



DIVISION OF INSPECTOR GENERAL
Ken Burke, CPA
Clerk of the Circuit Court and Comptroller
Pinellas County, Florida



FOLLOW-UP AUDIT OF THE PINELLAS COUNTY CONSTRUCTION LICENSING BOARD AND GRAND JURY PRESENTMENT



**Pinellas
County
Construction
Licensing
Board**



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SEPTEMBER 30, 2020



Ken Burke, CPA

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PINELLAS COUNTY, FLORIDA

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September 30, 2020

Gay Lancaster, Contractor Licensing Department Director

The Division of Inspector General has conducted a Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment. The objective of our review was to determine the implementation status of our previous recommendations. We obtained the audit purpose, background information, opportunities for improvement, and recommendations from the original audit report. We added the status of recommendation implementation to this follow-up audit report.

Our audit was an important resource in drafting the Grand Jury Presentment that led to major organizational and governance changes. Moreover, we reviewed the Grand Jury Presentment to extract all recommendations and determine the status of those recommendations in conjunction with the audit. This review is located at the end of the status of audit recommendations.

Of the 235 recommendations contained in the original audit report, we determined that 113 have been implemented, 20 are considered an acceptable alternative, 49 have been partially implemented, 22 have not been implemented, and 31 are no longer applicable. In addition, we determined of the 14 recommendations contained in the Grand Jury Presentment, 11 have been implemented, 1 is considered an acceptable alternative, 1 has been partially implemented, and 1 is no longer applicable. The status of each recommendation is presented in this follow-up report.

We appreciate the cooperation shown by the staff of the Contractor Licensing Department during the course of this review.

Respectfully Submitted,

Melissa Dondero
Inspector General/Chief Audit Executive

cc: The Honorable Chairman and Members of the Board of County Commissioners
Barry Burton, County Administrator
Tom Almonte, Assistant County Administrator
Ken Burke, CPA, Clerk of the Circuit Court and Comptroller



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INTRODUCTION

Abbreviations

AA Board	Plumbing, Mechanical, and Gas Board of Adjustment and Appeals
AA Boards	Boards of Adjustment and Appeals
AGC	Association of General Contractors
AIA	American Institute of Architects
Amscot	Amscot Corporation
Art.	Article
BCC	Pinellas County Board of County Commissioners
BCC Chair	Chairman of the Board of County Commissioners
BIGC	Barrier Islands Governmental Council
BOAF	Building Officials Association of Florida
BTS	Business Technology Services
Building Officials	Building Officials Association of Florida
CAFR	Comprehensive Annual Financial Report
Case Review Committee	Formerly Known as Probable Cause Panel
CBAPC	Contractors and Builders Association of Pinellas County
CCC	Pinellas County Clerk of the Circuit Court and Comptroller
Clerk's Office	Pinellas County Clerk of the Circuit Court and Comptroller
CLOAF	Construction Licensing Officials Association of Florida
Code	Pinellas County Code of Ordinances
CPEs	Continuing Professional Education

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Consumer Protection	Pinellas County Office of Consumer Protection
County	Pinellas County
County Commissioner	Pinellas County Board of County Commissioners (one commissioner)
CyberSource EBC	CyberSource Enterprise Business Center
DBPR	Florida's Department of Business and Professional Regulation
EBC	Enterprise Business Center
ECF	Electrical Council of Florida
FCA	Fire Chief's Association
FCRA	Federal Fair Credit Reporting Act
FLSA	Federal Labor Standards Act
FTP	File Transfer Protocol
F.S.	Florida Statute
FY	Fiscal Year
GFOA	Government Finance Officers Association
GITS	Gainesville Independent Testing Services
GPS	Global Positioning System devices
GTAG	Global Technology Audit Guide
HR	Human Resources Department
HTTP	Hypertext Transfer Protocol
IG	Pinellas County Clerk of the Circuit Court and Comptroller, Division of Inspector General
IIA	Institute of Internal Auditors
Investigators	PCCLB Contractors Certification Field Investigators
IT	Information Technology
LN	Lexis Nexis Accurint for Government

Introduction

**Follow-Up Audit of the Pinellas County Construction Licensing Board
and Grand Jury Presentment**

Management	PCCLB Executive Director PCCLB Management
MDT	Mobile Device Terminals
MOU	Memorandum of Understanding
NIST	National Institute of Standards and Technology
NSF	Non-Sufficient Funds
OFI	Opportunities For Improvement
OMB	Office of Management & Budget
OPUS	Pinellas County Oracle Project Unified Solution
Oracle	Oracle Database
Oracle ADF	Oracle Application Development Framework
OTI	Office of Technology and Innovation
PAPHCC	Pinellas Association of Plumbing-Heating-Cooling Contractors, Inc.
PCCLB	Pinellas County Construction Licensing Board
PCCLB Board	Pinellas County Construction Licensing Board – Board
PCCLB Special Act	Pinellas County Construction Licensing Board Act of the Legislature, Chapter 73-595, Laws of Florida
PCCLB Board members	Pinellas County Construction Licensing Board – members of the Board
PCSO	Pinellas County Sheriff's Office
PDF	Adobe Acrobat File
PIU	Division of Inspector General's Public Integrity Unit
Probable Cause Panel	Now Known As Case Review Committee
RACCA	Refrigeration and Air Conditioning Contractors' Association
REM	Real Estate Management Department
RM	Risk Management Department
s.	section

Introduction
Follow-Up Audit of the Pinellas County Construction Licensing Board
and Grand Jury Presentment

Special Master	Same as Special Magistrate
Special Magistrate	Same as Special Master
TBBA	Tampa Bay Builders Association
UPS	Unified Personnel System

Scope and Methodology

We conducted a follow-up audit of the Pinellas County Construction Licensing Board (PCCLB) and Grand Jury Presentment. The purpose of our follow-up review was to determine the status of previous recommendations for improvement.

The purpose of the original audit was to:

1. Determine if governance mechanisms are adequate to provide strategic direction and oversight of PCCLB activities.
2. Determine the adequacy of internal controls over the assessment, collection, and reporting of fees and fines.
3. Determine if the investigative process is efficient and effective.
4. Determine if the process of application, examination, certification, and registration by contractors/journeymen has adequate controls.
5. Determine if PCCLB administration activities support the department's mission and objectives.
6. Determine if staff possess the necessary skills to effectively perform their job duties.
7. Determine the PCCLB's ability to continue as a going concern.

To determine the current status of our previous recommendations, we surveyed and/or interviewed management to determine the actual actions taken to implement recommendations for improvement. We performed limited testing to verify the implementation of the recommendations for improvement.

Our follow-up audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General*, and, accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances. Our follow-up testing was performed during the months of February through September 2020. The original audit period was January 1, 2013, through March 31, 2017. However, transactions and processes reviewed were not limited by the audit period.

Overall Conclusion

Of the 235 recommendations in the original audit report, we determined that 113 were implemented, 20 were considered an acceptable alternative, 49 were partially implemented, 22 were not implemented, and 31 were no longer applicable. In addition, specific to the Grand Jury Presentment, of the 14 recommendations, we determined that 11 were implemented, 1 was considered an acceptable alternative, 1 was partially implemented, and 1 was no longer applicable. We encourage management to continue implementing the remaining recommendations.

PCCLB Management Responses



**PINELLAS COUNTY
CONSTRUCTION LICENSING BOARD**

September 8, 2017

Hector Colazza, Inspector General
Division of Inspector General
510 Bay Avenue
Clearwater, FL 33756

Mr. Inspector General,

This office is in receipt of the Audit Report pertaining to the review of all aspects of the Pinellas County Construction Licensing Board (PCCLB). We thank you and your staff for the thoroughness and professionalism exhibited throughout the process, and value the recommendations made along the course of the review.

On behalf of the PCCLB, I will say that management concurs with all the operational recommendations in the report. In fact, we have already begun to effect as many of the changes deemed feasible within budgetary constraints. As funding becomes available, we will move forward with the remainder of the recommendations. I look forward to using this review as a road map to a more efficient, effective and accountable organization in the future.

Sincerely,

A handwritten signature in blue ink that reads "Gay Lancaster".

Gay Lancaster, Interim Director
Pinellas County Construction Licensing Board

Implementation Status Table

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
PCCLB Governance						
1	<p><i>The Current PCCLB Structure Does Not Have Adequate Oversight And Accountability Mechanisms.</i></p>					
A	<p>Apply one of the following solutions to resolve the current PCCLB structural issues:</p> <ul style="list-style-type: none"> • Remain an independent organization with clearly defined and robust Board and Management oversight. • Remain an independent organization with a reduced number of term limited Board members with clearly defined and robust Board and Management oversight. • Convert the organization into a County department under the Pinellas County Board of County Commissioners. • Create a "hybrid" model by converting the operations into a County department (Executive Director and staff considered County employees) with the Executive Director hired by and answering directly to the Board. The Board would remain independent with a reduced number of term limited Board members with clearly defined and robust Board and Management oversight. 	✓				
B	Codify the Pinellas County Clerk of the Circuit Court and Comptroller Division of Inspector General's authority to audit and investigate the PCCLB.		✓			
2	<p><i>The PCCLB Tone At The Top Did Not Create A Strong Ethical Environment.</i></p>					
A	Set a proper tone of accountability and ethical behavior and seek opportunities to reinforce the PCCLB's ethical standards, such as during meetings and training. This includes communicating to employees and Board members what is expected of them, leading with integrity, providing a safe	✓				

Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
	mechanism for reporting violations, and rewarding integrity. The culture, values, and ethics the PCCLB wants to promote should be apparent. This can include displaying posters depicting words or imagery that supports the desired characteristics and having open and candid discussions.					
B	Adopt a code of ethics that clearly states the PCCLB's values and standards of behavior, and require all employees and Board members to read and sign it.		✓			
C	Adopt a conflict of interest policy describing how employees and Board members should respond when their personal interests have the potential to conflict with their public duties.	✓				
3	<i>A PCCLB Board Member Misused His Position.</i>					
A	Receive education regarding conflicts of interest as set forth in F.S. 112.3143.	✓				
B	Develop written policies and procedures regarding Board members that bring cases to the Boards of Adjustment and Appeals so that full disclosure is included in Board agendas and minutes.			✓		
C	Develop written policies and procedures to ensure members of the Board do not also serve on the Boards of Adjustment and Appeals.	✓				
4	<i>The Board Composition Requires Reform.</i>					
A	Revise the PCCLB Special Act to reduce the Board membership. The number of Board members should be sufficient to carry out responsibilities, without being so large that it inhibits individual contributions and degrades the effectiveness of decision-making. We recommend Board responsibilities be examined, taking into account the following, prior to determining the precise size of the Board: <ul style="list-style-type: none"> • Functional requirements to ensure Board members chosen have the needed skills and expertise. • Stakeholders to ensure adequate representation. • Diversity to ensure varied viewpoints. 	✓				

Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
	As an alternative to decreasing the size of the Board, the governing functions can be separated and advisory boards created to address specific issues and strategic priorities.					
B	<p>Revise the PCCLB Special Act to require more specific term limits for Board members. The maximum number of terms (successive terms) a member can serve and a required hiatus period before the member can serve again should be established. When determining specific term limits, the following should be taken into account in order to balance Board continuity and new perspectives:</p> <ul style="list-style-type: none"> • Loss of experience and expertise • Time to recruit and orient new members • Concentration of power • Member commitment • Independence 	✓				
C	Revise the PCCLB Special Act Board membership requirements to allow for a building department's designee to serve on the Board instead of just the Building Director/Official.				✓	
D	<p>In conjunction with the Board Chair, conduct a formal orientation for new and returning Board members. Items to discuss during the orientation include, but are not limited to:</p> <ul style="list-style-type: none"> • Overview of the organization including history, mission, and services. • Introduction of current Board members, including contact information and terms of office. • Board organizational chart identifying chair and committees. • Recent financial statements, last audit report, and current annual budget. • Applicable laws governing Board authority and responsibilities. • Applicable laws governing public records. 	✓				

Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
	<ul style="list-style-type: none"> Rules and procedures for Board meeting discussions and decision-making (i.e., Robert's Rules of Order). PCCLB policies and procedures. Code of conduct/ethics including conflicts of interest. Calendar with scheduled Board meetings and other activities. <p>We recommend a handbook with the aforementioned documents be provided to each Board member for reference.</p>					
E	In conjunction with the Board Chair, conduct a formal orientation for existing Board members since a formal orientation has never been conducted. We recommend the orientation be conducted at a Board meeting so all members, new and old, are provided the same information.	✓				
F	In conjunction with the Board Chair, ensure all Board members receive a refresher orientation/training to promote ongoing learning and team-building.	✓				
5	<i>The Board Nomination And Appointment Process Requires Reform.</i>					
A	<p>Require nominations and appointments to the Board be fully vetted and reviewed by an independent entity, such as the Pinellas County Attorney or the Pinellas County Clerk of the Circuit Court and Comptroller, Division of Inspector General. This includes items, such as:</p> <ul style="list-style-type: none"> Requiring potential Board nominees to attend a Board meeting to ensure their understanding of the commitment prior to formal nomination. Requiring Board nominees to complete an application form that solicits information, such as: <ul style="list-style-type: none"> Contact information Relevant experience Statement as to why they are interested in volunteering to be a member of the Board Areas of expertise Potential conflicts of interest 		✓			

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OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
	<ul style="list-style-type: none"> ○ Other commitments including current job and other volunteer positions ● Requiring the BCC Chair and the independent entity to review Board nominees' application forms. ● Requiring potential Board appointees be interviewed by the BCC Chair prior to official appointment. 					
B	Consider eliminating professional and trade associations from the Board member nominating process in the PCCLB Special Act. If this recommendation is implemented, the recommendations below relating to associations will no longer be applicable.	✓				
C	Revise the PCCLB Special Act Board membership requirements to remove reference to the Association of General Contractors of Mid-Florida, Inc., the Contractors and Builders Association of Pinellas County, and the Tampa Bay Area Fire Marshals Association, since these organizations no longer exist.	✓				
D	Revise the PCCLB Special Act Board membership requirements to correct the name of The Barrier Island Government Council to The Barrier Islands <u>Governmental</u> Council, Inc.					✓
E	Revise the PCCLB Special Act Board membership requirements to correct the name of the American Institute of Architects Florida Central Chapter, St. Petersburg and Clearwater Sections to AIA Tampa Bay, Inc./A Chapter of the American Institute of Architects.					✓
F	<p>Obtain formal buy-in from the nominating associations listed in the PCCLB Special Act to confirm their understanding of the importance of their role in the Board member appointing process. This could be done through a Memorandum of Understanding (MOU) quoting the Legislation. The MOU should:</p> <ul style="list-style-type: none"> ● Address the number of nominees to be submitted by the association. ● Specify the timeframe for nominee submissions. 					✓

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OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
	<ul style="list-style-type: none"> Identify the vetting entity for the nominee submissions. Require associations to formally advise the PCCLB and vetting entity of a name change, merger, or dissolution. Require associations to advise the PCCLB in the event they cannot fulfill their role due to shortage of qualified members, dissolution of the association, etc. 					
G	Provide guidance and identify who is responsible for obtaining a pool of qualified candidates from a particular trade should an association for the trade not exist or dissolves (i.e., successor organizations). Currently, the PCCLB Special Act does not list an association for the Roofing or Sheet Metal Contractor seat and the Swimming Pool, Aluminum, or Veneer Specialty Contractor seat.					✓
H	Establish the minimum requirements for an entity to qualify as a nominating association. This will help in the event of a dissolution of an entity when a successor association must be identified.					✓
I	Establish and make clear the BCC Chair's role in the appointment process.					✓
J	Establish and make clear the independent vetting entity's role in the appointment process.					✓
K	Establish that the PCCLB should have no part in the nomination process.	✓				
L	Establish a timeframe for associations to submit their nominations.					✓
M	Establish a timeframe for the independent vetting entity to submit its findings to the BCC Chair.					✓
N	Establish a timeframe for the BCC Chair to appoint Board members.					✓
6	<i>PCCLB Does Not Comply With Full And Public Disclosure Of Financial Interests.</i>					
	Comply with Florida Statutes and ensure the PCCLB Executive Director and Board members file full and public disclosure of their financial interests with the Florida Commission on Ethics on an annual basis.		✓			

Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
7	<i>There Are Opportunities To Improve The Efficiency Of The Probable Cause Determination Process.</i>					
A	Eliminate the Case Review Committee.		✓			
B	Delegate the final responsibility for determining if there is probable cause to move forward with an administrative complaint to the PCCLB Executive Director or designee.	✓				
C	Assign a supervisor the responsibility of determining if there is probable cause to move forward with an administrative complaint instead of requiring a formal committee. A Code professional, such as a representative from the Pinellas County Building Services Department, can be contacted when a professional opinion is needed.		✓			
D	Review cases on a more frequent basis to avoid a backlog, and to ensure the Investigator can recall pertinent information as needed.	✓				
E	Require each case be categorized by age of case (date), complaint type, the violation identified, and a time line of events prepared prior to the supervisory review for probable cause determination.	✓				
F	Provide case detail packets to decision-makers in advance and in electronic format, such as an indexed Adobe Acrobat File (PDF), for ease of navigation. A projector and screen could be used during meetings to display full color pictures and would allow the zoom function to be utilized when needed.					✓
8	<i>The Examination Committees Composition Do Not Adhere To Legal Requirements.</i>					
	Revise the members of the current Examination Committees to emulate the composition outlined in the PCCLB Special Act.	✓				
9	<i>There Are No Written Policies And Procedures For Several Functions Related To The Boards Of Adjustment And Appeals.</i>					
A	Develop written procedures for nominating members to the AA Boards.			✓		

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		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
B	Apply the developed written procedures for the AA Boards' nomination process for each expired membership.			✓		
C	Develop written policies and procedures for term limits for members of the AA Boards.	✓				
D	Develop written policies and procedures for nominating alternate AA Boards' members.					✓
E	Develop written policies and procedures for term limits for the alternate members of the AA Boards that coincide with the term limits of the other appointed members of the AA Boards.					✓
10	<i>The Boards Of Adjustment And Appeals Did Not Always Follow The Provisions Of The PCCLB Special Act Or Robert's Rules Of Order.</i>					
A	Develop written policies and procedures for the AA Boards regarding required members present to achieve a quorum.	✓				
B	Schedule new AA Boards' meetings with valid quorums to approve the actions of all previous meetings that did not achieve quorums.				✓	
C	Replace the members of the AA Boards who are not qualified to serve by bringing new nominations to the Board for appointment.			✓		
D	Nominate and appoint members to the Plumbing, Mechanical and Gas AA Board that comply with the memberships listed in the PCCLB Special Act.			✓		
E	Schedule regular AA Boards' meetings every three months to comply with the PCCLB Special Act.			✓		
11	<i>Expired Permit Violations Were Not Heard Until Hours Into The Board Meeting.</i>					
	Provide contractors in attendance at Board meetings the opportunity to speak on behalf of their expired permit violation prior to approving the consent agenda. As an alternative, a section can be added to the formal agenda specifically to hear contractors who are in attendance to speak on behalf of their expired permit case. If contractors are in attendance, their case should be pulled from the consent agenda prior to approval.	✓				

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PCCLB Finances						
12	<i>The PCCLB Cannot Continue To Support Itself Financially Without Strategic Changes.</i>					
	Implement strategic changes in order to improve the PCCLB's financial status.	✓				
13	<i>PCCLB Fees Are Less Than The Average Fees Charged In Other Counties.</i>					
	Consider revising their fee structure to coincide with those of other Florida county construction licensing boards.	✓				
14	<i>Internal Controls For Safeguarding Funds Are Inadequate.</i>					
	Implement the following internal controls for checks received by mail:					
A	<ul style="list-style-type: none"> • Require two employees to open mail. • Format the check log to include columns for the Senior Office Specialists and Supervisor or independent employee to document their review. • Print the check log and submit both the log and checks to the Senior Office Specialists for receipt processing. • Include the check log in the daily receipts processing for supervisory or an independent employee to document the review. • Scan and electronically file the completed check log, or as an alternative, the individual responsible for opening the mail can maintain the manual check log. • Reconcile the check log against deposits periodically. 		✓			
B	Endorse checks for deposit immediately after they are received by mail or in-person with a restrictive endorsement bank deposit stamp to include the PCCLB bank name and account information.		✓			
C	Implement a Cash Register system to include securing cash in a locked drawer during business hours. Staff should have separate cash funds and cash registers.	✓				

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D	Relocate the safe to a centralized secured location. The safe should be located where it is continually visible by departmental employees, but out of public sight.	✓				
E	Implement the following internal controls for safe access: <ul style="list-style-type: none"> • Maintain a log for safe access recording the employee name, date, time, and purpose. • Immediately change the safe combination when job related roles change or employees leave the entity to prevent individuals who no longer require access from entering the safe. • Update the safe combination at least annually. • Require two employees to open the safe at all times. 	✓				
F	Contract with an armored truck service to transport bank deposits. A cost effective solution is to piggyback on another armored truck service currently under contract with the Board of County Commissioners or Clerk of the Circuit Court and Comptroller departments.	✓				
G	Implement the following controls for manual receipts: <ul style="list-style-type: none"> • Require separate cash receipt books for each cashier. • Attach the carbon copy of the receipt to daily balancing reports and cross reference the Cash Register receipt number. • Require a supervisor to periodically review cash receipt books. • Require active cash receipt books be locked in the cash drawer. • Require unused cash receipt books be locked in the safe. • Develop and implement written procedures for manual receipts. • Have the Clerk of the Circuit Court and Comptroller, Printing and Mail Services Department, print PCCLB official, pre-numbered cash receipt books. 		✓			

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H	Require the supervisor of the cash custodians or designee to count and balance the PCCLB petty cash fund on a monthly basis to comply with the Finance Division's Petty Cash and Change Fund Policy and Procedures.					✓
I	Secure change funds in a locked till, drawer, or cash box during business hours.	✓				
15	<i>Internal Controls For Cashiering Processes Are Inadequate.</i>					
A	Appoint a supervisor or independent employee to review and approve cashiering processes. This includes the appointed employee counting the cash drawer, and reviewing and approving supporting documentation prior to the bank deposit. In addition, the appointed employee should electronically review and approve the information uploaded to the OPUS system the next business day.	✓				
B	Implement the following controls for the change fund: <ul style="list-style-type: none"> • Appoint a supervisor or independent employee to verify the deposit and count the change fund on a daily basis. • Document verification and counts as evidence of performance. 	✓				
C	Implement the following proper segregation of duties for voided Cash Register transactions: <ul style="list-style-type: none"> • Require a supervisor or independent employee to authorize and approve all voided Cash Register transactions. • Require a notation in the system stating the reason for the voided transaction as part of the approval process. 	✓				
D	Complete and approve written policies and procedures for Senior Office Specialist processes. The policies and procedures should be available electronically for all appropriate staff to access.			✓		
16	<i>Outstanding Citations Have Not Been Reconciled.</i>					

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A	Reconcile outstanding fines and fees. As part of the reconciliation process, payments on the report should be reconciled to the general ledger revenue accounts in the County's Oracle OPUS based system.			✓		
B	Reconcile all outstanding citations. As part of the reconciliation process, Management should perform the following: <ul style="list-style-type: none"> Reconcile payments to the general ledger revenue accounts in the OPUS financial records. Consult with the County Attorney regarding the statute of limitations, which govern the PCCLB. Determine what citations are deemed uncollectible and what citations should be referred for further action. Citations deemed uncollectible due to statute of limitations should be voided in the Oracle application. 			✓		
17	<i>Outstanding Administrative Fines Have Not Been Reconciled.</i>					
	Reconcile all outstanding administrative fines. As part of the reconciliation process, management should perform the following: <ul style="list-style-type: none"> Reconcile payments to the general ledger revenue accounts in the County's OPUS financial records. Consult with the County Attorney regarding the statute of limitations, which govern the PCCLB. Determine what administrative fines are deemed uncollectible and what administrative fines should be referred for further action. Administrative fines deemed uncollectible due to statute of limitations should be voided in the Oracle application. Ensure that all contractor licenses have been suspended for delinquent administrative fines. 	✓				
18	<i>The Collection Process For Past Due Fines And Fees Is Not Adequate.</i>					

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A	Hold an amnesty event to waive late and other associated fees assessed.				✓	
B	Utilize a collection agency to pursue outstanding fines and fees.	✓				
C	Develop and implement written policies and procedures for the collection processes. The policies and procedures should include a time line to determine when further action is needed. Collection efforts should start with PCCLB staff making initial collection attempts and escalate to being sent to a collection agency.			✓		
D	Consult with the County Attorney's Office for other potential legal action remedies available that PCCLB can pursue.	✓				
E	Provide early payment discounts for fines or license renewals as an incentive for payment.				✓	
19	<i>Venue Options Are Limited For The Payment Of Fines And Fees.</i>					
	Collaborate with CCC and Amscot Corporation or similar financial service establishments to offer contractors and journeymen additional venue options to pay fines and fees.				✓	
20	<i>PCCLB Financial Management Processes Need Improvement.</i>					
A	Implement best practices for performance management provided by the Government Finance Officers Association (GFOA).	✓				
B	Develop and implement written policies and procedures for the financial management process to include the following: <ul style="list-style-type: none"> • Formal objectives and priorities. • Monthly financial statement retrieval and retention on a shared drive. • Monthly financial analysis preparation and retention on a shared drive. • For financial transparency, monthly financial information posting on the PCCLB website. 	✓				

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21	Staff Is Recording Incorrect Amounts For Fines And Costs In The PCCLB Oracle Application.					
A	Ensure PCCLB staff enter the correct fines and costs imposed by the Board into the PCCLB Oracle application.	✓				
B	Develop procedures to regularly reconcile fines and costs imposed by the Board to those entered into the Oracle application for quality assurance.			✓		
22	Uncommitted And Unexpended PCCLB Funds Are Being Transferred To The County's General Fund.					
	Revise the PCCLB Special Act to state that uncommitted and unexpended funds at the end of each fiscal year be allocated to the PCCLB reserves (fund balance).					✓
23	Senior Office Specialists Were Not Compensated For Work Time Travel To Make Daily Bank Deposits.					
	Compensate all classified employees for travel and wait time necessary to complete their required work responsibilities. Work time in excess of 40 hours should be paid at one and one-half times the employee's regular rate of pay.		✓			
24	There Are No Written Procedures Regarding Deceased Contractors Who Owe Fines.					
	Consult with the County Attorney's Office for legal remedies for processing cases of deceased contractors who owe fines to the PCCLB, including filing claims against estates.					✓
25	There Are No Written Policies And Procedures To Avoid Duplicate Customer Payments.					
A	Develop and implement written policies and procedures to avoid duplicate contractor payments, including the required review of the Cash Register case information screen prior to posting a payment.	✓				
B	Review all contractor cases to determine if other duplicate payments exist and a refund is due.	✓				
C	Refund the contractor for duplicate payments made for cases 14-2046, 14-2048, 14-2051, and 14-1616.	✓				
26	Procedures For Dishonored Checks Require Revision.					
A	Revise the procedures for dishonored checks. Required revisions should include the following:	✓				

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	<ul style="list-style-type: none"> • Notice of dishonored check letter to include the name of the bank on which the check was drawn. • Procedures to state the check writer has 15 days to pay for the dishonored check and service charge. • The dishonored check service charge referenced in F.S. 832.062 49(4)(a). • Language added to instruct staff what paperwork is required to be maintained in the pending file. • Language added to instruct staff how often the file must be reviewed for follow-up. • Ticklers (reminders/appointments) added to the staff Outlook calendars to alert them that the 15-day grace period has expired and SAO referral paperwork should be processed. 					
B	Discuss the SAO referral process with the CCC Accounting Department and incorporate their procedures for SAO referrals.	✓				
C	Review the dishonored check file maintained by staff to ensure applicable dishonored checks have been referred to the State Attorney's Office within the required time frame.	✓				
D	Review the accounts receivable general ledger transactions to ensure all dishonored check information is included in the file that is maintained by staff.	✓				
27	<i>The PCCLB Administrative Complaint And Hearing Notices Are Not Accurate.</i>					
	Customize the language in the "Notice Of Administrative Complaint And Hearing" certified letter to reflect only those issues, which remain outstanding.	✓				
28	<i>Leasing Building Space From Pinellas County May Be Financially Beneficial To The PCCLB.</i>					
	Pursue leasing building space from the County, and execute a lease with the County if it is financially advantageous.	✓				

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29	<i>PCCLB Staff Do Not Have A Pre-Approved Vendor List For Office Repairs.</i>					
A	Prepare a pre-approved vendor list for office repairs.					✓
B	Periodically review the pre-approved vendor list for potential conflicts of interest when new Board members are elected.					✓
C	Discuss the selection process of pre-approved vendors with the County's Purchasing Department to ensure the process complies with purchasing policies and procedures.	✓				
PCCLB Information Technology						
30	<i>The PCCLB Case Management System Does Not Adequately Support Agency Needs.</i>					
A	Request from BTS a customization of the Enforcement/Fertilizer application in the Environmental Management Division as an immediate software solution. This includes obtaining a cost estimate from BTS to customize the system and migrate existing PCCLB data. The PCCLB should seek additional funding as necessary to facilitate the purchase.		✓			
B	In preparation for a system upgrade, meet with BTS to discuss and agree on user and security requirements for the new system to include, at a minimum, the following considerations: <ul style="list-style-type: none"> • Identification of data required to be input and stored • Identification of data relationships • Accuracy of stored data • Integrity and reliability of stored data • Completeness of stored data • Accessibility of stored data • Relevance and timeliness of application reporting • Interface with the external CyberSource credit card processing application and Cash Register application to post payments and refunds to the case management application, including the creation of 		✓			

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	balancing reports between payments and administrative case, citation, and licensing activity <ul style="list-style-type: none"> Segregation of duties between administrative, investigative, and management functions Necessity of becoming a paperless operation with emphasis on electronic records creation and retention 					
C	Obtain user training from BTS to ensure all PCCLB employees are instructed on system functionality and can perform their job duties in the new application.					✓
31	<i>PCCLB Oracle Application Security Roles Are Not Appropriately Segregated.</i>					
A	Work with BTS to remove all unnecessary security roles in the Oracle case management system.			✓		
B	Work with BTS to identify the job duties of each PCCLB employee and ensure permissions granted to security roles, as well as users assigned to the security roles, follow the principles of least privilege and segregation of duties between job functions. Specifically, Investigators should not be assigned to security roles allowing them to modify Cash Register data, Senior Office Specialists and Office Specialists should not be assigned to security roles allowing them to modify case and citation data, and other administrative and Management staff should not be assigned to security roles allowing access to data associated with all critical functions, unless there is a documented need for such access. If the required staffing is unavailable to accomplish full segregation of duties, compensating controls should be implemented, such as an audit log of all changes by the user to be signed off by another Management employee.			✓		
32	<i>PCCLB Oracle And CyberSource Application User Access Controls Are Deficient.</i>					
A	Work with BTS to identify and remove all unnecessary Oracle case management application user accounts to ensure all remaining users are current and authorized employees or necessary system operation accounts, unless there is a			✓		

