



Follow-up Review of
Audit of the
Building Code Division's
Unincorporated / Airport & Contract
Cities Sections

Office of the County Auditor

Follow-up Review

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Report No. 25-18
July 08, 2025



OFFICE OF THE COUNTY AUDITOR

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July 08, 2025

Honorable Mayor and Board of County Commissioners

We conducted a Follow-up Review of our Audit of the Building Code Division's Unincorporated, Airport & Contract Cities Sections (Report No. 23-05) dated November 30, 2022. The objective of our review was to determine the implementation status of our previous recommendations.

We conclude that of the 15 recommendations in the original report, 13 recommendations were implemented, one recommendation was partially implemented, and one recommendation was not implemented. We commend management for implementing our recommendations. The status of each of our recommendations is presented in this follow-up report.

Please be advised that the information presented herein is not considered an audit in accordance with Generally Accepted Governmental Auditing Standards. Had we conducted an audit, we may have identified additional findings and concerns.

We appreciate the cooperation and assistance provided by the Building Code Division and the Office of Intergovernmental Affairs throughout our review process.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bob Melton".

Bob Melton
County Auditor

cc: Monica Cepero, County Administrator
Andrew Meyers, County Attorney
Dr. Kimm Campbell, Deputy County Administrator
Kevin Kelleher, Assistant County Administrator
Lenny Vialpando, Director, Resilient Environment
Hipolito Cruz, Director, Building Code

Broward County Board of County Commissioners

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IMPLEMENTATION STATUS SUMMARY

Implementation Status of Previous Recommendations from the Audit of the Building Code Division's Unincorporated, Airport & Contract Cities Sections

Rec. No.	PREVIOUS RECOMMENDATION	IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
1.A	We recommend management enhance policies and procedures to ensure follow-up and enforcement actions are performed timely for Building Safety Inspection Reports.	✓			
1.B	We recommend management enhance policies and procedures to ensure follow-up and enforcement actions are performed timely for repairs to identified structural and electrical defects.	✓			
2.A	We recommend management work with the Office of Intergovernmental Affairs to enhance Board qualification review procedures to include verification of work experience and ensure review documentation is retained and maintained.	✓			
2.B	We recommend management work with the Office of Intergovernmental Affairs to consider revising the Code of Ordinance to adequately enforce stated term limits.	✓			
3.A	We recommend management work with the Office of Intergovernmental Affairs to fill long-term Board vacancies.			✓	

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Rec. No.	PREVIOUS RECOMMENDATION	IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
3.B	We recommend management work with the Office of Intergovernmental Affairs to consider revising the Code of Ordinance to adequately enforce stated term limits.	✓			
4.A	We recommend management ensure violations resulting in double fees from work without permits are easily identified and appropriately charged.	✓			
4.B	We recommend management enforce reinspection fees or update the Administrative Code with the specific circumstances in which these fees can be waived.	✓			
5.A	We recommend management assess the feasibility of establishing standards for the placement of liens.	✓			
5.B	We recommend management assess cases that have been open for a significant period of time for lien placement.	✓			
6.A	We recommend management implement appropriate segregation of duties within the contract cities billing process.	✓			
6.B	<p>We recommend management establish adequate internal controls to ensure accurate and timely billing and collection of revenues, such as:</p> <ul style="list-style-type: none"> i. Formal supervisory review of BCD employee billable time entries. ii. Formal supervisory review and approval of invoices and invoice adjustments. iii. Reconciliation of total billable hours in Winchester/TMS against total hours billed to the contract cities each billing period. 	✓			

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Rec. No.	PREVIOUS RECOMMENDATION	IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
	iv. Utilizing automated financial or billing systems to track accounts receivables and the collection of payments rather than manual spreadsheets.				
6.C	<p>We recommend management perform the following:</p> <p>i. Review and evaluate non-billable hours recorded in TMS for FY 2020 and take appropriate action to remediate.</p> <p>ii. Ensure non-billable hours are periodically reviewed for appropriateness, accuracy, and compliance with contract requirements. In addition, this review should be adequately documented.</p>	✓			
7.A	We recommend management collect all outstanding receivables and ensure accounts receivable are properly accounted for in the County's financial system at year-end.		✓		
7.B	We recommend management implement procedures to reconcile accounts receivable detail to control accounts and provide copies to the Accounting Division in accordance with CAPP.	✓			

