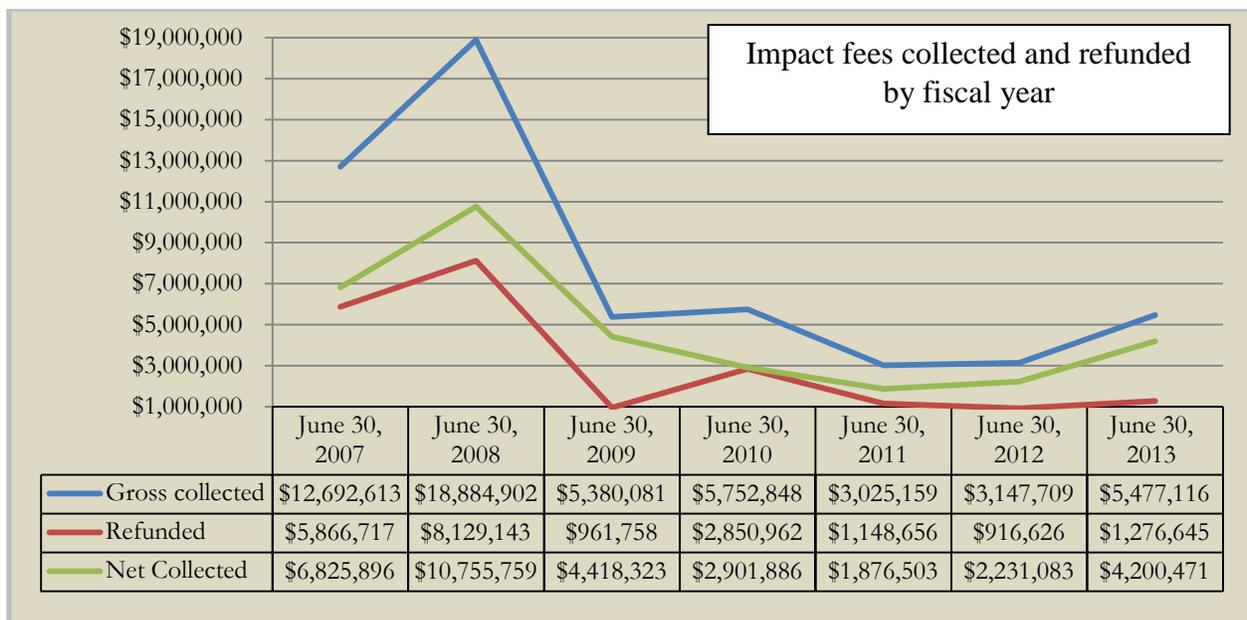
The Arizona legislature passed a county impact fee law in 1999. ARS§11-1102, required counties to consider five (5) elements for impact fee cost calculations; including, (1) Public Safety, (2) Streets, and (3) Parks, and mandated fees:

- ✓ Must be based on actual anticipated costs for new development
- ✓ Cannot be used to fund existing infrastructure deficiencies
- ✓ Requires Beneficial Use (necessary public services and/or facilities for a development)
- ✓ Must be assessed in a consistent, non-discriminatory manner

Pinal County did not adopt an impact fee ordinance (#101806-DF) until January 18, 2007.³ Developer agreements approved prior to that date varied considerably; including per home fees ranging up to \$1000 and payments to different Pinal County road funds, such as, the Superstition Valley Transportation Fund (SVTF),⁴ the Maricopa Sub-regional Transportation fund, and the Southern Regional Transportation fund. Some agreements exempted developers from fees and future increases.

Generally, development fees are paid when a building permit is obtained. From July 1, 1990 to June 30, 2013, Pinal County issued 72,820 building permits⁵ (see Supplemental Information on page 14). The majority of these permits (54,642) were issued before the impact fee ordinance was adopted.

By fiscal year end (FYE) June 30, 2013, the County had collected a cumulative total of \$54.2 million for impact fees since 2007. However, \$25.7 million of those fees have been refunded to developers as a result of prior development agreements; leaving a total of \$28.5 million in expendable funds. The chart below shows fees collected and refunded by fiscal year.