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	documented need to retain locked or disabled accounts for historical activity review purposes.					
B	Work with BTS to identify, disable, and remove PCCLB Merchant ID access for all unnecessary CyberSource EBC user accounts. If a user requires access to other agency Merchant IDs, at a minimum, the PCCLB Merchant IDs should be removed from the account. Unless required for historical activity review purposes, locked or disabled accounts should also be removed from the PCCLB Merchant IDs.			✓		
C	Work with Consumer Protection, Building Services, and Development Review Services to evaluate their need to access PCCLB data, and if deemed necessary, ensure only the required users are provided read-only access.			✓		
D	Develop policies and procedures used to request, modify, and terminate user access to PCCLB resources for PCCLB employees and authorized external agency employees. These policies and procedures should reference any existing BTS policies and procedures and should, at a minimum, provide instructions on the following: <ul style="list-style-type: none"> • Who in PCCLB is responsible for initiating a request to add, modify, or remove user access; • When and how a user access request should be completed; • Methodology for user security role assignment; • Follow-up procedures to ensure the requested action was completed by BTS; and • Documentation retention requirements. 			✓		
33	<i>The PCCLB Oracle Database Lacked Sufficient Field Level Validation Edits And Was Not Configured To Audit Changes To Critical Data Elements.</i>					
A	Work with BTS to ensure the Investigator initials' field in the case and citation entry screens is only populated from a list of approved Investigator initials.				✓	

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B	Work with BTS to ensure the fine amount fields in the case and citation entry screens are only populated from a list of approved fine amounts.				✓	
C	Work with BTS to ensure the comments' field in the case entry screen requires input.				✓	
D	Work with BTS to ensure the case number field input in the case and citation entry screens is compared to the standard PCCLB case number format and rejected if non-compliant. In addition, PCCLB Management should ensure case 161679 is deleted from the Oracle database after confirming that all case data has been recorded on case number 16-1679.				✓	
E	Work with BTS to identify critical table and field elements required to be audited.				✓	
F	Ascertain from BTS what, if any, auditing is currently activated in the PCCLB Oracle database and have BTS assess options to activate auditing functionality on each data element deemed critical by PCCLB Management. Database audit trails should capture, at a minimum, the following items: <ul style="list-style-type: none"> • Name of the object modified. • Previous and current values of the modified object. • Identity of the user performing the change. • Date and time of the change. 				✓	
G	Direct BTS to create audit trail reports to assist PCCLB Management in promptly identifying and reviewing changes to critical data elements.				✓	
34	<i>BTS Did Not Create And Maintain Documentation Describing Critical Oracle Database Resources And The Application Did Not Support User Reporting Requirements.</i>					
A	Have BTS develop PCCLB Oracle database documentation to include the identification of key tables, fields, table relationships, and interfaces. Special attention should be given to those objects critical to the operations at PCCLB and necessary for processing and reporting purposes.	✓				

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B	Have BTS correct the citation fine amount due field name in the PCCLB Oracle database to reflect the true contents.				✓	
C	Work with BTS to perform an analysis of the PCCLB Oracle database to ensure no other data mislabeling has occurred, and if so, correct those instances.			✓		
D	Work with BTS to compare PCCLB reporting requirements to the current available standard reports, and as necessary, have BTS create the required reports and make them available in the PCCLB Oracle application while removing any unused or non-functioning reports currently residing in the application. Report titles should also be reviewed and modified, as necessary, to ensure they accurately reflect report contents.			✓		
E	Ensure that user reporting requirements are a major consideration when pursuing a future system acquisition to replace the existing Oracle application.	✓				
35	<i>PCCLB Cases Are Not Consistently Entered Into The Oracle Application.</i>					
A	Perform a full review of all cases logged, but not entered into the Oracle case management application. Those cases should then be entered into the Oracle application.	✓				
B	Develop policies and procedures to ensure all logged cases are entered in the Oracle case management application. The policies and procedures should include any valid exceptions that would not require a logged case to be entered in Oracle.			✓		
C	Review cases 17-9999 and 17-10000 to determine if they are necessary, and if not, delete them from the Oracle database. If these cases are still deemed necessary, they should be assigned sequential case numbers from the case log and re-entered into Oracle with the valid numbers.	✓				
36	<i>The PCCLB Has Not Collaborated With Other County Agencies To Use SeeClickFix.</i>					
A	Continue its efforts partnering with the PCSO using the SeeClickFix application to enable citizen reporting of unlawful contractor activity.					✓

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B	As necessary, work with the PCSO to develop SeeClickFix complaint intake and handling policies and procedures and distribute them to key staff involved in the process.					✓
37	<i>The PCCLB Network Printers And Multi-Function Device Were Not Adequately Secured.</i>					
A	Based on remediation efforts by BTS subsequent to notification in a meeting on July 12, 2017, the identified issues with the four network printers have been corrected. Therefore, no Management recommendation is necessary related to establishing web interface administrator passwords and disabling unnecessary FTP access on the network printers.					✓
B	Work with BTS to ensure the default web interface administrator password on the PCCLB multi-function device is changed and ensure the password is maintained in a secure fashion only by the device administrator.	✓				
38	<i>The PCCLB Cash Register Application Has No Read Only Security Role.</i>					
	Work with BTS to create a read-only security role in the PCCLB Cash Register application, which only has the ability to view transactions. User accounts should only be assigned to the security role on an as needed basis with prior Management approval.				✓	
39	<i>The PCCLB Network Closet Housing The Agency's File Server Was Unlocked And An Employee Maintained A Visible Password List At Their Workstation.</i>					
A	Install a new lock on the network closet. Keys should be distributed to Management with at least one assigned backup in the event of an immediate technical need to access the closet during the primary key holder's absence.					✓
B	Require the noted employee to remove the printed password listing from their workstation to ensure no one can obtain access to their login credentials. Additionally, we recommend the noted employee update their passwords appearing on the list.	✓				

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C	Provide security awareness training for PCCLB employees to ensure everyone understands the importance of securing their login credentials.	✓				
PCCLB Investigative Process						
40	<i>There Are Opportunities To Improve Collaborating Efforts Between The PCCLB And The Office Of Consumer Protection.</i>					
A	Establish a tracking system for cases referred to other agencies.				✓	
B	Incorporate the tracking system into the PCCLB case management database.				✓	
C	Establish written policies and procedures for case referrals to Consumer Protection. The policies and procedures should establish a point for hand off to Consumer Protection. This determination should not be left up to staff's discretion, as it would create inconsistency.	✓				
D	Instruct staff to stay abreast of cases/complaints referred to Consumer Protection in order to update the PCCLB case management database accordingly.	✓				
E	Collaborate with Consumer Protection to gain read-only access to its case management database in order to facilitate following-up on referrals.			✓		
F	Grant Consumer Protection read-only access to the PCCLB case management database to allow it to follow-up on cases referred to the PCCLB and also check on contractors' license status.	✓				
G	Establish the extent of the PCCLB's role and responsibility in relation to consumers.			✓		
H	Establish the extent of the PCCLB's role and responsibility regarding cooperation with Consumer Protection.	✓				
41	<i>There Is A Lack Of Supervisory Review Of GPS Data.</i>					
A	Implement a routine supervisory review of GPS data to include items, such as routes/locations traveled, speeding violations, variances from designated zones, duration of stays at non-work related locations, and excessive idle times.	✓				

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B	Develop written policies and procedures for routine supervisory GPS data reviews.	✓				
C	Educate staff on the appropriate use of County vehicles, as well as the capabilities of the GPS reporting function.	✓				
42	<i>Investigators Are Not Adequately Covering The County.</i>					
A	Implement a system for assigning routes to PCCLB Investigators who work in the field.	✓				
B	Install electronic devices, such as MDTs, in PCCLB Investigators' vehicles.			✓		
C	Analyze the potential for allowing PCCLB Investigators to take their vehicles home and start or end their work day in the field, thereby increasing patrolling time.					✓
43	<i>Investigators Are Not Adequately Patrolling On Weekends.</i>					
	Implement a schedule for PCCLB Investigators on weekends.	✓				
44	<i>Investigator Vehicles Are Not Marked Properly.</i>					
	Modify PCCLB Investigators' vehicle markings to include wording instead of the PCCLB acronym and consider removing the badge image.	✓				
45	<i>PCCLB Field Investigators Do Not Wear Uniforms.</i>					
	Develop and implement a policy for the PCCLB field Investigators to wear an official uniform.	✓				
46	<i>The PCCLB Case Log Is Not Maintained Timely.</i>					
A	Obtain an application with functionality to track PCCLB Investigator productivity.		✓			
B	In the interim, remind staff of the importance of timely entering cases into the case log.					✓
C	Develop a policy that includes timeframes for PCCLB Investigators to enter cases into the case log.			✓		
47	<i>Investigator Policies And Procedures Are Inadequate.</i>					
	Update the PCCLB Investigator policies and procedures to include all current duties and responsibilities.			✓		
48	<i>Office Specialist Policies And Procedures Are Inadequate.</i>					

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A	Update the Office Specialist policies and procedures to include all current duties and responsibilities.			✓		
B	Update the procedures for expired building permits so that all cases are included in the next Case Review Committee meeting.	✓				
49	<i>Investigators Do Not Consistently Issue Citations.</i>					
A	Implement a policy that requires PCCLB Investigators to cite all violations.	✓				
B	Train PCCLB Investigators on the policy of citing all violations.	✓				
50	<i>Opportunities For Collaborating With Law Enforcement To Identify Unlicensed Construction Activity Are Not Utilized.</i>					
A	Continue to collaborate with law enforcement whenever possible to identify unlicensed contractors.	✓				
B	Revise all policies, procedures, and corresponding forms that are used in the citation and administrative complaint intake process to agree to new procedures. Coordinate with the PCSO as necessary.			✓		
51	<i>There Is No Citation Management System.</i>					
A	Work with BTS to obtain functionality in the Oracle application that allows case numbers to be generated.		✓			
B	Install MDTs in the PCCLB Investigators' vehicles and implement a process to produce citations electronically in the field.			✓		
C	If recommendation B is not feasible, develop an inventory system for hard copy citations, which includes pre-numbering citations.					✓
D	Consolidate citation forms to one form, which lists all applicable County Code sections.	✓				
E	Train PCCLB Investigators on any updated procedures.	✓				
52	<i>Investigators Do Not Always Verify Information Provided By Complainants.</i>					

Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
A	Require Investigators to perform site visits to obtain pertinent information when investigating administrative complaints that are heard by the Board.	✓				
B	Implement written procedures for citation issuance, including site visits, in response to consumer complaints, and train PCCLB Investigators on procedures.			✓		
53	<i>LexisNexis Accurint For Government Searches Are Not Cross-Referenced To Cases.</i>					
A	Develop a system for cross-referencing LexisNexis Accurint for Government searches to case research.	✓				
B	Regularly reconcile searches performed with cross-reference documentation to ensure all searches are for business purposes.			✓		
54	<i>Citation Respondents Are Not Provided Clear Instructions For Special Magistrate Hearings.</i>					
A	Revise the “Notice of Hearing” or include a fact sheet to incorporate more clear and complete instructions for evidence admittance, as well as general procedures for the Special Magistrate hearings. Include instructions for admitting different types of evidence (hard copy, soft copy, etc.).			✓		
B	Implement a written procedure to notify the Respondent at the beginning of the Special Magistrate hearing about how and when they may admit evidence during the proceeding.			✓		
55	<i>Payment Plans For Citations Are Not Tracked And Enforced Consistently.</i>					
	Develop a system for consistently tracking and enforcing payment plans as they become past due.	✓				
56	<i>Administrative Complaint Cases Were Dismissed Without Documentation Or Board Approval.</i>					
	Develop a transparent process for administrative case reviews and document the outcome and justification for case resolutions or dismissals.	✓				
57	<i>Respondents Were Held Liable For All Fines When The Reported Expired Permit Was A Building Department Error.</i>					

Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
	Update policies and procedures to ensure that when the Building Department has made an error, the Respondent is not penalized.	✓				
58	<i>Fines For Administrative Complaints For Expired Permits Are Not Consistently Assessed.</i>					
A	Ensure the correct fines are applied to expired permit cases.	✓				
B	Ensure the Board's decisions are carried out consistently on Final Orders.	✓				
59	<i>The Complaint Form Has Not Been Updated.</i>					
	Update the complaint form to include current processes and detailed information regarding the complaint resolution process.	✓				
60	<i>Administrative Complaint Forms Do Not Reflect New Procedures.</i>					
	Review all forms used in the administrative complaint process and determine which forms should still be used, with a focus on equitable treatment of all contractors, transparency in the process, and simplicity in the processing of forms.			✓		
61	<i>Administrative Complaints Are Not Processed Timely.</i>					
A	Develop a system to ensure administrative complaints are processed timely.			✓		
B	Implement a system for processing public records requests, which does not interfere with or cause substantial delays to productivity.	✓				
PCCLB Licensing Of Contractors And Journeymen						
62	<i>The Board Does Not Review Or Approve Testing Examinations.</i>					
A	Review and approve all examinations administered by the independent testing agencies currently used by the PCCLB.		✓			
B	Create written policies and procedures regarding examination review to ensure newly created or modified exams are timely reviewed and approved.					✓
63	<i>PCCLB Staff Did Not Efficiently Process Renewals And Late Fee Payments.</i>					

Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
A	Ensure staff is processing contractor and journeyman renewals in a timely manner.	✓				
B	Ensure office staff is consistently enforcing late fees for renewals processed after the September 30 th deadline.	✓				
64	<i>There Is A Lack Of Written Policies And Procedures For Specialty Contractor And Journeyman Licensing.</i>					
	Develop and approve written policies and procedures for the issuance and renewal of contractor and journeymen licenses. The policies and procedures should be available electronically for all appropriate staff to access.			✓		
65	<i>There Is A Lack Of Signed Contractor Acknowledgment Letters.</i>					
A	Require all contractors, both State and local, to review and sign the "Contractor Acknowledgement of License" form prior to processing their annual license renewal. The signed form should be kept on file either digitally or in hard copy format.	✓				
B	Require all signed "Contractor Acknowledgement of License" forms be filed in the contractors' files or stored electronically in a timely manner.			✓		
66	<i>The PCCLB Lacks Appropriate Controls And Monitoring Over Suspended Licenses.</i>					
A	Create written policies and procedures for the processing and monitoring of suspended licenses.			✓		
B	Assign two employees to process, verify, and monitor suspended licenses to reduce the risk of errors occurring.		✓			
C	Request from BTS a customization of the Enforcement/Fertilizer application in the Environmental Management Division as an immediate software solution.		✓			
67	<i>The Former PCCLB Executive Director Was Not Required To File Proof Of Insurance To Renew His Contractor's License.</i>					
A	Apply requirements in the PCCLB Special Act and Florida Statutes to all contractors without any exemptions.	✓				
B	Suspend the former Executive Director's license until proof of insurance is provided and all fines and costs, if applicable, are paid.	✓				

Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
PCCLB Administration						
68	<i>There Are Opportunities To Improve Collaborating Efforts With Building Departments Throughout The County.</i>					
A	Establish a standardized intake form for expired permits and distribute it to the building departments throughout the County.	✓				
B	Provide PCCLB Oracle case management system read-only access to building departments for case status and license status verification.			✓		
C	Establish and maintain a uniform and consistent communication method with its end-users (i.e., a list of expired licenses provided to building departments).	✓				
D	Establish the extent of the PCCLB's role and responsibility toward the building departments and any other agencies it collaborates with in the future.	✓				
69	<i>There Is Not Sufficient Supervisory Staff.</i>					
	Ensure both the office and investigative functions are staffed with a supervisor.	✓				
70	<i>PCCLB Staff Lack Continuing Education/Training.</i>					
A	Require all staff to become certified through CLOAF as part of their job responsibilities and attend annual trainings or continuing education courses.	✓				
B	Implement a continuing education/training policy and encourage staff to seek out training resources, including through Pinellas County, which offers in-house trainings with topics including customer service, business skills, and leadership.	✓				
C	Implement a centralized tracking system to maintain accurate records of staff certifications obtained, and courses or training attended.	✓				
71	<i>No Formal Records Retention Policies And Procedures.</i>					
	Document formal policies and procedures for records retention and destruction that are in compliance with County policy and Florida Statutes.	✓				
72	<i>Records Are Not Stored And/Or Destroyed According To Retention Schedules.</i>					

Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
A	Inventory records on hand and submit to Records Management those that have exceeded the retention schedule time frames directed in Schedule GS1-SL.			✓		
B	Develop a system to ensure records are maintained according to Florida Statutes and County policy on an ongoing basis.	✓				
73	<i>Boards Of Adjustment And Appeals Meeting Minutes Are Missing.</i>					
A	Inventory and review all audio files of public meetings.				✓	
B	Develop new policies and procedures for recording and preserving minutes of public meetings.	✓				
74	<i>Staff Used A Shared LexisNexis Account Against Agreement Terms And Conditions.</i>					
A	Create written policies and procedures for the use of LexisNexis as well as ensure they are in compliance with the LexisNexis Master Terms and Conditions.	✓				
B	Since the IG verified Management has removed the shared account and each login is assigned to one user, as of July 31, 2017, no management recommendation is necessary related to removing shared LN accounts.					✓
75	<i>There Are No Written Policies And Procedures For Senior Office Specialist Administrative Responsibilities.</i>					
	Develop and implement written policies and procedures for the Senior Office Specialist administrative responsibilities.			✓		
76	<i>Expired Building Permit Violations Are Not Accurately Reflected In The Board Meeting Agenda Or Minutes.</i>					
A	Publish Board agendas with a list of the names of all contractors with expired permit violation cases in the consent section of the agenda.	✓				
B	Update PCCLB policies and procedures to include a deadline of two business days prior to the scheduled Board meeting for expired building permit fine payments.			✓		
C	Pull cases of the contractors that resolved their cases after the publication of the agenda, but prior to the Board's vote.	✓				
D	Pull individual cases from the consent section of the agenda prior to their vote for discussion of the Board and/or if an	✓				

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OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
	interested party is present to speak regarding an individual case.					
77	Staff Improperly Rescinded Final Orders Without Resubmitting The Case To The Board For A Vote.					
	Develop and implement written policies and procedures addressing PCCLB staff's responsibilities regarding processing of cases requiring additional Board action.			✓		
78	A Final Order Of The Board Was Not Signed After The Vote.					
A	Carry out all votes of the Board, and issue Final Orders to contractors, as applicable.	✓				
B	Input accurate fines and additional costs to the information in the PCCLB Oracle application and the hard copy case files to reflect the vote of the Board.	✓				
79	PCCLB Staff Does Not Always Prepare Final Orders That Coincide With The Minutes Of The Board Meeting.					
A	Prepare Final Orders for each case that includes all fines, costs, and conditions as voted by the Board.	✓				
B	Develop written procedures to compare Final Orders and the PCCLB Oracle application data input to Board minutes for quality assurance.	✓				
C	Develop written procedures and determine who is responsible to record information in the PCCLB Oracle application to reflect the conditions set by the Board.	✓				
80	Names On Notices Sent To Contractors Do Not Always Agree To Those Listed On The Final Order.					
A	Develop written procedures to ensure that the name of the contractor, who was sent and receives a notice of violation, agrees with the name that appears on the Board agenda.			✓		
B	Prepare Final Orders that list the name of the contractor, who appears on the notice of violation, also appears on the Board meeting agenda.	✓				
81	PCCLB Management Recommended A Board Member To Perform Inspection Services.					
A	Based on the former Executive Director retiring on June 2, 2017, no Management recommendation is necessary with					✓

Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
	respect to Management considering disciplinary action, as appropriate, per the Pinellas County Personnel Rules.					
B	Immediately cease the practice of making contractor referrals.	✓				
C	Develop and implement written policies and procedures prohibiting contractor referrals while citing the Pinellas County Statement of Ethics. Instead, PCCLB staff should recommend homeowners utilize other independent resources in identifying and soliciting services.	✓				
82	<i>The Former PCCLB Executive Director Violated County Rules And Ethics Requirements.</i>					
A	Based on the former Executive Director retiring on June 2, 2017, no Management recommendation is necessary with respect to Management considering disciplinary action, as appropriate, per the Pinellas County Personnel Rules.					✓
B	Educate staff on the appropriate use of County equipment and email in accordance with Pinellas County Personnel Rules, the Statement of Ethics, and the Pinellas County Electronic Media Use Policy.	✓				
C	Educate staff on the appropriate conduct of a County employee in accordance with Pinellas County Personnel Rules.	✓				
83	<i>The Former PCCLB Executive Director Violated The Unified Personnel System Policy For Outside Employment.</i>					
A	Based on the former Executive Director retiring on June 2, 2017, no Management recommendation is necessary with respect to Management considering disciplinary action, as appropriate, per the Pinellas County Personnel Rules.					✓
B	Educate PCCLB staff and Board members on the policy and procedures regarding outside employment/enterprise activities as required in UPS Policy #5.	✓				
84	<i>Management Does Not Comply With The Unified Personnel System Board Policy.</i>					
	Conduct performance evaluations in accordance with the UPS policy.			✓		

Follow-Up Audit of the Pinellas County Construction Licensing Board and Grand Jury Presentment

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
85	<i>The PCCLB Facility Is Not Adequately Secured.</i>					
A	Secure PCCLB files by restricting access to the file room during meetings in which there are visitors to the PCCLB facility. The accessible doorways from the hall to the file room should be closed and locked during meetings and when the files are not supervised or in use.	✓				
B	Install security cameras at the entrance of the PCCLB facility and in the customer service area where cashiering functions are performed.				✓	
C	Implement the use of a visitor log to record information, such as: <ul style="list-style-type: none"> • Name of visitor • Date of visit • Reason for visit • Visitor arrival time • Visitor departure time 		✓			
86	<i>Building Code Appeals Are Not Case Connected.</i>					
A	Assign case numbers prior to the acceptance of Building Code appeals' payments.			✓		
B	Add the appeals process to the Senior Office Specialist policies and procedures (see OFI No. 75).			✓		
87	<i>Interlocal Agreement Language Regarding Contracts Is Ambiguous.</i>					
A	Amend the Interlocal Agreement to clearly state who within the County will be responsible for review and approval of PCCLB contracts.		✓			
B	Develop written policies and procedures for reviewing and approving contracts, including specifying all responsible County departments that should perform an independent, third party review and approval.		✓			
88	<i>PCCLB Budget Website Information Does Not Comply With Legal Requirements.</i>					
A	Update the PCCLB website to include adopted budgets for FY 2016 and FY 2017.	✓				

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OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
B	Post the FY 2018 tentative budget and adopted budget in accordance with the legal requirements of F.S. 189.016(4).			✓		
89	The PCCLB Website Lists Incorrect Testing Agencies.					
	Work with BTS or the website administrator to update the listing of independent testing agencies on the website to reflect all three current testing agencies.	✓				
90	Marketing Material Is Not Comprehensive Or Effective.					
A	Ensure educational information is clearly promoted on the PCCLB homepage, including data about recently suspended/revoked contractor licenses.				✓	
B	Consider creating posters and/or brochures that can be placed in home improvement centers, permitting offices, and other relevant locations.				✓	
C	Develop a marketing plan with the County's Marketing & Communications Department.			✓		
D	Consider using Pinellas County Connection Television to broadcast PCCLB proceedings.				✓	
91	Website Does Not Reflect Updated Processes.					
	Update the PCCLB website to include current processes and forms.			✓		
92	Website Contractor Search Function Is Inadequate.					
	Ensure the contractor search function on the PCCLB website is accurately described and the functionality is improved.				✓	
93	Website Is Not Updated Timely With Board Meeting Minutes.					
	Ensure Board meeting minutes are timely posted to the PCCLB website.	✓				

Background



Note that subsequent to our original audit, the Florida Legislature amended a state law to revise the composition of the PCCLB Board (herein referred to as the Board) and the terms of its members. The PCCLB is now a dependent Special District of Pinellas County (County). The Contractor Licensing Department (CLD), which is a dependent agency of the BCC under the County Administrator, performs the operational function of the PCCLB.

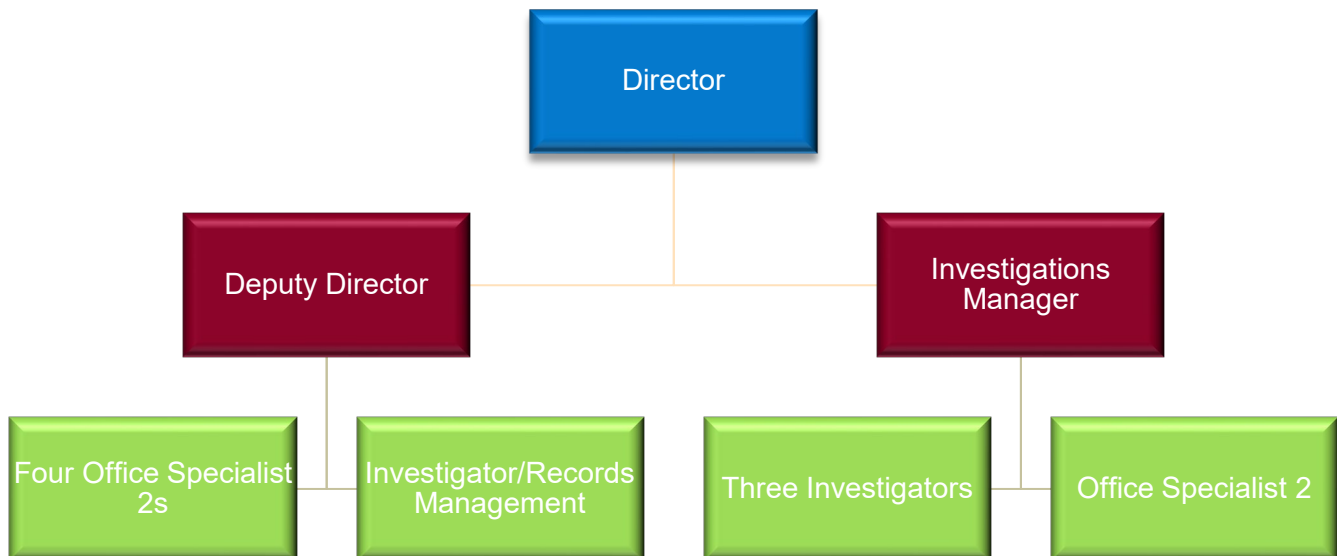
We composed the majority of the information in this background in the original audit report. However, we updated some vital information below to reflect the current figures and makeup of the Board and CLD.

The PCCLB is a dependent Special District created by the Florida Legislature in 1973. Since the PCCLB was created by an Act of the Legislature, specifically Chapter 73-595, Laws of Florida (PCCLB Special Act), it operates as a separate and autonomous policy-making body. The PCCLB regulates certain construction and home improvement contractors practicing in all County jurisdictions, which includes local municipalities. The PCCLB provides countywide certification and registration of contractors and countywide certification of journeymen. In addition, the PCCLB adopts and amends Building Codes for application and enforcement countywide to provide safe, economic, and sound buildings and structures throughout the County. The PCCLB does not receive any property tax support and is funded through licensing fees, fines, and citations that are separate from the County.

There are 15 members on the Board. The following five members are permanent appointees by the Board of County Commissioners (BCC):

- The County building official
- Building official representative from North County municipalities
- Building official representative from South County municipalities
- Building official representative from the beach communities
- Fire official

The BCC appoints the remaining 10 members to serve a maximum of two consecutive four-year terms. The Board is authorized to employ personnel and incur expenses as necessary to perform its duties. The CLD employs 12 full-time staff as shown in the following organizational chart:



The PCCLB entered into an Interlocal Agreement with the County in 1983 (last amended on May 17, 1994) in which the County provides the following services:

- Personnel – PCCLB staff participation in the Unified Personnel System (UPS) for fringe benefits and Florida State retirement privileges.
- Purchasing – Procurement through the County’s centralized purchasing procedures to obtain economies associated with large volume acquisition.
- Accounting and Budgeting – Maintenance and preservation of the PCCLB accounting and budgetary records.
- Financial and Payroll Reporting – Preparation of monthly and annual financial payroll reports for internal and external reporting and audited annual statements.
- Legal – Representation by an attorney through the Office of the County Attorney.

In exchange for these services, the PCCLB pays the County an amount determined annually per the Full Cost Allocation Plan. Per the Interlocal Agreement, the PCCLB agrees to adopt, follow, and adhere to the following:

- UPS policies, procedures, rules, and regulations.
- County practices for the accountability of tangible personal property.
- County review and approval of all written contracts.
- All Florida State and County policies and practices for the expenditure of public monies.
- Consultation with the Office of the County Attorney in all legal matters or affairs having financial consequences.

According to the County Office of Management & Budget (OMB), the Fiscal Year (FY) 2017 Adopted Budget for the PCCLB, excluding reserves, is \$1,500,000. This reflects an increase of \$97,150, or 7.0%, from the FY 2016 revised budget. The FY 2017 reserve level for the PCCLB Fund is 10.4%. The requested budget for FY 2018 is \$1,628,080. The PCCLB Interim Executive Director has estimated that without obtaining additional funds, the PCCLB will become insolvent by February 2018. The PCCLB submits their Audited Annual Financial Report to the State directly.

The Tampa Bay Times began publishing a series of articles about the PCCLB after the November 22, 2016, BCC meeting in which issues involving Board member appointment were discussed. State lawmakers filed legislation to reform the organization; however, legislation was not enacted prior to the 2017 session ending. The former PCCLB Executive Director announced his retirement in January 2017, which became effective June 2, 2017. The State Attorney for the Sixth Judicial Circuit of Florida (Pinellas and Pasco Counties) announced a Grand Jury investigation of the PCCLB in February 2017 after the Board declined to hire an Interim Executive Director from outside the agency as supported by State lawmakers. The Board reversed their initial rejection of hiring outside leadership and appointed a former County Administrator as Interim Executive Director on February 16, 2017. The State Attorney and Interim Executive Director requested our assistance in evaluating the PCCLB's operations.

STATUS OF RECOMMENDATIONS

This section reports our audit follow-up on actions taken by Management on the recommendations for improvement in our original audit report of the PCCLB. The recommendations contained herein are those of the original audit report, followed by the current status of the recommendations. Similarly, all background information contained under each section heading below is verbatim from the original audit report and has not been updated to reflect current information.

PCCLB Governance

In 1973, the Board originally consisted of 10 members of various contracting disciplines and building officials. Through amendments to the PCCLB Special Act, the Board has grown to 21 members. The PCCLB Special Act states all members of the Board shall be citizens and residents of Pinellas County and are appointed by the Chairman of the BCC. To be appointed, each member (excluding building directors, the architect, and the consumer) shall hold an unexpired certified license issued by the City of St. Petersburg, City of Clearwater, the County, or the State of Florida and actively be engaged in their respective business for at least five consecutive years. The PCCLB Special Act states the Board shall consist of 21 members as follows:

- 2 General Contractors
- 2 Building Contractors
- 2 Residential Contractors
- 1 Florida Registered Architect (doing business in the County)
- 1 Electrical Contractor
- 1 Plumbing Contractor
- 1 Mechanical Contractor (or Class A Air Conditioning Contractor)
- 1 Roofing or Sheet Metal Contractor
- 1 Swimming Pool, Aluminum, or Veneer Specialty Contractor
- 2 Fire Marshals (active members of the Tampa Bay Area Fire Marshals Association)
- 3 Building Directors (from the City of St. Petersburg, the City of Clearwater, and the County)
- 1 North County Building Director (from the City Tarpon Springs, City of Dunedin, City of Oldsmar, City of Safety Harbor, Town of Belleair, City of Belleair Bluffs, or City of Largo)
- 1 South County Building Director (from the City of South Pasadena, City of Gulfport, City of Seminole, Kenneth City, or City of Pinellas Park)
- 1 Beach Community Building Director (from the City of Belleair Beach, Town of Belleair Shore, Town of Redington Beach, Town of North Redington Beach, City of Madeira Beach, City of Indian Rocks Beach, Town of Indian Shores, Town of Redington Shores, City of Treasure Island, or City of St. Pete Beach)

- 1 Consumer (who never has been a member or practitioner of any of the trades or professions regulated by the Board or a member or practitioner of any closely related trade or profession)

The PCCLB Special Act states that the Building Directors from the City of Clearwater, the City of St. Petersburg, and the County shall be permanent members of the Board. All other members serve for two years. As the terms of members expire, the Chairman of the BCC appoints members to fill the vacancies. The PCCLB Special Act states that half the Board members commence their terms in even-numbered years and the other half in odd-numbered years.