INTRODUCTION

Scope and Methodology

The Office of the County Auditor conducts audits of Broward County's entities, programs, activities, and contractors to provide the Board of County Commissioners, Broward County's residents, County management, and other stakeholders unbiased, timely and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted a Follow-up Review of our Audit of the Building Code Division's Unincorporated, Airport & Contract Cities Sections (Report No. 23-05) dated November 30, 2022. The objective of our review was to determine the implementation status of our previous recommendations.

Please be advised that the information presented herein is not considered an audit in accordance with Generally Accepted Governmental Auditing Standards. Had we conducted an audit, we may have identified additional findings and concerns.

Our follow-up review included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The review period was October 1, 2024, through May 31, 2025. However, transactions, processes, and situations reviewed were not limited by the review period.

Overall Conclusion

We conclude that of the 15 recommendations in the original report, 13 recommendations were implemented, one recommendation was partially implemented, and one recommendation was not implemented. We commend management for implementing our recommendations. The status of each of our recommendations is presented in this follow-up report.

OPPORTUNITIES FOR IMPROVEMENT

This section reports actions taken by management on the Opportunities for Improvement in our previous review. The issues and recommendations herein are those of the original review, followed by the status of the recommendations.

1. Enforcement of The Building Safety Inspection Program Required Enhancement.

Policies and procedures for the handling of Building Safety Inspection Program (BSIP) activities, including enforcement and tracking of compliance with the program, required enhancement. We reviewed all 19 required building safety inspections for unincorporated Broward County for 2020 and 2021 and noted the following:

- A. Building Safety Inspection Reports were due 90 days after notification letters are provided to building owners. During our review, we noted that enforcement actions were not performed timely when building owners were not compliant with 90-day inspection completion and report submission requirements.

We noted 10 of 19 (53%) inspections were not received during the initial 90-day window required by the BSIP to submit inspections. Six of the 10 reports were received an average of 256 days late with a range of 62 to 350 days late. As of March 3, 2022, four reports were an average of 255 days late with a range of 164 to 526 days and were not yet received by Building Code Division (BCD).

Enforcement cases were opened for seven of the 10 cases. On average it took 208 days to open an enforcement case with a range of 112 to 280 days. For three of the 10 cases, no enforcement cases were opened. In each of those instances the inspection report was eventually received.

- B. During our review, we noted that enforcement actions were not performed timely when building owners were not compliant with repair requirements.

In total, 15 of 19 required inspection reports were eventually received. Three of the 15 reports indicated that the buildings required repairs and were not yet received by BCD as of March 3, 2022. These three reports were an average of 274 days late with a range of 53 to 402 days late.

Enforcement cases were opened for one of the three cases after 156 days. For two of the three cases, no enforcement cases were opened.

We recommended management enhance policies and procedures to ensure:

- A. Follow-up and enforcement actions are performed timely for Building Safety Inspection Reports.
- B. Follow-up and enforcement actions are performed timely for repairs to identified structural and electrical defects.

Implementation Status:

- A. **Implemented.**
- B. **Implemented.**

2. Administration Practices for the Board of Rules and Appeals (BORA) Required Enhancement.

During our review of the composition of, and membership requirements for the Board of Rules and Appeals (BORA), we noted the following:

- A. Verification of Board appointee qualifications required enhancement. We noted that, while professional licenses were verified, there was no verification of Board appointee work experience, and appointee resumes were not consistently retained to demonstrate that eligibility requirements were achieved.
- B. The language of Section 9.02 of the Code of Ordinance allowed all members and alternates to continue in office until their successors were duly appointed resulting in member terms that exceeded the stated term limits of up to three consecutive 3-year terms or nine years. As a result, 11 out of 20 members had served on the Board for more than three consecutive terms or nine years.