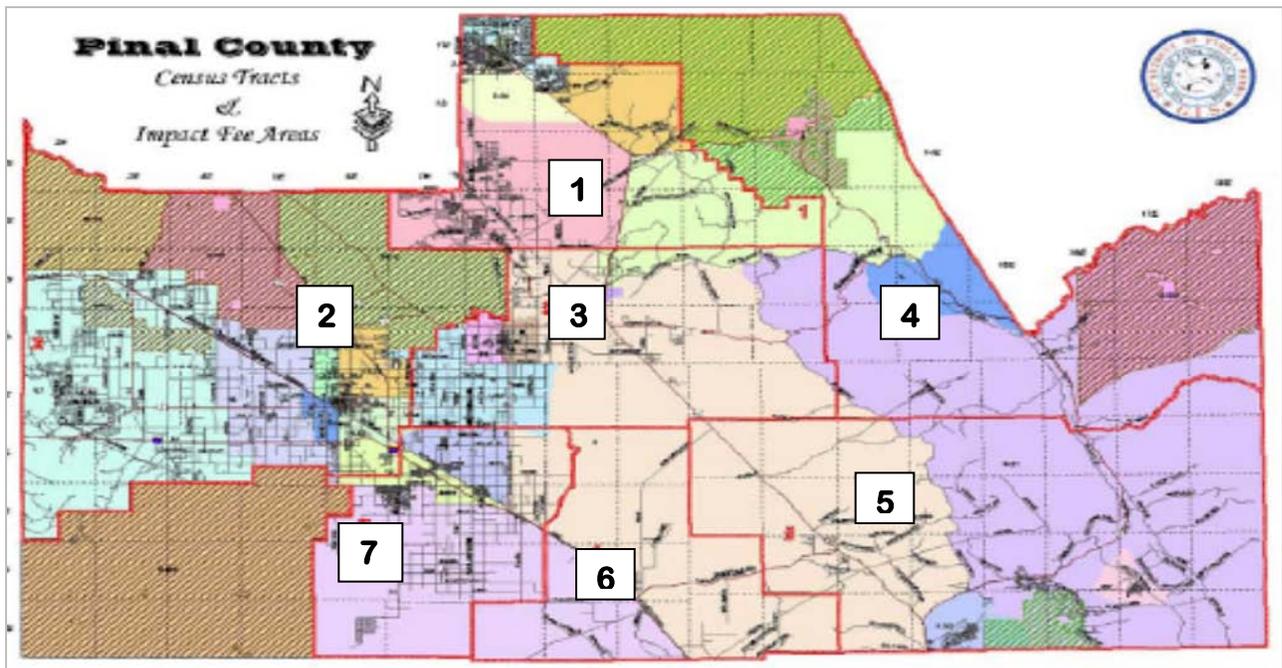


³ County ordinance #101806-DF

⁴ Former County Manager Stanley Griffis was imprisoned for, among other counts, embezzling funds from the SVTF

⁵ Area not incorporated into a city

The impact fee ordinance identified seven (7) impact fee areas (IFA) in the County to, “better identify and plan for the current and future demand for infrastructure” and allow for more accurate monitoring of development fees collected and expended in a particular area. The map below outlines the seven areas. Over eighty-seven percent (87.8%) of impact fees collected since 2007, have been collected in IFA 1.



Impact Fee Ordinance includes assessed fees for Streets, Parks and Public Safety

A report titled “The Pinal County Small Area Transportation Study,” prepared for Pinal County by Kirkham Michael Consulting Engineers⁶ as part of the initial Impact Fee Capital Improvement Plan process, summarized a Ten (10) Year Arterial Street Program for Pinal County at an estimated cost of \$1,110,957,174. All expendable impact fees collected to date (\$28.6 million) would have funded 2.57% of these costs.

A revised Ordinance, #030310-DF,⁷ based on a more recent study issued by TischlerBise⁸ in June 12, 2009; summarized projected impact fees by IFA and divided fees into the three (3) elements allowed by law; streets, parks, and public safety. The report included an amended “Summary 10 Year Arterial Streets Capital Improvement Plan,” by IFA. Aggregated cost of the plan for all IFA’s was \$947,508,281.

