



# City of San Antonio

## Agenda Memorandum

**File Number:**18-5267

**Agenda Item Number:** 2.

**Agenda Date:** 9/18/2018

**In Control:** Audit and Accountability Committee

### AUDIT COMMITTEE SUMMARY

**September 18, 2018**

#### **Audit of Development Services Department Permitting Process**

Report Issued August 6, 2018

### Audit Objective

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

### Background

The Plan Review Division of DSD 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.

Development Services Specialists utilize the Hansen system to process over-the-counter 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.

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

### Audit Scope & Methodology

Our 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.

## **Audit Conclusions**

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.

We made recommendations to address the issues. DSD concurred with the recommendations and developed positive corrective action plans.