We recommended management work with the Office of Intergovernmental Affairs to:

- A. Enhance Board qualification review procedures to include verification of work experience and ensure review documentation is retained and maintained.
- B. Consider revising the Code of Ordinance to adequately enforce stated term limits.

Implementation Status:

A. **Implemented.**

B. **Implemented.**

3. Administration Practices for the Unsafe Structures Board (USB) Required Enhancement.

During our review of the composition of, and membership requirements for the Unsafe Structures Board (USB), we noted the following:

- A. The USB had long-term vacancies, ranging from 2-12 years, including a Plumbing Contractor (12 years), Real Estate Property Manager (4 years), and Real Estate Appraiser (2 years). The Board had been operating with less than the nine required members for an extended period of time. As of June 6, 2022, the Board had four vacancies with only the number of members required to make quorum.
- B. The language of Section 202.13(b) of the South Florida Building Code allowed all members to continue in office until their successors were appointed resulting in member terms that exceeded the stated term limits of three years. As a result, two out of five members had served on the Board for more than three years.

We recommended management work with the Office of Intergovernmental Affairs to:

- A. Fill long-term Board vacancies.
- B. Consider revising the Code of Ordinance to adequately enforce stated term limits.

Implementation Status:

- A. **Not implemented.** The Office of Intergovernmental Affairs works with the Board of County Commissioners to fill USB vacancies. Three USB vacancies for a real estate appraiser, a real estate property manager, and an attorney at law persist. All but one of the six members have exceeded term limits. Upon inquiry, The Office of Intergovernmental Affairs cited significant challenges recruiting qualified board members to voluntarily serve on the USB and stated that enforcement of term limits would make it extremely difficult for the board to serve its intended purpose.

We continue to recommend Office of Intergovernmental Affairs work with the Board of County Commissioners to fill long term Board vacancies.

B. **Implemented.**

4. Building Fees were not Consistently Charged According to the Broward County Administrative Code.

Building fees were not consistently charged in accordance with the County Administrative Code Fee Schedule. Specifically, we noted:

- A. For two of 18 (11%) complaints reviewed, the “Violations (work without permits) . . . Double Fee” was not assessed where work was being performed without a permit.
- B. Reinspections for the same violations were charged at the discretion of the inspector and were not consistently charged. Our review of Chapter 40, Part VI of the Administrative Code, Section 40.27, indicated that a reinspection fee is \$66 and that there was no inspector discretion described within the Administrative Code. In addition, we reviewed five reinspections and noted that for three of five (60%) inspections reinspection fees were not charged despite multiple inspections for the same reason.

We recommended management:

- A. Ensure violations resulting in double fees from work without permits are easily identified and appropriately charged.
- B. Enforce reinspection fees or update the Administrative Code with the specific circumstances in which these fees can be waived.

Implementation Status:

A. **Implemented.**

B. **Implemented.**

5. Complaint Cases Were Not Resolved Timely.

During our review, we noted that 146 of 307 (48%) open complaint cases, were open for over 360 days, without a financial lien being placed on the property. These cases were open an average of 602 days, ranging from 361 to 829 days.

We recommended management:

- A. Assess the feasibility of establishing standards for the placement of liens.
- B. Assess cases that have been open for a significant period of time for lien placement.

Implementation Status:

- A. **Implemented.**
- B. **Implemented.**

6. Billing and Accounting Processes for Contract Cities Required Enhancement.

During our review of billing and accounting processes for services provided to cities with interlocal agreements with BCD, we noted a lack of appropriate internal controls to ensure accuracy and completeness of invoices. Specifically, we noted the following concerns:

- A. Job duties and responsibilities related to contract city billing were not adequately segregated. The Administrative Coordinator was responsible for multiple functions that, when taken together, violate appropriate segregation of duties for billing, including:
 - i. entering hourly rates in the billing system,
 - ii. preparing the monthly invoices,
 - iii. monitoring of collections,
 - iv. resolving billing disputes, and
 - v. processing adjustments to invoices without adequate review and approval.
- B. The contract city billing process was missing internal controls to ensure accurate and timely billing and collection of revenues. Specifically, we noted the following:
 - i. Reviews of time entries (hours worked) performed in the field by supervisory personnel were not documented.
 - ii. Monthly invoices and subsequent adjustments were not formally reviewed and approved by supervisory personnel prior to being sent to the contract cities.
 - iii. Total billable hours in TMS/Winchester were not reconciled to total hours invoiced to the contract cities.
 - iv. Manual spreadsheets were utilized for tracking accounts receivables and the collection of payments rather than automated financial or billing systems.