The PCCLB Special Act states the selection process for Board members is as follows:

- 3 Building Directors (from the City of St. Petersburg, the City of Clearwater, and the County)
- 1 North County Building Director selected by the Chairman of the BCC
- 1 South County Building Director selected by the Chairman of the BCC
- 1 Beach Community Building Director appointed from a list of 3 nominees by The Barrier Island Government Council (BIGC)
- 1 Florida Registered Architect appointed from a list of 3 recommendations submitted by the American Institute of Architects (AIA) Florida Central Chapter, St. Petersburg, and Clearwater Sections
- 2 General Contractors from a list of 5 submitted by the Association of General Contractors (AGC) of Mid-Florida, Inc.
- 2 Building Contractors from a list of 5 submitted by the Contractors and Builders Association of Pinellas County
- 2 Residential Contractors from a list of 5 submitted by the Contractors and Builders Association of Pinellas County
- 1 Electrical Contractor from a list of 5 supplied by the Electrical Council of Florida (ECF), Pinellas County Chapter
- 1 Plumbing Contractor from a list of 5 supplied by the Pinellas Association of Plumbing-Heating-Cooling Contractors, Inc. (PAPHCC)
- 2 Fire Marshals from a list of 5 supplied by the Tampa Bay Area Fire Marshals Association (one serves an initial 3 year term with successors to serve a 2 year term)
- 1 Mechanical Contractor from a list of 5 supplied by the Refrigeration and Air Conditioning Contractors' Association (RACCA)
- 1 Roofing or Sheet Metal Contractor selected by the Chairman of the BCC
- 1 Swimming Pool, Aluminum, or Veneer Specialty Contractor selected by the Chairman of the BCC
- 1 Consumer appointed by the Chairman of the BCC

The Board elects one of its members to serve as Chairman and one as Vice-Chairman for a term to be set by the Board. All terms of office expire September 30th.

Status of Recommendations
Follow-Up Audit of the Pinellas County Construction Licensing Board
and Grand Jury Presentment

Currently, the Board is operating with only 14 members, and is having difficulty filling open seats. This is partially due to the fact that some of the nominating organizations have ceased to exist or have changed names compared to those listed in the PCCLB Special Act. As of July 2017, the Board members are:

	Board Member	Term	Representing Agency	Contracting Discipline and Nominating Organization
1	Rick Dunn	Permanent	City of St. Petersburg	Building Official
2	Kevin Garriott	Permanent	City of Clearwater	Building Official
3	Glen Wardell	Permanent	Pinellas County Building Services	Building Official
4	Jim Ford	10/1/17 to 9/30/19	City of Seminole	BOAF* / Building Official South
5	Danny Sandlin (2003 to 2016)	10/1/16 to 9/30/18	City of Safety Harbor	BOAF* / Building Official North
6	Rob Maslo	10/1/15 to 9/30/17	McDonnell Plumbing Inc.	PAPHCC / Plumbing
7	Alan Holderith Jr.	10/1/15 to 9/30/17	Creative Contractors	AGC / General Contractor
8	Jack Joyner	10/1/15 to 9/30/17	Jack Joyner Heating & Air Conditioning Co.	RACCA / Mechanical
9	Steve Gleaton	10/1/15 to 9/30/17		Aluminum
10	Michael Rodde	10/1/15 to 9/30/17	Seminole Fire Rescue	FCA** / Fire Marshall
11	James Rosenbluth	10/1/15 to 9/30/17	Shelter South Inc.	TBBA*** / Building Contractor
12	James I. "Arry" Housh	10/1/15 to 9/30/17	Arry's Roofing Services	PCCA**** / Roofing Contractor
13	Peter Vasti	10/1/15 to 9/30/17	Divito & Higham	Consumer
14	Alfred "Fritz" Wolf Jr.	10/1/15 to 9/30/17	F&S Frame & Trim	TBBA*** / Residential
15		Vacant		AGC** / General Contractor
16		Vacant		TBBA*** / Building
17		Vacant		FCA** / Fire Marshall
18		Vacant		TBBA*** / Residential
19		Vacant		BIG "C" / Building Official
20		Vacant		AIA / Architect
21		Vacant		ECF / Electrical
* Building Officials Association of Florida				
** Fire Chief's Association. Nominating organization does not exist or changed their name as listed in the PCCLB Special Act				
*** Tampa Bay Builders Association (TBBA). Nominating organization does not exist. Contractors and Builders Association of Pinellas County (CBAPC) listed name in the PCCLB Special Act				
**** Pinellas County Contractors Association				

The Board also created several committees. Per the PCCLB Special Act, the Board is to establish the following four Examination Committees to certify that contractors in different disciplines and specialties meet the required competency requirements:

1. The Board itself for General, Building, Residential, and Specialty Contractors
2. Mechanical Contractors
3. Electrical Contractors
4. Plumbing Contractors

The Mechanical Contractors, Electrical Contractors, and Plumbing Contractors Examination Committees are also responsible for the examination of competency for journeymen.

Per the PCCLB Special Act, the Board is to create four Boards of Adjustment and Appeals as follows:

1. Plumbing, Mechanical, and Gas
2. Electrical
3. Florida Building Code Provisions
4. Life Safety and Fire Code

The Boards of Adjustment and Appeals (AA Boards) have complete authority to interpret provisions of the Building Code in those disciplines where the Code does not cover a special case or if the Building Code text is ambiguous. The appeal for use of alternate building materials and types of construction may be granted by the AA Boards. In order to have a case brought to one of the AA Boards, a person must have been ruled against by a municipal or County Building Director. The AA Boards also issue Local Technical Amendments for local interpretation and implementation of Building Codes.

The Board also established a Probable Cause Panel that makes the determination as to whether probable cause exists to believe that a violation of the provisions of Chapter 75-489, Laws of Florida, as amended, Chapter 489, Florida Statutes, or the rules promulgated by the PCCLB, has occurred. During the May 23, 2017 Board meeting, the Board approved amendments to the PCCLB Rules and Procedures. These amendments included changing the Probable Cause Panel to a Case Review Committee, which is composed of the PCCLB Executive Director, a city or County Building Official (who is appointed by the Board Chair to serve on a rotating basis), and a PCCLB Senior Investigator.

The following pages present in detail issues identified during our review of PCCLB governance.

1. The Current PCCLB Structure Does Not Have Adequate Oversight And Accountability Mechanisms.

Chapter 73-595, Laws of Florida, created the PCCLB as a countywide independent agency. The PCCLB is an independent appointing authority that is only bound by Florida Statutes and an Interlocal Agreement with the Pinellas County BCC for services.

Chapter 75-489, Laws of Florida, states in Part II, Section 12. Pinellas County Construction Licensing Board; organization; meetings, powers:

"(7) The board is authorized to employ personnel and incur expense as necessary to perform its duties and enforce this part and shall sue and be sued in its official name."

Currently, there is no independent oversight of the PCCLB's staff and activities. The result is an absence of accountability, lack of transparency, and inconsistency in conducting day-to-day operations.

Status of Recommendations
Follow-Up Audit of the Pinellas County Construction Licensing Board
and Grand Jury Presentment

The PCCLB structure and governance was compared to licensing boards in Palm Beach, Sarasota, Collier, Charlotte, and St. Johns Counties. All the comparison counties have an independent board while the staff are employed under a county department. Such structure allows for better oversight of the staff and the organization's operations.

CONSTRUCTION LICENSING BOARD GOVERNANCE COMPARISON						
	PINELLAS COUNTY CONSTRUCTION LICENSING BOARD	PALM BEACH COUNTY CONSTRUCTION INDUSTRY LICENSING BOARD	SARASOTA COUNTY CONTRACTOR LICENSING AND EXAMINING BOARDS	COLLIER COUNTY CONTRACTOR LICENSING BOARD	CHARLOTTE COUNTY CONSTRUCTION INDUSTRY LICENSING BOARD	ST. JOHNS COUNTY CONTRACTORS REVIEW BOARD
AUTHORIZATION	Special Act 73-595	Special Act 64-1433 and Rules and Regulations Effective 7-1-2016	Ordinance 22-127 (Appoints 2 Licensing and Examining Boards)	Ordinance 22-165	Ordinance 3-2-42	Ordinance 2002-48
BOARD COMPOSITION	21 Members	12 Members	26 Members (2 Licensing and Examining Boards)	9 Members	9 Members	9 Members
	12 Trade 8 Govt. Official 1 Citizen	11 Trade 1 Govt. Official 0 Citizens	20 Trade 0 Govt. Official 6 Citizens	6 Trade 0 Govt. Official 3 Citizens	6 Trade 0 Govt. Official 3 Citizens	6 Trade 0 Govt. Official 3 Citizens
BOARD MEMBER APPOINTMENT	Appointed by Chairman of the Board of County Commissioners	Appointed by the Board of County Commissioners	Appointed by the Board of County Commissioners	Appointed by the Board of County Commissioners	Appointed by Board of County Commissioners to serve at the pleasure of the Board of County Commissioners	Appointed by Board of County Commissioners
TERM	Building Directors - Permanent Members. Remaining Members - 2 Year Term	3 Year Term	3 Year Term	3 Year Term	4 Year Term	4 Year Term
STAFF	Staff are employed by the Pinellas County Construction Licensing Board	Board of County Commissioners provides staff to serve the needs of the Licensing Board	Board of County Commissioners authorize the Director of Planning and Development Services to designate one or more employees as "Code Enforcement Officers" to issue citations	Board of County Commissioners shall provide clerical and administrative personnel and legal services	County provides clerical and administrative personnel and an outside counsel as attorney to act as legal counsel to the Licensing Board	County provides staff for the Licensing Board

We evaluated the PCCLB governance and have concluded that governance mechanisms are inadequate to provide strategic direction and oversight of PCCLB activities. The Board has the overall responsibility for the success or failure of the organization, and currently, does not provide effective direction and control for overseeing PCCLB operations. The Board structure and composition requires reform. Multiple options can be explored by the Florida Legislature, such as:

- Remain an independent organization with clearly defined and robust Board and Management oversight.
- Remain an independent organization with a reduced number of term limited Board members with clearly defined and robust Board and Management oversight.
- Convert the organization into a County department under the Pinellas County Board of County Commissioners.
- Create a “hybrid” model by converting the operations into a County department (Executive Director and staff considered County employees) with the Executive Director hired by and answering directly to the Board. The Board would remain independent with a reduced number of term limited Board members with clearly defined and robust Board and Management oversight.

A robust Board would be responsible for the governance of the agency and the success of the organization. The Board would govern more effectively by providing clear guidance for themselves and the staff. They would execute their statutory duties and would also assist and approve:

- Planning and providing Management policy guidance
- Forecasting and approving budgets
- Authorizing resources and contract approval
- Monitoring and reviewing expenditures on a regular basis
- Setting goals and expectations of Management
- Monitoring results to hold Management to a high standard of performance
- Reviewing and approving a set of internal control policies to defend against fraud, waste, and abuse

Management oversight can be defined as a mechanism that promotes compliance with ethical, statutory, and policies and procedures that govern the organization. Oversight mechanisms deter and prevent fraud, waste, and abuse, and address mistakes should they occur. Oversight holds the organization accountable and transparent to the public and to those that they serve. The review of internal controls on a regular basis would include an independent audit or investigation by an agency, such as the Pinellas County Clerk of the Circuit Court and Comptroller Division of Inspector General.

Advantages and disadvantages of solutions to resolve the current PCCLB structure issues are listed below:

1. Remain An Independent Organization With Clearly Defined And Robust Board And Management Oversight.

Advantages:

- Any existing state or local agreements involving the Board would require no modifications to reflect legislative changes.
- The Board would have the opportunity to review and develop new policies and procedures for the Board and Executive Director/staff oversight that foster transparency and accountability to the public and the construction industry, and ensure clear, documented procedures for all processes. This would include reviewing and studying the Inspector General's (IG's) audit and implementing the IG's recommendations in the areas of handling payments, processing citations and administrative fines, investigations, licensing, financial reporting, and special magistrate and Board functions. This would also include codifying in Board policies the IG's authority to conduct audits, investigations, and special projects to foster transparency and accountability.
- The Board would be able to bring outside perspectives to Board meetings. An independent Board balances the interests of the different represented entities – trades, government, citizens, and those they oversee – PCCLB staff.

Disadvantages:

- Legislative changes would be required to include addressing changes to the nominating organizations listed in the PCCLB Special Act. A few of the nominating organizations have ceased to exist or have changed their names. New Legislation would be needed to address the nominating process of the Board.
- The Board and Executive Director/staff would have no oversight. If the Board chooses to adopt new policies and procedures to ensure oversight of the current Board, there is nothing preventing the future Board from reversing the decision and reverting back to previous standards.
- The outside review and audit of policies, procedures, and personnel would be limited to the approval of the Board. The Board could disregard best practices implemented by similar boards.
- The previous Executive Director's domineering management style had a negative effect on operations, which could occur again.

- The organization would not be able to fill all of the Board vacancies without additional Legislation. Several of the nominating organizations listed in the PCCLB Special Act have either ceased to exist or have changed their names. Therefore, there is no mechanism to submit nominations to fill some Board vacancies. If additional nominating organizations may cease to exist in the future, the Board may face a problem of meeting a quorum.
- The Board would not have the flexibility to make legislative changes in the short term. The PCCLB would need to seek legislative changes every time they wish to make substantial changes governed by the PCCLB Special Act. Legislative changes are a long process. Consequently, issues that need immediate attention would not be introduced until the next legislative cycle.
- Without term limits, the Board may never bring in fresh perspectives, which may cause a lack of acceptance from the construction industry and the community. The PCCLB Special Act limits Board members' terms to two years. With no changes to the PCCLB Special Act, Board members are permitted to sit on the Board for decades with an unlimited number of two-year terms. There are no requirements for Board members to take a hiatus from the Board or to limit the total number of terms served on the Board.
- Without adequate oversight procedures, a potential for conflicts of interest of individual Board members and staff exists. Elimination of conflicts of interest could only be achieved by creating policies and procedures that mirror the best practices of similar organizations and satisfy laws and local employment policies. Achieving these best practices would not be possible if the implementation was left solely to the Board without independent testing of new internal controls.
- Very large Boards tend to have a difficult time getting down to business and making decisions. The Board consists of 21 members from various disciplines. Larger Boards are slowed down by over discussion of issues and personality conflicts.

2. Remain An Independent Organization With A Reduced Number of Term Limited Board Members With Clearly Defined And Robust Board And Management Oversight.

Advantages:

- The Board would continually bring in new members with fresh perspectives and knowledge to the Board proceedings. The continual appointment of Board members would create buy-in from the construction industry. The construction trade would recognize they have a voice in the regulation of their industry.
- New Board members would bring a variety of new experience, views, and backgrounds to the Board. Providing the Board with new members every few years would also ensure that new members are active in a variety of building projects and modern building

techniques. New Board members also offer the opportunity to eliminate personality conflicts within the Board.

