
CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Audit of Development Services Department

Permitting Process

Project No. AU18-003

August 6, 2018

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Development Services Department (DSD), specifically the permitting process. The audit objective, conclusion, and recommendation follow:

Determine if Development Services' permit issuance, fees, and collections are adequately managed and controlled.

DSD has established processes for adequately managing permit issuance, fees, and collections. Permits are issued in accordance with internal policies and procedures and applicable code standards. Additionally, quality control reviews are performed on all personnel approving and issuing permits. Finally, performance measures related to issuing permits are supported and are accurately reported on a quarterly basis.

However, we noted improvements could be made to strengthen the controls associated with system user access. We recommend that DSD Management revise the existing user access review to ensure that Hansen users no longer requiring access are removed.

Development Services Management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix **B** on page **5**.

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Background

The Development Services Department (DSD) is charged with protecting the health, safety, and quality of life of San Antonio residents by granting the authority to develop land and enforce property maintenance and building related codes. Most of these activities are managed by DSD, which is funded from fees for services such as zoning, plan review, and inspections.

DSD is divided into four divisions: Land Development, Plan Review, Field Services, and Support Services. The Plan Review Division is responsible for reviewing building plans and approving permit applications to ensure compliance with the City's requirements and current building codes developed by the Unified Development Code (UDC).

Development Services Specialists utilize the Hansen system to process over-the-counter (OTC) permits, which can be applied for and processed within a single visit. Plans Examiners process more complex permits which require a plan review. Both Development Services Specialists and Plans Examiners are responsible for approving permits and assessing fees.

The types of building plans reviewed include zoning, fire, building, electrical, mechanical, plumbing, traffic, tree, landscape and irrigation. Below is a summary of the number of building permits issued and the revenue generated by DSD.

Building Permits Issued		
	FY2017	FY2018 thru March 31
<u>Number of Permits Issued</u>	<u>81,357</u>	<u>37,117</u>
<u>Revenue Generated</u>	<u>\$32.6M</u>	<u>\$14.3M</u>

Audit Scope and Methodology

The audit scope was fiscal year 2017 through March 2018.

To establish our test criteria, we reviewed DSD policies, procedures, and training manuals. We interviewed DSD Management and staff to gain an understanding of the operations and workflow of the permit application and issuance process.

As part of our testing procedures, we examined controls for ensuring permit applications are adequately reviewed and approved prior to issuance. Additionally, we validated that DSD employees obtained required certifications to perform their job duties and that quality control reviews are completed according to department standards. We also validated the accuracy and completeness of DSD performance reports and verified the accounting and reporting of permit fees and collections. Finally, we reviewed the Hansen system's user access, data and application backups, and the security of payment data.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results and Recommendations

A. Hansen System User Access

User access is not disabled in a timely manner. We tested all 284 DSD users with access to the Hansen system and identified 10 users who no longer require access. 7 of those users are former City employees while the remaining 3 were assigned to different departments.

Administrative Directive (AD) 7-8D Access Control states that access permissions will use the principle of least privilege. The Department Business System Owner is responsible for ensuring that appropriate access controls have been developed and documented in accordance with this AD. Finally, access to COSA IT assets must be disabled upon separation of the employee. All COSA Information Systems must be periodically screened for inactive accounts. Authorization and access controls are essential to prevent misuse or abuse of this function which ultimately affects City departments.

While DSD performed a user access review, it was insufficient in detecting all users no longer requiring access.

A lack of controls for user access increases the risk of unauthorized users, inappropriate access and/or unauthorized modification of data.

Recommendation

Remove inactive users. Additionally, DSD Management should revise the existing user access review to ensure that Hansen users no longer requiring access are removed.

Appendix A – Staff Acknowledgement

Gabriel Trevino, CISA, Audit Manager
Reina Hernandez, Auditor in Charge
Nastasha Leach, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

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July 25, 2018

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for Audit of Development Services
Department Permitting Process

The Development Services Department has reviewed the audit report and has developed the Corrective Action Plan below corresponding to the report recommendation.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	Hansen System User Access Remove inactive users. Additionally, DSD Management should revise the existing user access review to ensure that Hansen users no longer requiring access are removed.	3	Accept	Jorge Manzano, Development Services Administrator	8/15/18*

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p>Action plan:</p> <p>DSD will revise SOP 110 (IT/Security Access Request Form) to include bi-monthly reviews to remove Hansen access for users who have exited employment with DSD (temporary or full-time employees) on a more routine basis. A form has also been developed which serves as a checklist of items that need to be reviewed/confirmed by supervisors when employees exit a position, to include Hansen permissions.</p> <p>The list of employees who have vacated positions with DSD will be reviewed at the Quality Control Review meeting which occurs quarterly and is attended by the Director and management team. This review will serve as a final confirmation that former employees' access to Hansen has expired. SOP 104 (Quality Control Audits) will be updated to include this change.</p> <p>*Complete final changes to SOPs and exit form.</p>				

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,



Michael Shannon
Director
Development Services Department

7/25/18
Date



Frederick J. Sanchez
Assistant City Manager
City Manager's Office

7-25-18
Date