The study also projected impact fee revenues over ten years from 2010 to 2020. Total anticipated fees collected were \$158,098,049; leaving a cumulative plan deficit of (\$789,410,232); however, current collections are running approximately 75% below calculated projections.

Impact Fee Area	Cost of recommended 10 Year Street Plan by IFA
1	\$ 281,463,524
2	\$ 237,209,630
3	\$ 234,778,002
4	\$ 45,298,180
5	\$ 47,093,699
6 & 7	\$ 101,665,246
Total	\$ 947,508,281

⁶ <http://azmemory.azlibrary.gov/cdm/ref/collection/statepubs/id/16632>

⁷ <http://pinalcountyz.gov/Departments/DevelopmentServices/Documents/Downloads/Impact%20Fees/2010/Ordinance%20NO.%20030310-DF.pdf>

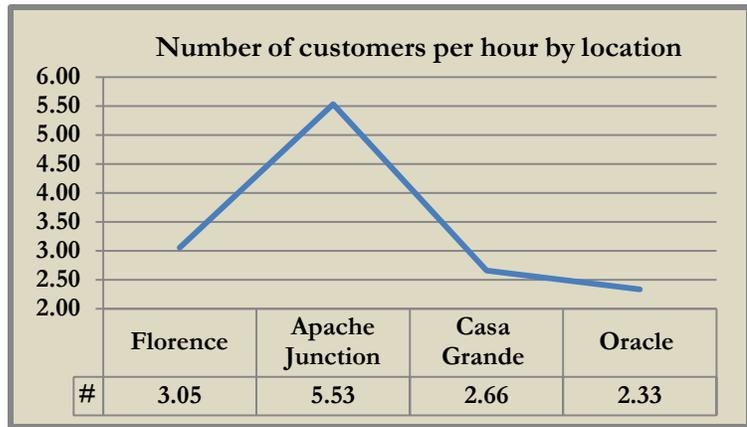
⁸ <http://pinalcountyz.gov/Departments/DevelopmentServices/Documents/Downloads/Impact%20Fees/2010/Streets%20CIP%20and%20Development%20Fees.pdf>

AUDIT OBSERVATIONS AND RECOMMENDATIONS

A. Improper Separation of Duties

Criteria – A prior audit of One Stop Shop (OSS) Cash Controls, conducted by the Pinal County Internal Audit office in 2011, reported the OSS had four (4) fulltime employees (FTE) and annually processed \$7million. The audit found, “Recent staff reductions, due to budgetary cuts, have compromised the separation of (cash handling) duties ... primarily at satellite locations.” Pinal County policy 8.10 *Cash Receipts* requires, “The person receiving cash ... should not be able to access accounting records other than cash receipts.” Collections by OSS Customer Service Center’s include (but are not limited to) monies for development impact fees, building permits, burn permits, pet licenses, septic permits, and right-of-way permits.

During the most recent fiscal year ending June 30, 2013, One Stop Shop processed nearly \$12 million (\$11,805,172) in fees, and assisted 10,313 customers at four locations.



Condition – The Impact Fee Coordinator is regularly scheduled to work the OSS Customer Service Counter. Due to difficulty maintaining adequate OSS customer service counter staff, the OSS Manager regularly schedules the Impact Fee Coordinator to perform front-counter OSS services. Recently, the OSS Manager resigned and OSS staffing is down to two (2) employees, including the Impact Fee Coordinator.

Cause – In 2012, OSS staff was reduced from four (4) FTE to three (3) FTE, including the Impact Fee Coordinator, who has been under the OSS span of control since 2007.

Effect – The Impact Fee Coordinator is regularly required to work at various OSS Customer Service Counters and performs all counter accounting functions, including receipting, reconciling and depositing fees. The Impact Fee Coordinator’s regular duties include preparing impact fee accounting records; for example, impact fee rates, credits, or refund determinations, evaluating and processing requests for appeals, and preparing the annual Development Fee report. In addition to violating Policy 8.10, this situation weakens internal controls and causes a delay of impact fee responsibilities; for example, preparation of the annual Development Fee report. Arizona State Statute (A.R.S.11-1102) requires an impact fee annual report is submitted to the Clerk of the Board of Supervisors by September 30, or forego collecting impact fees until it is properly filed. The FY2012/2013 report was not submitted in the prescribed time period. There were no fees withheld.