- The reduced Board would represent much broader disciplines of the construction industry instead of the many specialty trades that exist today. New Board members from broader disciplines may be easier to recruit. A smaller Board would allow for a much faster processing of the issues brought before them.
- A smaller Board with more citizen participation would strengthen its trust and approval in the community.
- A reduced number of terms would help prevent possible development of personal conflict among Board members and/or undesirable business relations among Board members and the PCCLB, which could lead to conflicts of interest.

Disadvantages:

- Legislative changes would be required to include addressing changes to the nominating organizations listed in the PCCLB Special Act. A few of the nominating organizations have ceased to exist or have changed their names. New Legislation would be needed to address the nominating process of the Board. Any existing State or local agreements involving the Board may require some modifications to reflect legislative changes.
- Frequent turnover of Board members could create a disruption to the Board. New Board members would need orientation and a period of time to become familiar with the procedures of the Board, which could slow down proceedings.
- Constant change of Board members could disrupt the knowledge base afforded by the current Board structure. Long time Board members have years of experience in their trades and knowledge of how the industry regulations have changed over time.

3. *Convert The Organization Into A County Department Under The Board of County Commissioners (BCC).*

Advantages:

- The Board would be accountable to the taxpaying public for its operations.
- The Board would have additional layers of oversight under the County.
- The Board would be governed by the same layers of ordinances, statutes, and laws that govern County government.
- The Board would have new layers of management to oversee its operations.

- The Board and Executive Director/staff would be accountable to the BCC, a County Administrator, an Assistant County Administrator, and the IG.
- The Board would have the opportunity to work closer with other County departments, such as Building Services, Planning, Code Enforcement, and Consumer Protection. As a result, Building Services and Planning could offer better input for Building Code interpretation; Code Enforcement could collaborate on enforcement actions, while Consumer Protection could assist with consumer mediation and restitution.
- The BCC meets regularly and could address issues brought to the Board quickly. Currently, the Board is constrained by the PCCLB Special Act, and changes to the law require a long legislative process.
- As part of the County, the Board could bring changes to County ordinances before the BCC. This would allow them to better respond to changes in the construction industry and also allow them to adjust their fines and/or fees on a regular basis.
- As part of the County, the Board would be in a position to be better funded through possible tax dollars in addition to fines and fees collected. This would prevent future occasions where the Board needs to approach the County or State for assistance in the event of a low cash flow situation.

Disadvantages:

- Legislative changes are required. Any existing State or local agreements involving the Board would require some modifications to reflect legislative changes.
- The Board members are bound by the PCCLB Special Act. As a County department, the Board would be subject to many new laws and regulations, which would likely require a transitional period to temporarily disrupt services being provided. As a result, a portion of Management's time would be spent on compliance, accountability, and transparency. Consequently, additional Management staff may be needed to handle these requirements.
- As a County department, the Board would lose its independence. One of the advantages of the PCCLB Special Act is that the Board is an autonomous body free from political influence. The BCC would have the ultimate authority over the Board. The Commissioners are elected officials where the Board members are appointed by the chair of the BCC.
- As a County department, the Board may not be able to charge a registration fee to State contractors.

4. Create A “Hybrid” Model By Converting The Operations Into A County Department (Executive Director And Staff Considered County Employees) With The Executive Director Hired By And Answering Directly To The Board. The Board Would Remain Independent With A Reduced Number Of Term Limited Board Members With Clearly Defined And Robust Board And Management Oversight.

Advantages:

- The Board would remain an independent countywide agency. All of the Board functions and authority would continue as prescribed by the PCCLB Special Act. The Board would continue to establish Examination Committees to certify that contractors in different disciplines and specialties meet the required competency requirements.
- The Board would continue to create Boards of Adjustment and Appeals and have complete authority to interpret provisions of the Building Code in those disciplines where the Code does not cover a special case or if the Building Code text is ambiguous.
- Any existing State or local agreements involving the Board would remain in effect without any modifications.
- The Executive Director would be hired by the Board and would be accountable to the Board while overseeing daily operations of the staff. Staff would still report to the Executive Director as they currently do.
- New Board members would bring a variety of new experience, views, and backgrounds to the Board. Providing the Board with new members every few years would also ensure that new members are active in a variety of building projects and modern building techniques. New Board members also offer the opportunity to eliminate personality conflicts within the Board. The continual appointment of Board members would create buy-in from the construction industry. The construction trade would recognize they have a voice in the regulation of their industry.
- The budget of the PCCLB is solely reliant on the fines and fees that are collected.
- Management administratively being part of the BCC would allow the PCCLB to be more financially stable, because the new department would be subject to the same budget and accounting/finance processes as other County departments.
- As a County department, the PCCLB could apply for funding from grants and funds from State/Federal programs, which would not have been an option for the Special District.
- Staff would have access to purchasing agreements for software and hardware options. Such agreements could potentially provide the following enhancements:
 - Updates to existing Oracle applications for payment and case management.

- Implementation of a paperless document software system.
- Support for mobile terminals in PCCLB vehicles.

- Staff would be completely under the rules and policies of the UPS. Staff would receive regular reviews of their positions and performance. There would be the possibility of additional staff for administrative and enforcement activities. Staff would also have access to new training opportunities for personal and professional development.

- The Board and Executive Director/staff could be located in a County facility at a lower lease rate than the Board is currently paying. Confidential records could be better secured in a County controlled facility. The independent Board could have access to meeting rooms equipped with audio and video equipment necessary to record their proceedings and even broadcast them on the County television station.

- The separation of the Board and the staff would create a better checks and balances system; the staff would have the same oversight as other BCC departments while the Board would remain an independent agency responsive to the construction industry. The Executive Director would be accountable to the Board while overseeing the staff that would execute the policies and procedures of the Board.

Disadvantages:

- Legislative changes would be required to include addressing changes to the nominating organizations listed in the PCCLB Special Act. A few of the nominating organizations have ceased to exist or have changed their names. New Legislation would be needed to address the nominating process of the Board.

- The Board would become dependent on the County department for services and support.

- The separation of the Board and staff may create confusion for the construction industry and the public. The staff would be operating under the BCC in compliance with the authority of local ordinances. The Board would operate under its own authority expressed in the PCCLB Special Act. Both entities would be servicing the construction industry. The potential for conflicts of policy could develop. Ordinances and rulings from the Board could conflict with one another.

Interviews With Stakeholders

We reached out to over 50 stakeholders including prior and current Board members, municipality officials (building officials and city managers), County officials, and the former PCCLB Executive Director. The purpose of the outreach efforts was to interview stakeholders and gain their opinions on the PCCLB's role in the community, its placement within County government, and the size and structure of the Board. We also wanted to determine if the municipalities have, or will be consulted, on any proposed legislative bill to amend the PCCLB Special Act.

The invitations were sent via email and were followed up by a phone call. As of August 16, 2017, six stakeholders declined as they do not interact with the PCCLB, and 15 responded to our invitation and were interviewed (one County Commissioner, six Building Officials, five current Board members, one former Board member, the County Administrator, and the former Executive Director).

Of those who replied and were interviewed, the following are the results relating to the structure of the PCCLB:

- 8 interviewees are of the opinion the PCCLB should remain independent.
- 5 interviewees are of the opinion the PCCLB should move under the County.
- 1 interviewee is neutral on the matter.
- 1 interviewee is of the opinion the PCCLB should be reformed into a hybrid model (an independent entity functionally and a County entity administratively).

Division of Inspector General Authority

CliftonLarsonAllen LLP is the independent external auditor who performs annual financial audits for the PCCLB each fiscal year-end. The external auditor will provide an opinion whether or not the financial statements present fairly in all material respects, the financial position of the government activities, and the general fund of the PCCLB in accordance with accounting principles. The PCCLB received an unqualified (clean) audit opinion for FY 2016.

The IG role is much different from the external auditor. We perform independent and objective internal audits and investigations of the overall PCCLB Management and operations. These audits and investigations provide accountability, transparency, and consistency in conducting day-to-day government operations. To provide for the independence of the IG activity, its staff report to the IG/Chief Audit Executive, who reports functionally and administratively to the Clerk of the Circuit Court and Comptroller. The IG has no direct responsibility to, or authority over, any area subject to its audit, review, and investigation. Therefore, the IG office is organizationally independent from those areas, which it will be auditing, reviewing, and investigating. Whichever organizational option is ultimately determined for the future of the PCCLB, the Legislation should codify the IG's authority to audit and investigate the PCCLB.

We Recommended Legislation:

A. Apply one of the following solutions to resolve the current PCCLB structural issues:

- Remain an independent organization with clearly defined and robust Board and Management oversight.
- Remain an independent organization with a reduced number of term limited Board members with clearly defined and robust Board and Management oversight.
- Convert the organization into a County department under the Pinellas County Board of County Commissioners.

- Create a "hybrid" model by converting the operations into a County department (Executive Director and staff considered County employees) with the Executive Director hired by and answering directly to the Board. The Board would remain independent with a reduced number of term limited Board members with clearly defined and robust Board and Management oversight.
- B. Codify the Pinellas County Clerk of the Circuit Court and Comptroller Division of Inspector General's authority to audit and investigate the PCCLB.

Status:

- A. **Implemented.** Chapter 2018-179, Laws of Florida, also known as the amended Special Act, enacted several major structural changes to the PCCLB. The PCCLB is now a dependent special district. The CLD, which is a dependent agency of the BCC under the County Administrator, performs the operational function of the PCCLB. Among other changes, the amended Special Act reduced the number of PCCLB Board members from 21 to 15. It also instituted a limit of two consecutive four-year terms for all Board members except the building official and fire official appointees.
- B. **Acceptable Alternative.** Chapter 2018-179, Laws of Florida, also known as the amended Special Act, enacted several major structural changes to the PCCLB. The PCCLB is now a dependent special district, and the CLD, under the BCC and County Administrator, performs the operational function of the PCCLB. Moreover, the amended Special Act codified the BCC's ability to obtain periodic audits of the Board by a certified auditor. Although not specifically codified by name, the IG now has audit and investigative jurisdiction over both the PCCLB and CLD.

2. The PCCLB Tone At The Top Did Not Create A Strong Ethical Environment.

The PCCLB's tone at the top and ethical environment as established by the Board and the former PCCLB Executive Director (Management) does not promote openness, honesty, integrity, and ethical behavior. While implementing the internal controls discussed throughout this report will help maintain accountability and control, without a culture of ethical behavior, the PCCLB's success remains at risk. Doug Anderson, managing director of CAE Solutions at the Institute of Internal Auditors (IIA) and a former chief audit executive, is quoted in the IIA's February 2016 Tone at the Top newsletter:

“Culture is critical to the good governance of an organization, and inattention to it can have devastating effects.”

The lax attitude of the Board and the former PCCLB Executive Director has resulted in the following:

- As noted in OFI No. 1, the PCCLB does not have adequate oversight and accountability mechanisms.
- As noted in OFI No. 3, a Board member misused his position for potential gain.
- As noted in OFI No. 4, until recently, there was no orientation or a code of conduct for Board members to guide member behavior.
- As noted in OFI No. 5, the former PCCLB Executive Director created a conflict of interest during the Board nomination and selection process.
- As noted in OFI No. 6, Board members and the PCCLB Executive Director do not comply with full and public disclosure of financial interests.
- As noted in OFI No. 29, the PCCLB hired a Board member's company to perform a facility repair, creating a conflict of interest.
- As noted in OFI No. 56, the former PCCLB Executive Director dismissed administrative complaint cases without Board approval.
- As noted in OFI No. 67, the former PCCLB Executive Director received preferential treatment by not being required to file proof of insurance with the PCCLB to renew his contractor's license.
- As noted in OFI No. 81, PCCLB Management committed an ethic's violation by recommending a Board member's business to Complainants and contractors.
- As noted in OFI No. 82, the former PCCLB Executive Director misused County computing equipment and engaged in conduct unbecoming a County employee by sending risqué photos of females via County email.
- As noted in OFI No. 83, the former PCCLB Executive Director did not follow the UPS policy for outside employment.
- As noted in OFI No. 84, PCCLB Management does not comply with a UPS policy to give performance evaluations to PCCLB staff.

These issues exemplify the ethical climate established by the former PCCLB Executive Director, Board, and Management. Based on these issues, PCCLB leadership was unconcerned with ethics, which can have a trickle-down effect on employees. For example, as noted in our investigative reports, two PCCLB employees were committing time and attendance fraud. These employees were able to misuse County time and equipment to conduct personal business, because there was minimal Management oversight.

The Board, former PCCLB Executive Director, and Management did not foster and promote a culture that values compliance, accountability, and ethical behavior. According to the Association of Certified Fraud Examiners, in a document entitled, "Tone At The Top: How Management Can Prevent Fraud In The Workplace":

"To set the right tone, those in top positions of management have to follow four very important steps: communicate to employees what is expected of them; lead by example; provide a safe mechanism for reporting violations; and reward integrity."

Further, important steps to convey the message of individual and organizational responsibility and accountability include:

"Set an ethical tone at the top – Upper management has to lead by example and actions. These actions should include rewarding ethical behavior while punishing unethical actions. There should be sanctions for engaging in, tolerating, or condoning improper conduct.

Establish a code of ethics – Organizations should produce a clear statement of management philosophy. It should include concise compliance standards that are consistent with management's ethics policy relevant to business operations. This code of ethics should be given to every employee who will be required to read and sign it..."

According to the Institute of Internal Auditors, in the February 2016 Tone at the Top newsletter:

"Organizational culture. It can be difficult to define. It's nebulous, yet, over time, culture greatly influences the long-term success of an organization, separating the ethical performers from the unethical; the valuable organizations from the questionable; those that achieve their mission from those that do not."

Further:

"Culture encompasses the organization's values, and how employees act out those values. At its finest, culture helps an organization retain great employees and motivates them to do their best and most productive work. At its worst, it can destroy a company."

With the current ethical environment, the PCCLB cannot achieve its mission, and the long term viability and success of the PCCLB is at risk. Under this ethical environment, staff morale decreases, staff become unmotivated, productivity decreases, and staff are not held accountable, all of which may lead to unethical decisions being made.

We Recommended Management and the Board:

- A. Set a proper tone of accountability and ethical behavior and seek opportunities to reinforce the PCCLB's ethical standards, such as during meetings and training. This includes communicating to employees and Board members what is expected of them, leading with integrity, providing a safe mechanism for reporting violations, and rewarding integrity. The culture, values, and ethics the PCCLB wants to promote should be apparent. This can include displaying posters depicting words or imagery that supports the desired characteristics and having open and candid discussions.
- B. Adopt a code of ethics that clearly states the PCCLB's values and standards of behavior, and require all employees and Board members to read and sign it.

- C. Adopt a conflict of interest policy describing how employees and Board members should respond when their personal interests have the potential to conflict with their public duties.