- C. During FY 2020, we noted 4,550 hours were recorded as non-billable activity; however, these hours appeared to be for billable activities, and management was unable to explain why the hours were not billed.

We recommended management:

- A. Implement appropriate segregation of duties within the contract cities billing process.
- B. Establish adequate internal controls to ensure accurate and timely billing and collection of revenues, such as:
 - i. Formal supervisory review of BCD employee billable time entries.
 - ii. Formal supervisory review and approval of invoices and invoice adjustments.
 - iii. Reconciliation of total billable hours in Winchester/TMS against total hours billed to the contract cities each billing period.
 - iv. Utilizing automated financial or billing systems to track accounts receivables and the collection of payments rather than manual spreadsheets.
- C. Perform the following:
 - i. Review and evaluate non-billable hours recorded in TMS for FY 2020 and take appropriate action to remediate.
 - ii. Ensure non-billable hours are periodically reviewed for appropriateness, accuracy, and compliance with contract requirements. In addition, this review should be adequately documented.

Implementation Status:

- A. **Implemented.**
- B. **Implemented.**
- C. **Implemented.**

7. Accounts Receivable Were Not Appropriately Recorded in the County's Financial System or Reconciled.

During our review of accounts receivable balances, we noted accounts receivable balances were not accurately accounted for and reconciled. Specifically:

- A. Accounts receivables were not recorded in PeopleSoft, the County's financial system, at year-end as required by General Accepted Accounting Principles (GAAP). Effective July 2021, BCD switched from using PeopleSoft to Winchester to generate invoices for Contract Cities. As part of the FY 2021 year-end close process, the Division did not record an entry in PeopleSoft to accrue uncollected revenues totaling \$699,156 (86%) of the \$815,644 in revenue earned for July 2021 through September 2021.
- B. Monthly reconciliations of accounts receivable details to the control accounts were not performed as required by the County Administrative Policies and Procedures (CAPP) and forwarded to the Accounting Division within 30 days of the previous month's closing. During our review, we noted that the Accounts Receivable balance within PeopleSoft was overstated by \$12,495 as of September 30, 2020, showing amounts past due between 121 to 1,460 days. Further review found that, as of October 17, 2021, the amounts were paid; however, PeopleSoft continued to show \$11,494 (92%) of the \$12,495 as outstanding.

We recommended management:

- A. Collect all outstanding receivables and ensure accounts receivable are properly accounted for in the County's financial system at year-end.
- B. Implement procedures to reconcile accounts receivable detail to control accounts and provide copies to the Accounting Division in accordance with CAPP.

Implementation Status:

- A. **Partially implemented.** Our review of Contract Cities accounts receivable on September 30, 2024, showed unreconciled items that were over 365 days old. Upon inquiry, management identified these items as cancelled invoices, credits to invoices, payments applied to invoices, balances pending payment, and uncollectible amounts. After our inquiries, management took actions to collect outstanding balances and address \$20,934.70 in unreconciled accounts receivable (AR) debits and (\$153,495.01) in unreconciled AR credits in PeopleSoft. We performed additional procedures to review an accounts receivable aging report as of May 28, 2025, and verified that management

actions had reduced the amount of unreconciled items greater than 365 days old to \$3,216.19. We conclude that management is recording receivables in the County's PeopleSoft System as required, however, management needs to ensure receivable transactions are recorded and accounted for properly in PeopleSoft, for an accurate, reliable record of Contract Cities accounts receivable.

We continue to recommend management collect all outstanding receivables and ensure accounts receivable are properly accounted for in the County's financial system at year-end.

B. Implemented.