Also, the 2013 One Stop Strategic Business Plan⁹ mentions, “... an increasing need for continuity of information provided by the One Stop Shop.” The lack of continuity could be caused by frequent schedule changes using temporary employees and staff from other divisions. Other Development Services employees have regularly been required to delay their duties and assist with OSS customer service tasks when OSS employees are on leave or most recently, when the OSS Manager resigned.

⁹ <http://www.pinalcountyz.gov/Departments/MFR/Documents/BusinessPlans/FY2013-2014/OSS%20SBP%207.1.2013%20FY%202013.14.pdf>

Their assistance has also been needed to perform daily reconciliations and other accounting duties. This lack of separation of duties is a prior audit finding.¹⁰

Recommendation #1

Internal Audit recommends Development Services Management analyze staffing in the One Stop Shop and determine the right-size, place, and structure to provide proper separation of duties for the Impact Fee Program and improved customer service for the OSS. For example, additional customer service counter staff would allow the Impact Fee Coordinator, and other division personnel, to return to their main job duties. One Stop Shop could continue to provide administrative support for the Impact Fee Program.

Note – The prior audit also recommended a decrease in change funds. At the time; OSS was only accepting actual cash for \$10 burn permits. This has changed. The OSS now processes pet licenses, building permits (with cash payments limited to \$100 per transaction), and septic permits. One Stop Shop is still maintaining a \$250 change fund and limiting change funds for satellite office to \$25. This is causing unnecessary constraints and difficulty depositing receipts intact. Employees are using their own funds to make change, or making multiple trips to the Treasurer’s office. After a discussion with Development Services employees, change funds will be increased after proper approval from the Pinal County Finance office, per Pinal County Policy 8.70.

B. No Impact Fee Program policy

Criteria – Internal control means there are policies, or safeguards, management establishes to help keep business running smoothly and watch for error or wrongdoing. Errors may be unintentional, but having a policy in place requiring monitoring, provides an assurance to management that processes are working as intended. A good example of a written impact fee program policy is the Development Impact Fee Ordinance written into the Phoenix City Code. The Code includes an oversight process requiring a biennial, certified audit of the impact fee program. Section 29-16 states the audit will be conducted by, “...one or more professionals who are not employees or officials of the City...” and requires a review of the collection and expenditures of development impact fees. The entire ordinance can be viewed on-line at (Ctrl+click):

<http://www.codepublishing.com/az/phoenix/frameless/index.pl?path=../html/Phoenix29/Phoenix29.html>

Cross-training staff is another safeguard. A concentration of duties in one staff person is not desirable from an accounting point of view. One measure to help counter this weakness involves training a second person in the specific duties related to the entity’s finances. Cross-training has numerous benefits. It allows a second person to perform the duties when the employee primarily responsible is unavailable. Having someone else perform the job duties also provides a method of detecting errors and/or irregularities created by the person primarily responsible for those duties. Finally, cross-training provides continuity during periods of employee transitions. Cross-training offers advantages from both an accounting and a management point of view.

Condition – There is only one employee assigned to perform all duties and maintain all records for the impact fee program and Development Services OSS Management have not developed a policy to require safeguards for Impact Fee Program activities; for example, a regular audit of the credit and refund process or employee cross-training. The Impact Fee Program has processed \$54 million in fees since 2007, and refunded \$ 25.7 million. Procedures for processing and evaluating developer

¹⁰ <http://www.pinalcountyaz.gov/Departments/InternalAudit/Documents/OSS%20Final%20Draft.pdf>

requests for appeals, credits or refunds are complex; primarily due to the number of dissimilar developer agreements, and more recently, negotiated changes in agreements. The following table shows current developer agreements and the complexity of agreed-upon contractual terms used to assess impact fees, credits and refunds.