Status:

- A. **Implemented.** All CLD staff must sign an acknowledgement of the CLD Team Member Handbook. The Team Member Handbook requires CLD staff to comply with the Florida Code of Ethics for Public Officers and Employees and the Pinellas County Statement of Ethics. The Team Member Handbook addresses specific topics, which include, for example, financial advantage, misuse of public position, gifts, and neutrality. Monthly staff meetings emphasize standards. PCCLB Board members are governed by Board Rule 1.12, which requires all Board members to adhere to the Florida Code of Ethics for Public Officers and Employees. Board members are also governed by the Special Act and the laws of Florida for special districts. Moreover, Board members receive orientation from the department Director and the County Attorney, which emphasizes the ethical standards and all laws that apply. A Senior Assistant County Attorney attends PCCLB Board meetings to provide guidance.
- B. **Acceptable Alternative.** All CLD staff must sign an acknowledgement of the CLD Team Member Handbook. The Team Member Handbook requires CLD staff to comply with the Florida Code of Ethics for Public Officers and Employees and the Pinellas County Statement of Ethics. The Team Member Handbook addresses specific topics, which include, for example, financial advantage, misuse of public position, gifts, and neutrality. Monthly staff meetings emphasize standards. PCCLB Board members are governed by Board Rule 1.12, which requires all Board members to adhere to the Florida Code of Ethics for Public Officers and Employees. Board members are also governed by the Special Act and the laws of Florida for special districts. Moreover, Board members receive orientation from the department Director and the County Attorney, which emphasizes the ethical standards and all laws that apply. PCCLB Board members are not required to sign a document acknowledging such training; however, they have signed for a Board member iPad, which contains all the pertinent applicable rules. Based on Management's efforts to reinforce ethical requirements and make the governing directives available to both CLD staff and the Board, this is an acceptable alternative to our original audit recommendation.
- C. **Implemented.** Board Rule 1.11 specifically addresses conflicts of interest and speaks to the requirements in F.S. 286.012 and F.S. 112.3143. F.S. 286.012 requires Board members to abstain from voting in matters where there is a potential conflict of interest. F.S. 112.3143 requires public disclosure of any conflict. Board Rule 1.12 requires compliance with the Florida Code of Ethics for Public Officers and Employees. Additionally, Board members receive ethics orientation by the County Attorney. They are reminded from time to time by the Director when there is a potential for a conflict, and the Director confirmed they have been quick to identify their conflicts when such issues have arisen. Although not in a voting capacity, the CLD Team Member Handbook requires CLD staff to obtain prior approval for all outside or non-County employment, which includes serving on advisory boards and committees.

3. A PCCLB Board Member Misused His Position.

A Board member used his position on the Board to call a special meeting of the Plumbing, Mechanical, and Gas Board of Adjustment and Appeals (AA Board). The meeting was handled as an appeal, but should have been treated as a local technical amendment meeting. The meeting resulted in the issuance of a local technical amendment regarding the height of stands for roof mounted air conditioning units.

During the meeting, the Board member referred to himself as a member of the Plumbing, Mechanical, and Gas AA Board. According to the AA Board roster, he was not a member of that particular AA Board. However, he participated throughout the meeting as an AA Board member.

The local technical amendment that resulted from the appeal would come to the Board for a vote. On March 17, 2015, the Board member used his position to discuss the appeal and influence other Board members by inquiring about the appeal and discussing the expenses and additional personnel needed under the current Code. Florida Statute 112.3143(4)(c) defines "participation" as:

"...any attempt to influence the decision by oral or written communication, whether made by the officer or at the officer's direction."

On May 19, 2015, the local technical amendment came to the AA Board for approval, and the AA Board voted unanimously to approve it. The Board member seconded a motion on a second vote regarding filing the local technical amendment with the State of Florida. The second vote passed unanimously.

This local technical amendment could result in a direct gain for the Board member, as he owns a heating and air conditioning business, and other air conditioning business owners since the amendment changed the required height of the stands to a lower height. Consequently, this amendment results in lower installation costs for air conditioning units.

The Board member was required by F.S. 112.3143 to abstain from voting on the local technical amendment. A conflict of interest should have been discussed by the Board member prior to the vote by the Board. The Board member was required to file a memorandum detailing his conflict within 15 days, so that it could be incorporated into the Board minutes. The Board member did not file a memorandum of his conflict of interest, and it was not incorporated into the official minutes of the Board meeting.

According to F.S. 112.3143:

"(3)(a) No county, municipal, or other local public officer shall vote in an official capacity upon any measure which would inure to his or her special private gain or loss; which he or she knows would inure to the special private gain or loss of any principal by whom he or she is retained or to the parent organization or subsidiary

of a corporate principal by which he or she is retained, other than an agency as defined in s. 112.312(2); or which he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer. Such public officer shall, prior to the vote being taken, publicly state to the assembly the nature of the officer's interest in the matter from which he or she is abstaining from voting and, within 15 days after the vote occurs, disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes.

(4) No appointed public officer shall participate in any matter which would inure to the officer's special private gain or loss; which the officer knows would inure to the special private gain or loss of any principal by whom he or she is retained or to the parent organization or subsidiary of a corporate principal by which he or she is retained; or which he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer, without first disclosing the nature of his or her interest in the matter.

(a) Such disclosure, indicating the nature of the conflict, shall be made in a written memorandum filed with the person responsible for recording the minutes of the meeting, prior to the meeting in which consideration of the matter will take place, and shall be incorporated into the minutes. Any such memorandum shall become a public record upon filing, shall immediately be provided to the other members of the agency, and shall be read publicly at the next meeting held subsequent to the filing of this written memorandum.

(b) In the event that disclosure has not been made prior to the meeting or that any conflict is unknown prior to the meeting, the disclosure shall be made orally at the meeting when it becomes known that a conflict exists. A written memorandum disclosing the nature of the conflict shall then be filed within 15 days after the oral disclosure with the person responsible for recording the minutes of the meeting and shall be incorporated into the minutes of the meeting at which the oral disclosure was made. Any such memorandum shall become a public record upon filing, shall immediately be provided to the other members of the agency, and shall be read publicly at the next meeting held subsequent to the filing of this written memorandum."

The Board member used his position on the Board to call for a special meeting of the Plumbing, Mechanical, and Gas AA Board. He also participated in the meeting as a member of the AA Board when he was not a member. The Board member used his position on the Board to influence other Board members prior to the local technical amendment coming to the Board for a vote. The passing of the local technical amendment was a potential gain to the Board member's business. The Board member did not abstain from the vote on the local technical amendment and did not disclose his conflict of interest as required by F.S. 112.3143.

We Recommended the Board and the Boards of Adjustment and Appeals:

- A. Receive education regarding conflicts of interest as set forth in F.S. 112.3143.
- B. Develop written policies and procedures regarding Board members that bring cases to the Boards of Adjustment and Appeals so that full disclosure is included in Board agendas and minutes.
- C. Develop written policies and procedures to ensure members of the Board do not also serve on the Boards of Adjustment and Appeals.

Status:

- A. **Implemented.** Board Rule 1.11 addresses conflicts of interest and speaks to the requirements in F.S. 286.012 and F.S.112.3143. F.S. 286.012 requires Board members to abstain from voting in matters where there is a potential conflict of interest. F.S. 112.3143 requires public disclosure of any conflict. In addition, Board member orientation by the County Attorney covers conflicts of interest.
- B. **Partially Implemented.** CLD Management, in conjunction with legal counsel, has drafted a proposed Board Rules amendment to bring to the PCCLB Board's next meeting for approval. The amendment would require a PCCLB Board member to disclose any interests to the BOAA Chair and avoid ex parte communication with any member of the BOAA hearing the appeal. We continue to encourage the Board to implement our recommendation fully by approving the amended language, as it runs the risk of potential conflicts of interest in the BOAA hearings.
- C. **Implemented.** Board Rule 24.04 now prevents members of the PCCLB Board from serving on Boards of Adjustment and Appeals.

4. The Board Composition Requires Reform.

The structure of the current Board requires reorganization to align with other local construction licensing boards, follow best practices, and improve function. The PCCLB Special Act that created the organization has not been updated since 2004. Per the PCCLB Special Act, the Board is comprised of 21 members. With this large of a group, Board meetings consume inordinate amounts of time since more people equates to more opinions and ideas that are discussed before a decision is made. Managing the communication process is more difficult and can lead to ineffectiveness (see OFI No. 1). Other local construction licensing boards operate with less members, such as:

- Palm Beach County - 12 members
- Collier County - 9 members
- Charlotte County - 9 members

- St. Johns County - 9 members

Considerations for Board size should take into account the depth and complexity of the organization, responsibilities, and ensuring a diverse set of stakeholders are represented. Board size should be manageable for effective group decision-making. According to an article in the Wall Street Journal, published August 26, 2014:

"Companies with fewer board members reap considerably greater rewards for their investors, according to a new study by governance researchers GMI Ratings [combined entity of GovernanceMetrics International, The Corporate Library and Audit Integrity] prepared for The Wall Street Journal. Small boards at major corporations foster deeper debates and more nimble decision-making, directors, recruiters and researchers said... The smallest board averaged 9.5 members, compared with 14 for the biggest. The average size was 11.2 directors for all companies studied..."

The Building Directors from the City of Clearwater, City of St. Petersburg, and the County are permanent members of the Board. All other members serve two-year terms. There are no limits to how many terms a member can serve nor a hiatus requirement. Board member rotation prevents stagnation and gives the Board an opportunity to refresh itself and have new perspectives. Without term limits, members may serve 20 years or more on a Board. For example, a prior Board member served from the 1989-1991 term through the 2015-2017 term with no break in service. A current Board member has served since the 1992-1994 term; again, with no break in service. Specific term limits provide a mechanism for eliminating ineffective Board members and ensuring fresh perspectives. Other local construction licensing boards require specific term limits, such as:

- Palm Beach County - No member can serve more than two consecutive terms, but may be reappointed after a three-year hiatus.
- Charlotte County - Board members cannot serve more than two consecutive terms or more than a total of 11 years.

Until recently, there was no orientation for new Board members nor a code of conduct to guide member behavior. An effective orientation process is designed to assist new Board members to start working quickly, effectively, and with confidence. As of the May 23, 2017 Board meeting, a brief orientation was conducted with two new incoming Board members.



Best practices dictate new staff members, which also applies to new Board members who are introduced to the organization, rules and regulations, colleagues, and responsibilities. An orientation for new Board members is essential to communicate roles and expectations and develop a well-informed Board with the knowledge to lead an effective organization.

As of April 13, 2017, seven of the 21 Board positions were vacant. The Board's ability to perform its responsibilities depends, in part, on the experience, skills, and dedication of members. Considering the issues currently facing the PCCLB, the organization is having a difficult time recruiting new members. The PCCLB Special Act has strict requirements as to who can serve on the Board, such as requiring representatives from municipal building departments be the official Building Director/Official, which limits who can be a member of the Board.

As previously mentioned in OFI No. 1, we extended an invitation to over 50 stakeholders to solicit their opinions on the PCCLB's role in the community, its placement within County government, and the size and structure of the Board. We also wanted to determine if the municipalities have, or will be consulted on any proposed legislative bills to amend the original PCCLB Special Act.

As of August 16, 2017, six stakeholders declined to speak to us as they do not interact with the PCCLB, and 15 responded to our invitation and were interviewed as follows:

- One County Commissioner
- Six Building Officials
- Five current Board members
- One former Board member
- The County Administrator
- The former PCCLB Executive Director

With respect to the size of the Board, four interviewees had no comment, three suggested it remain at 21 members, and eight support a reduction in the size of the Board while maintaining evenly dispersed expertise in the industry among the Board members. One of the interviewees suggested adding a remodeling contractor to the Board's expertise considering there is no more land left in Pinellas County for further development. The Building Officials interviewed stated that the PCCLB plays a valuable role in the industry. The agency affords stakeholders a centralized approval and vetting avenue for contractors, which is both efficient and cost effective. The alternative would be for contractors to be vetted by all 24 municipalities of Pinellas County. Some of the interviewees commented, if given the opportunity, they would voice their opinion on any legislative bills to amend the PCCLB.

We Recommended Legislation:

- A. Revise the PCCLB Special Act to reduce the Board membership. The number of Board members should be sufficient to carry out responsibilities, without being so large that it inhibits individual contributions and degrades the effectiveness of decision-making. We recommend Board responsibilities be examined, taking into account the following, prior to determining the precise size of the Board:
 - Functional requirements to ensure Board members chosen have the needed skills and expertise.

- Stakeholders to ensure adequate representation.
- Diversity to ensure varied viewpoints.

As an alternative to decreasing the size of the Board, the governing functions can be separated and advisory boards created to address specific issues and strategic priorities.

B. Revise the PCCLB Special Act to require more specific term limits for Board members. The maximum number of terms (successive terms) a member can serve and a required hiatus period before the member can serve again should be established. When determining specific term limits, the following should be taken into account in order to balance Board continuity and new perspectives:

- Loss of experience and expertise
- Time to recruit and orient new members
- Concentration of power
- Member commitment
- Independence

C. Revise the PCCLB Special Act Board membership requirements to allow for a building department's designee to serve on the Board instead of just the Building Director/Official.

We Recommended Management:

D. In conjunction with the Board Chair, conduct a formal orientation for new and returning Board members. Items to discuss during the orientation include, but are not limited to:

- Overview of the organization including history, mission, and services.
- Introduction of current Board members, including contact information and terms of office.
- Board organizational chart identifying chair and committees.
- Recent financial statements, last audit report, and current annual budget.
- Applicable laws governing Board authority and responsibilities.
- Applicable laws governing public records.
- Rules and procedures for Board meeting discussions and decision-making (i.e., Robert's Rules of Order).
- PCCLB policies and procedures.
- Code of conduct/ethics including conflicts of interest.
- Calendar with scheduled Board meetings and other activities.

We recommend a handbook with the aforementioned documents be provided to each Board member for reference.

E. In conjunction with the Board Chair, conduct a formal orientation for existing Board members since a formal orientation has never been conducted. We recommend the

orientation be conducted at a Board meeting so all members, new and old, are provided the same information.

- F. In conjunction with the Board Chair, ensure all Board members receive a refresher orientation/training to promote ongoing learning and team-building.

Status:

- A. **Implemented.** The amended Special Act revised Board membership to reduce the number of members from 21 to 15, add a second consumer representative, and assure broad representation among the trades and professions related to construction.
- B. **Implemented.** Chapter 2018-179, Laws of Florida, enacted several major structural changes to the PCCLB. The PCCLB is now a dependent agency of the BCC, and the CLD performs the operational function of the PCCLB. Among other changes, Chapter 2018-179, Laws of Florida, instituted a limit of two consecutive four-year terms for all Board members except the building official and fire official appointees. In addition, it required a two-year hiatus prior to reappointment consideration.
- C. **Not Implemented.** Chapter 2018-179, Laws of Florida, listed only the County building official as filling the Board member position and did not provide for a department designee. We continue to encourage legislation to make this change, as it runs the risk of limiting Board participation by listing a specific position without a designee option.
- D. **Implemented.** The County Attorney conducted the initial orientation for new and returning Board members in July 2018. Manuals were provided to each Board member at that time. Since that time, iPads have been distributed to the Board in lieu of manuals.
- E. **Implemented.** The County Attorney conducted the initial orientation for new and returning Board members in July 2018. Manuals were provided to each Board member at that time. Since that time, iPads have been distributed to the Board in lieu of manuals.
- F. **Implemented.** The County Attorney conducted the initial orientation for new and returning Board members in July 2018. Manuals were provided to each Board member at that time. Since that time, iPads have been distributed to the Board in lieu of manuals.

5. The Board Nomination And Appointment Process Requires Reform.

The selection process for Board members needs improvement. Per the PCCLB Special Act, the Chair of the BCC appoints non-permanent members to vacancies. Prior to the current PCCLB Interim Executive Director appointment, the BCC Chair was only provided a list of individuals nominated by professional or trade associations. This did not provide the BCC Chair with adequate information on which to make a decision. There is no formal Board member

appointment criteria or process to enable the BCC Chair to evaluate nominees' qualifications and level of commitment.

We reviewed the nomination packets of the former PCCLB Executive Director provided to the BCC Chair for the following terms:

- October 1, 2016 - September 30, 2018
- October 1, 2015 - September 30, 2017
- October 1, 2014 - September 30, 2016
- October 1, 2013 - September 30, 2015

Included in the packets were:

- A cover letter from the former PCCLB Executive Director addressed to the BCC Chair for the period.
- Nomination letters and/or emails from professional and trade associations.

