



**Date:** October 8, 2013  
**To:** Thomas Bonfield, City Manager  
**From:** Germaine Brewington, Director of Audit Services  
**Subject:** Transmittal of Permit Application Review Process Performance Audit (September 2013)

### **Executive Summary**

The Audit Services Department completed the report for the Permit Application Review Process Performance Audit dated September 2013. The purpose of the audit was to examine the adequacy of controls over the permit application process; specifically, cash receipts received from the permit fees.

### **Background**

The permit fees revenue for fiscal year 2013 amounted to approximately \$4,450,000 and approximately \$4,050,000 for fiscal year 2012. The fees for permits are assessed based on the permit type. The City-County Inspections Department administers and enforces the North Carolina State Building Code and the zoning ordinances for both the City and County of Durham. The Department ensures the health, safety and welfare of the public and strives to support the City's Strategic Plan goals of a safe and secure community, thriving, livable neighborhoods, and a well-managed City. The focus of this audit was on the permit application review process. To facilitate this process, the Inspections Department staff use the Land Development Office (LDO) system. The LDO system allows contractors to: schedule inspections; review results of inspections; check on the status of permits; check on the review status for plans of building permits and Certificates of Compliance; and apply for mechanical, plumbing, and electrical permits on-line.

Overall, adequate controls existed over the permit application process; specifically, cash receipts received from the permit fees. However, the Department staff could strengthen controls by performing the following:

- Develop standard written operating procedures;
- Determine if the customer service performance measure "Notification of Disapproved Building Permit Application within One Business Day of Decision" can be measured; and
- Use the LDO system generated reports to collect data for performance measures.

### **Issues and Analysis**

The attached report details the objectives, observations, and results of the Permit Application Review Process Performance Audit dated September 2013.

### **Recommendation**

The Department of Audit Services recommends the City Council receive and accept the Permit Application Review Process Performance Audit dated September 2013 as presented and approved at the September 23, 2013 Audit Services Oversight Committee meeting.

Attachment