Developer area	Expiration Date	Streets	Parks	Public Safety	Credit
Arizona Farms	2/2034	50% of current fee for year 1-10 55% of current fee for year 11-15 60% of current fee for year 16-20	Per Code	Per Code	Yes
Bella Vista 23	2/2031	\$2833/single unit \$1,515 /other unit	100% current fee	100% current fee	No
Bella Vista North	2/2034	50% of current fee for year 1-10 55% of current fee for year 11-15 60% of current fee year 16-20	Per Code	Per Code	Yes
Circle Cross Ranch	Pending	Per Code	Per Code	Per Code	No
Copper Basin	7/2020	Exempt in lieu of SVTF payments	Per Code	Per Code	No
Eagle Crest Ranch					
Goodman Ranch	12/2023	\$371.20/single unit \$1,856/other unit Non-residential – 10% of current fees	\$138/single \$64/other	100% current fee	No
Lennar	12/2018	\$371.20 / single unit	\$138/single	\$1,252 /single	No
Richmond American	12/2019	\$371.20 / single unit	\$138/single	\$1,252 / single	No
Entrada del Oro	12/2021	\$153/development unit 1-760	\$69/1-380 \$276/381 -760	\$313/1-380 \$1,252/381-760	No
Johnson Ranch	1/2024	\$2,750 per residential unit apportioned to streets, Parks & Public Safety 65% of current fee for non-residential			Refund
Langley Ranch	Expired	Per Code	Per Code	Per Code	No
Magic Ranch	Expired	In lieu of payment to SVTF fulfilled	Per Code	Per Code	No
Midland I	2/2034	Year 1-10 : \$ 3,887/single \$ 2,027/other	\$276/single \$128/other	\$1,252/single \$ 582/other	No
		Year 11-15: \$ 4,275.70/single \$ 2,229.70/other	\$303.60/single \$141.80/other	\$1,377.20/Single \$ 640.20/other	
		Year 16-20: \$ 4,664.40/single \$ 2,432.40/other	\$331.20/single \$153.60/other	\$1,502.40/Single \$ 698.40/other	
San Tan Shadows	Expired	Lots 1-1,228 : Exempt in lieu of \$1,074,959.03 payment to SVTF	\$276/single	\$1,252 / single	Refund
Signal Peak	Expired	Per Code	Per Code	Per Code	No
Ware Farms	Expired	Per Code	Per Code	Per Code	No

In addition to fee assessment complexities, Arizona law governing the impact fee process (A.R.S.11-1102) requires, "... impact fees are to be paid when construction permits for dwelling are issued," but allows for, "...credit toward the payment of the fee for the required dedication of public sites and improvements." The timing of these provisions necessitates holding monies in separate accounts for developer refunds and credits. Currently these funds hold \$1,559,437, and an additional \$3 million held in a separate fund pending developer negotiations or court decisions.

Since the program inception, external auditors have only performed random testing of these accounts. Internal Audit was not able to obtain their work to review. During this audit, Internal Audit reconciled these accounts as of FYE June 30, 2013, to annual reports, and found only immaterial discrepancies that could be attributable to timing differences.

Cause – According to OSS Strategic Business Plans, developing a policy has been delayed since, at least, 2009. The FY2012-2013 OSS Performance Management report explained, “We have formed a committee made up of representatives from OSS, Building Safety, Planning, Public Works and the ACM for DS, to work on this project (an Impact Fee policy). Unfortunately, some members of the committee have resigned, business has picked up, and staff shortages have made it difficult to work on this project. We have extended our deadline until 2015.” Several months later, the OSS Manager who wrote the comment resigned and there has been no policy developed.

Effect - Inadequate internal controls over impact fee refunds, credits and reporting practices could lead to errors, which adversely impact the ability to assure timely and accurate impact fee reporting, per ARS 11-1102. Currently, there is no Impact Fee policy; no regular external oversight of the Impact Fee program or accounts; and no cross-training for the one position maintaining the accounts and records for this program.

Recommendation #2

Internal Audit recommends the Development Services Management immediately develop a policy that includes:

- ***A biennial external audit of accounts and refunds***
- ***Cross-training for Impact Fee Program responsibilities***

C. Online Services – Direct government

Criteria – The federal General Services Administration (GSA) Office of Citizen Services and Innovative Technologies provides a HowTo.gov website¹¹ that offers suggestions for developing an effective customer service strategy. One suggestion proposes offering digital (online) government services to improve the customer experience and advises, “Ensure digital services are easy to use and accessible...”

Condition: “More access to (customer) information” has been a recurring issue in OSS Strategic Business Plans¹² and, although Pinal County has consistently received website awards¹³ for transparency in government, the impact fees area of the site is difficult for customers to find and may not have the information they are seeking.

For example, the words “impact fees” do not appear on the Development Services, Building Safety or Planning and Development home web pages. A user would have to know the ‘Document’ tab on the Development Service home-page menu bar links to impact fee information. On the ‘Documents’ page there is an impact fee area map; but it’s in a list of links for reports and does not stand out. There is another excellent interactive map on the Development Services GIS site, but no mention of the impact fee layer or instructions explaining how to get to it.

Also, there is no readily accessible information explaining the impact fee process or how-to apply for credits and refunds; and there is no impact fees calculator to estimate fees; similar to interactive tools on other impact fee sites.

Pinal County non-residential impact fees vary and may be difficult for developers to estimate without these tools; necessitating more frequent contact with the Impact Fee Coordinator.

¹¹ <http://www.howto.gov/customer-experience/strategic-planning>

¹² FY2013-2014 OSS Strategic Business Plan

¹³ <http://pinalcountytaz.gov/Departments/NewsInformation/Lists/News%20and%20Announcements/DispFormA.aspx?ID=1288>

Pinal County Impact Fee web page

<http://www.pinalcountyz.gov/Departments/DevelopmentServices/Pages/Documents.aspx>

Documents

Impact Fee Documents (2006)

- Impact Fee Ordinance (Revised 10/24)
- 01 - Notice of Intent
- 02 - Impact Fee CIP
- 03 - Public Safety CIP and Development Fee Study
- 04 - Parks CIP and Development Fee Study
- 05 - Streets CIP and Development Fee Study
- 06 - Executive Summary
- 07 - Impact Fee Map
- 08 - Impact Fee Deadlines
- 09 - Impact Fee Report Recommended Amendments
- 10 - Impact Fee Annual Report Fiscal Year 2006-2007

Impact Fee Documents (2010)

- 01 - Development Fee Ordinance 2010
- 02 - Development Fee Study Table of Contents
- 03 - Notice of Intent
- 04 - Development Fee Schedule
- 05 - Demographic Estimates and Development Projections
- 06 - Parks Capital Improvement Plan for New Development and Development Fee Study
- 07 - Public Safety Capital Improvement Plan for New Development and Development Fee Study
- 08 - Streets Capital Improvement Plan for New Development and Development Fee Study
- 09 - Diverted Link Trip Adjustment Info
- 10 - Impact Fee Area Map

Development Fee Annual Reports

- Development Fee Annual Report FY 12/13

In contrast, the City of Phoenix Development Impact Fee page is easy to find (separate page with a tab on the Planning and Development left menu bar/ Fees and Financial Information) and provides a lot of information; including, an explanation of public capital improvement credits, details about the entire impact fee process, an impact fee calculator for residential units and an interactive Impact Fee Estimator spreadsheet to determine fees for non-residential units. Maricopa County does not have impact fees; however, cities in Maricopa County¹⁴ have impact fees, and developers in the Phoenix area can use this spreadsheet to calculate estimated fees for any project, including charges for administrative fees (1% of gross impact fee).

City of Phoenix Impact Fee webpage

<http://phoenix.gov/pdd/devfees/impactfees/index.html>

Development Impact Fees

Home > Planning and Development Department > Fees and Financial Information > Development Impact Fees

About P&D
Topics A to Z
Services & Programs
Historic Preservation
Planning & Zoning
Development
Commissions
Financial Information
P&D Fees
Development Impact Fees
Related Fees
Financial Info & Documents

Development impact Fees are charged to contribute to costs associated with infrastructure investment and construction of capital facilities before or in conjunction with future development. Since not all areas have the same capital facility requirements, the growth areas are divided into fee areas pay only for infrastructure which provides a direct benefit to that particular fee area. For example, only parks in the Southern service area. It does not fund parks in the Northern service area, which residents of Estrella South. In addition, fees vary by use and size of development.

To determine whether your development is in an area where Development Impact Fees are charged, and for more information, click on the links:

- Interactive Map of Development Impact Fee Areas (click on map to see further details)
- Get an Impact Fee Estimate
- Impact Fee Glossary (a guide to commonly used terms)
- Credits and Credit Agreement FAQ's

Cause - The FY2012/2013 One Stop Shop Strategic Plan states Development Services has formed a committee tasked to work with IT on a "...comprehensive Development Services web site resource..." to "...educate the public on development services processes (including impact fees) and expand on-line payment options." The FY2012/2013 OSS Performance report states, "Resignations and staff shortages have made it difficult to work on this project"

Effect - The FY2013//2014 OSS Strategic Business Plan¹⁵ Issue number two (#2) 'Education and Information' reports, "the customers increased lack of understanding regarding the role of

¹⁴<http://phoenix.gov/pdd/devfees/impactfees/difestimate.html>

¹⁵<http://www.pinalcountyz.gov/Departments/MFR/Documents/BusinessPlans/FY2013-2014/OSS%20SBP%207.1.2013%20FY%202013.14.pdf>

Development Services' One Stop Shop, coupled with a lack of understanding regarding the necessity of impact fees, if not addressed will result in:

- Loss of revenue
- Negative impact on commercial (see below) and residential economic development
- Unprepared customers who will require repeat visits which delay projects
- A negative perception and frustration by Pinal County customers

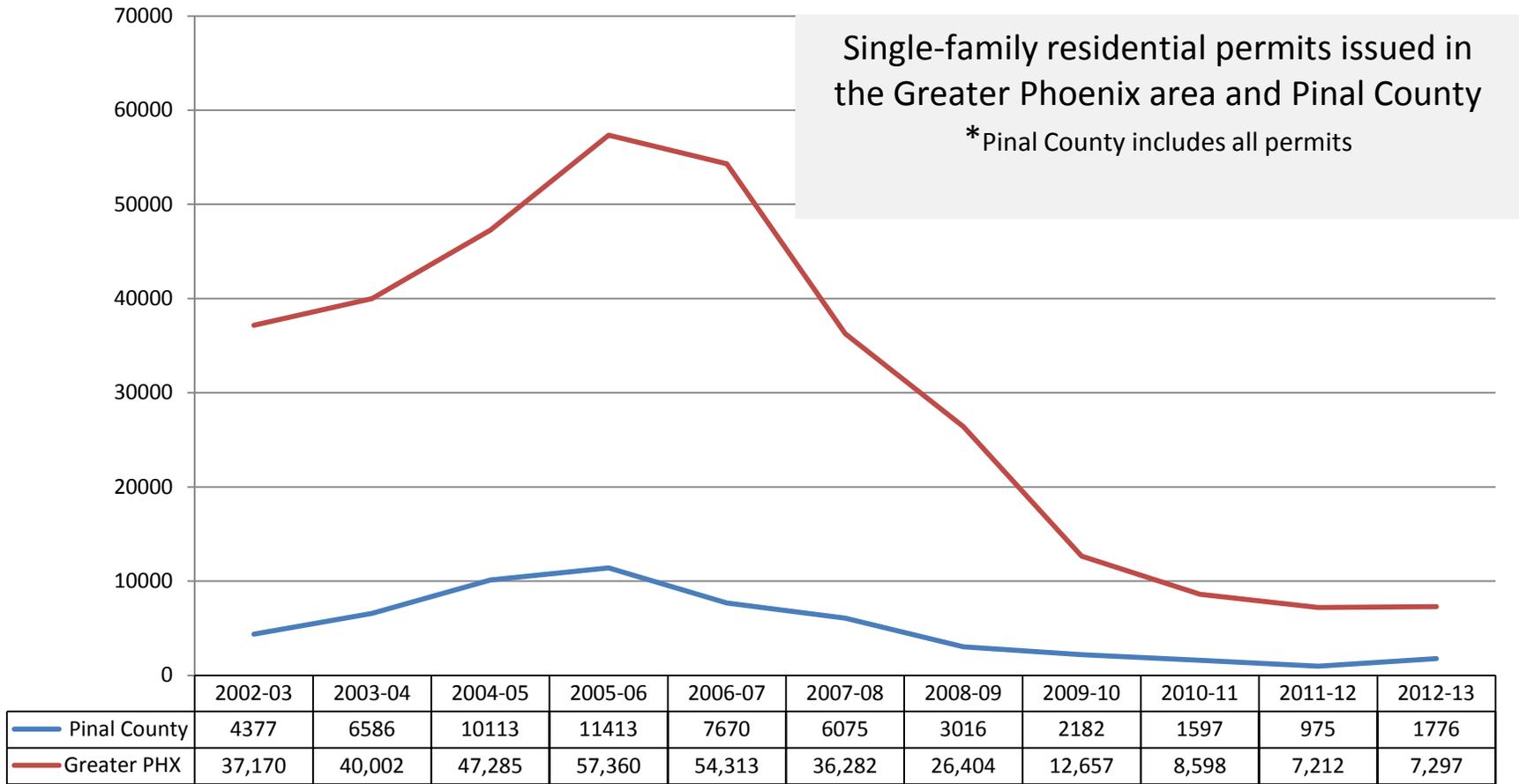
Internal Audit observations of customer waiting in line at OSS sites, and interviews with Development Services staff about negative perception and frustration by customers, indicate some of the results predicted by the former One Stop Shop Manager are occurring.

Recommendation #3

Internal Audit recommends Development Services Management, the Impact Fee Program Coordinator and Information Technology staff, continue to work on providing accessible and useful online services as part of a comprehensive customer-centric service strategy.

SUPPLEMENTAL INFORMATION

Impact fee collections and building permits are a leading economic indicator. Building permit information obtained from U.S Census Bureau <http://censtats.census.gov/cgi-bin/bldgprmt/bldgdisp.pl>



Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible
<p>1. Internal Audit recommends Development Services Management analyze staffing in the One Stop Shop and determine the right-size, place, and structure to provide proper separation of duties for the Impact Fee Program and improved customer service for the OSS. For example, additional customer service counter staff would allow the Impact Fee Coordinator, and other division personnel, to return to their main job duties. One Stop Shop could continue to provide administrative support for the Impact Fee Program.</p>	Yes	<p>On April 30, the BOS approved the creation of a new Community Development Department. Part of that approval was a go ahead to have only one satellite office open per day. This one change will have a strong positive impact on staffing the OSS.</p> <p>The new Department will also allow us to pull staff in from what used to be other Departments. These two changes will relieve the Impact Fee Coordinator of counter and Satellite office responsibilities and allow her to focus on Impact Fees.</p> <p>We are aware of Policy 8.10 which states: "The person receiving cash...<u>should</u> not be able to access accounting records other than cash receipts." Since the layoffs of 2009 we have been unable to fully meet this policy recommendation. The changes we are currently making to the organization will allow us to have more cashiers who cannot access accounting records. We will continue to minimize this cross access and so meet the recommendation.</p>	July 2014	<p>Community Development Director</p> <p>Planning and Development Admin Manager</p>
<p>2. Internal Audit recommends Internal Audit recommends the Development Services Management immediately develop a policy that includes:</p> <ul style="list-style-type: none"> ▪ A biennial external audit of accounts and refunds ▪ Cross-training for Impact Fee Program responsibilities 	Yes	We agree with this finding.	<p>Policy: July 2014</p> <p>Cross Training: September 2014</p>	<p>Community Development Director</p> <p>Planning and Development Admin Manager</p> <p>Impact Fee Coordinator</p>
<p>3. Internal Audit recommends Development Services Management, the Impact Fee Program Coordinator and Information Technology staff, continue to work on providing accessible and useful online services as part of a comprehensive customer-centric service strategy.</p>	Yes	We agree that there needs to be readily available and accessible information on the web about impact fees. There needs to be a description of what it is, how it works and how fees are calculated. Relieving the Coordinator from counter and Satellite office responsibilities will allow her to focus on this project.	January 2015	<p>Planning and Development Admin Manager</p> <p>Impact Fee Coordinator</p>