Based on our review, we determined the former PCCLB Executive Director would annually solicit nominations from professional and trade associations listed in the PCCLB Special Act, associations with memberships that could supply nominees for open seats, and others serving as a replacement for associations that have been dissolved or have merged. We contacted two of the associations and determined the nomination process varies from one association to the next; one had a vetting process, while the other deferred the vetting to the Appointing Authority. Review of the nomination letters and correspondence from the PCCLB to the associations showed:

- Some associations did not submit the number of nominees required by the PCCLB Special Act.
- Some associations would re-nominate a seated member.
- In one instance, the PCCLB emailed an association with the statement, "*Would you like to re-nominate....*" a seated member. This creates a conflict of interest and could be perceived as nomination rigging.
- In a letter soliciting nomination from an association, the former Executive Director stated, "*Please include the candidate you would recommend as the best qualified for the appointment.*" The PCCLB Special Act only charges the listed professional associations with nominating a set number of candidates to be selected by the BCC Chair.
- One association solicited to fill the Swimming Pool, Aluminum, or Veneer Specialty Contractor seat is not registered with the Division of Corporations. The address provided by the association is that of a window and door company. The manager of the company indicated the association president only uses their address to receive mail. The most mail they have ever received for the association is advertising material.
- The PCCLB solicited nominations from an association for the North County Building Director and South County Building Director seats. Section 12(1) of the PCCLB Special Act states:

"The Pinellas County Construction Licensing Board is created, within the county of Pinellas, consisting of ... one (1) North county building director from one of the following municipalities: Tarpon Springs, Dunedin, Oldsmar, Safety Harbor, Belleair, Belleair Bluffs, or Largo, one (1) South county building director from one of the following municipalities: South Pasadena, Gulfport, Seminole, Kenneth City, or Pinellas Park..."

Essentially, the nominees for these two seats are the individuals holding the Building Director position in those municipalities. Therefore, there was no need for the solicitation.

According to two Executive Assistants to the BCC Chair, the nomination packets were physically submitted by the former PCCLB Executive Director for Chair approval. On the cover letter accompanying the nomination submissions, the former PCCLB Executive Director listed a selection of nominees he picked out of the lists received from the associations. On the cover letters we reviewed, the former Executive Director either stated:

"In accordance with the provisions of Chapter 75-489, laws of Florida, we are asking that you confirm the appointment of the following Board Members to serve for a two year term..."

or

"In accordance with the provisions of Chapter 75-489, laws of Florida, as amended, we ask you to appoint a full complement of members to the Pinellas County Construction Licensing Board...[the period]..."

The recommendations from the various professional and trade associations, in summary..."

The aforementioned language is followed by the list of members the former Executive Director selected from the nomination letters from the nominating associations for the period. While those on his list are nominees submitted by the associations, his "selection" creates a conflict of interest as the nominees ultimately become his bosses. We found no evidence of a formal vetting process taking place either by the PCCLB or the BCC.

Through conversations with BCC staff and review of the nomination packet for the term October 1, 2016 through September 30, 2018, we determined there was an expectation by the former Executive Director for the list of nominees submitted on the cover letter to be automatically approved by the BCC Chair. This also gives the appearance of nomination rigging. We attempted to make contact with 16 nominees for the reviewed terms who were not selected to serve on the PCCLB Board. We made contact with seven, who stated they were never informed or contacted about their nomination to potentially serve on the Board. The aforementioned suggests not every nominee was given the opportunity to serve on the Board.

Nevertheless, the following factors must be taken into account:

1. The PCCLB Special Act provides no guidance on how the nominations from the professional and trade associations are to be submitted to the BCC Chair.
2. The PCCLB Special Act designates a number of associations to nominate candidates for appointment to the Board; however, it provides no guidance on how to handle the dissolution or merger of an association. For example:
 - a) The Association of General Contractors of Mid-Florida, Inc. is to nominate five candidates who are primarily engaged in the business as general contractors; however, this association no longer exists.
 - b) The Contractors and Builders Association of Pinellas County is to nominate five candidates who are primarily engaged in the business as building contractors and five candidates who are primarily engaged in the business as residential building contractors; however, this association does not exist. This association merged into the Builders Association of Greater Tampa, Inc., which changed its name to the Tampa Bay Builders Association, Inc., in January 2003.
 - c) The Tampa Bay Area Fire Marshals Association is to nominate five candidates who are active members in the association; however, this association no longer exists.
3. The PCCLB Special Act provides no indication the listed associations fully comprehend the importance of their role in the nomination process.
4. The PCCLB Special Act designates the BCC Chair to select Board nominees; however, it does not address vetting of the candidates.
5. The PCCLB Special Act does not indicate where to obtain the pool of nominees for the Roofing or Sheet Metal Contractor seat and the Swimming Pool, Aluminum, or Veneer Specialty Contractor seat.
6. The PCCLB Special Act provides no criteria for an entity to qualify as a nominating association.

The PCCLB Special Act states that one community Building Director is to be appointed from a list of three nominees submitted by The Barrier Island Government Council; however, the legal name of this entity is The Barrier Islands Governmental Council, Inc.

In addition, the Special Act states that one Florida Registered Architect is to be appointed from a list of three recommendations submitted by the American Institute of Architects Florida Central Chapter, St. Petersburg and Clearwater Sections; however, the legal name of this entity is AIA Tampa Bay, Inc./A Chapter of the American Institute of Architects.

We Recommended Legislation, the BCC, and the Board:

- A. Require nominations and appointments to the Board be fully vetted and reviewed by an independent entity, such as the Pinellas County Attorney or the Pinellas County Clerk of the Circuit Court and Comptroller, Division of Inspector General. This includes items, such as:
- Requiring potential Board nominees to attend a Board meeting to ensure their understanding of the commitment prior to formal nomination.
 - Requiring Board nominees to complete an application form that solicits information, such as:
 - Contact information
 - Relevant experience
 - Statement as to why they are interested in volunteering to be a member of the Board
 - Areas of expertise
 - Potential conflicts of interest
 - Other commitments including current job and other volunteer positions
 - Requiring the BCC Chair and the independent entity to review Board nominees' application forms.
 - Requiring potential Board appointees be interviewed by the BCC Chair prior to official appointment.
- B. Consider eliminating professional and trade associations from the Board member nominating process in the PCCLB Special Act. If this recommendation is implemented, the recommendations below relating to associations will no longer be applicable.
- C. Revise the PCCLB Special Act Board membership requirements to remove reference to the Association of General Contractors of Mid-Florida, Inc., the Contractors and Builders Association of Pinellas County, and the Tampa Bay Area Fire Marshals Association, since these organizations no longer exist.
- D. Revise the PCCLB Special Act Board membership requirements to correct the name of The Barrier Island Government Council to The Barrier Islands Governmental Council, Inc.
- E. Revise the PCCLB Special Act Board membership requirements to correct the name of the American Institute of Architects Florida Central Chapter, St. Petersburg and Clearwater Sections to AIA Tampa Bay, Inc./A Chapter of the American Institute of Architects.
- F. Obtain formal buy-in from the nominating associations listed in the PCCLB Special Act to confirm their understanding of the importance of their role in the Board member appointing process. This could be done through a Memorandum of Understanding (MOU) quoting the Legislation. The MOU should:

- Address the number of nominees to be submitted by the association.
 - Specify the timeframe for nominee submissions.
 - Identify the vetting entity for the nominee submissions.
 - Require associations to formally advise the PCCLB and vetting entity of a name change, merger, or dissolution.
 - Require associations to advise the PCCLB in the event they cannot fulfill their role due to shortage of qualified members, dissolution of the association, etc.
- G. Provide guidance and identify who is responsible for obtaining a pool of qualified candidates from a particular trade should an association for the trade not exist or dissolves (i.e., successor organizations). Currently, the PCCLB Special Act does not list an association for the Roofing or Sheet Metal Contractor seat and the Swimming Pool, Aluminum, or Veneer Specialty Contractor seat.
- H. Establish the minimum requirements for an entity to qualify as a nominating association. This will help in the event of a dissolution of an entity when a successor association must be identified.
- I. Establish and make clear the BCC Chair's role in the appointment process.
- J. Establish and make clear the independent vetting entity's role in the appointment process.
- K. Establish that the PCCLB should have no part in the nomination process.
- L. Establish a timeframe for associations to submit their nominations.
- M. Establish a timeframe for the independent vetting entity to submit its findings to the BCC Chair.
- N. Establish a timeframe for the BCC Chair to appoint Board members.

Status:

- A. **Acceptable Alternative.** The amended Special Act provides the BCC, not solely the BCC Chair, with the authority to appoint and remove PCCLB Board members. The amended Special Act stipulates the qualifications for each PCCLB Board member, which is used as criteria for the BCC in making appointment decisions. This is an acceptable alternative to our recommendation, as it places the onus for PCCLB Board appointment on a governing body and not a sole representative of that body. Moreover, considering the PCCLB Board is now a dependent special district, the BCC can follow its established protocol for appointing and removing members.
- B. **Implemented.** The amended Special Act removed professional and trade associations from the PCCLB Board member nomination process.

- C. **Implemented.** The amended Special Act removed professional and trade associations from the PCCLB Board member nomination process.
- D. **No Longer Applicable.** The amended Special Act removed The Barrier Island Governmental Council from the PCCLB Board member nomination process.
- E. **No Longer Applicable.** The amended Special Act removed the American Institute of Architects Florida Central Chapter, St. Petersburg and Clearwater Sections, from the PCCLB Board member nomination process.
- F. **No Longer Applicable.** The amended Special Act removed professional and trade associations from the PCCLB Board member nomination process.
- G. **No Longer Applicable.** The amended Special Act removed professional and trade associations from the PCCLB Board member nomination process.
- H. **No Longer Applicable.** The amended Special Act removed professional and trade associations from the PCCLB Board member nomination process.
- I. **No Longer Applicable.** The amended Special Act shifted responsibility for the PCCLB Board member nomination process from the BCC Chair to the entire BCC.
- J. **No Longer Applicable.** As opposed to naming an independent vetting entity, the amended Special Act provides the BCC, not solely the BCC Chair, with the authority to appoint and remove PCCLB Board members. The amended Special Act stipulates the qualifications for each PCCLB Board member, which is used as criteria for the BCC in making appointment decisions. Moreover, considering the PCCLB Board is now a dependent special district, the BCC can follow its established protocol for appointing and removing members. Therefore, recommendations related to an independent vetting entity are no longer applicable.
- K. **Implemented.** The amended Special Act makes it clear the BCC has the sole authority to appoint and remove PCCLB Board members.
- L. **No Longer Applicable.** The amended Special Act removed professional and trade associations from the PCCLB Board member nomination process.
- M. **No Longer Applicable.** As opposed to naming an independent vetting entity, the amended Special Act provides the BCC, not solely the BCC Chair, with the authority to appoint and remove PCCLB Board members. The amended Special Act stipulates the qualifications for each PCCLB Board member, which is used as criteria for the BCC in making appointment decisions. Moreover, considering the PCCLB Board is now a dependent special district, the BCC can follow its established protocol for appointing and

removing members. Therefore, recommendations related to an independent vetting entity are no longer applicable.

- N. **No Longer Applicable.** The amended Special Act provides the BCC, not solely the BCC Chair, with the authority to appoint and remove PCCLB Board members.

6. PCCLB Does Not Comply With Full And Public Disclosure Of Financial Interests.

The former PCCLB Executive Director and Board members have not been filing full and public disclosure of their financial interests with the Florida Commission on Ethics on an annual basis as required by Florida Statutes.

F.S. 112.3145 states:

“Disclosure of financial interests and clients represented before agencies.—

(1) For purposes of this section, unless the context otherwise requires, the term:

(a) “Local officer” means...

2. Any appointed member of any of the following boards, councils, commissions, authorities, or other bodies of any county, municipality, school district, independent special district, or other political subdivision of the state...

c. A board having the power to enforce local code provisions...

3. Any person holding one or more of the following positions: mayor; county or city manager; chief administrative employee of a county, municipality, or other political subdivision... or purchasing agent having the authority to make any purchase exceeding the threshold amount provided for in s. 287.017 for CATEGORY ONE (i.e. \$20,000), on behalf of any political subdivision of the state or any entity thereof.”

The PCCLB Executive Director and Board members are considered local officers according to F.S. 112.3145, and as such, should file a full and public disclosure of financial interests with the Florida Commission on Ethics on an annual basis as promulgated in F.S. 112.3144:

“Full and public disclosure of financial interests.—

(1) An officer who is required by s. 8, Art. II of the State Constitution to file a full and public disclosure of his or her financial interests for any calendar or fiscal year shall file that disclosure with the Florida Commission on Ethics.”

We Recommended Management and the Board:

Comply with Florida Statutes and ensure the PCCLB Executive Director and Board members file full and public disclosure of their financial interests with the Florida Commission on Ethics on an annual basis.

Status:

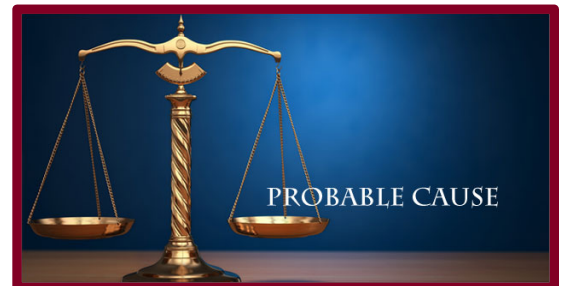
Acceptable Alternative. All PCCLB Board members file annual financial disclosure statements with the Florida Commission on Ethics. The Director confirmed with the County Attorney's Office she is not required to file the financial disclosure based on the organizational change from an independent agency to a County department.

7. There Are Opportunities To Improve The Efficiency Of The Probable Cause Determination Process.

The current process of determining if there is probable cause to move forward with an administrative complaint is inefficient. Per the PCCLB Rules and Procedures, updated November 18, 2008, the Probable Cause Panel's function is to make a determination as to whether probable cause exists that a violation of the provisions of the following has occurred:

- Chapter 75-489, Laws of Florida, as amended
- Chapter 489, Florida Statutes
- Rules promulgated by the PCCLB

A unanimous vote is required to make a determination as to whether probable cause exists. The Probable Cause Panel is the sole authority to find probable cause to authorize the filing of an administrative complaint.



There are inefficiencies in the process of determining probable cause. Case detail packets are not provided to panel members prior to the meeting. The case detail packets are presented in hard (paper) copy. This results in panel members having to spend significant time looking through thick case packets during the meeting.

Case detail packets are not well organized, and there are no page numbers to reference. This makes it difficult for panel members to find specific case information quickly.

The case detail packets often contain a number of pictures, but only the PCCLB Investigators' packets are printed in color (the panel members' packets are printed in black and white). When color pictures are needed for panel members to make certain determinations, the color pictures are removed from the Investigators' packets and distributed.

During our observation of a March 2017 Probable Cause Panel meeting, 46 cases were on the agenda. Of the 46 cases, 23 were discussed, with one case dating back to November 2016. The remaining 23 uncontested cases related to permitting issues and/or no contractor response received, with one case dating back to May 2015. In these instances, probable cause is automatic and the case is not subject to panel presentation. Discussing 23 cases in one meeting, some up to four months old, makes it difficult for the Investigator presenting to remember all the details of each case. The time it takes to discuss 23 cases is also quite lengthy.

During the course of our audit, in May 2017, the Board approved an amendment to the PCCLB Rules and Procedures, which made changes to the probable cause determination process. The amendment included changing the Probable Cause Panel to a Case Review Committee, which is composed of the Executive Director, a city or County Building Official (who is appointed by the Board Chair to serve on a rotating basis), and a PCCLB Senior Investigator. This addressed a problem we observed during the March 2017 meeting where there were only two panel members. When there was disagreement or one of the panel members recused them self, there was only one decision-maker. The amended PCCLB Rules and Procedures also require an administrative checklist for cases brought before the committee.

During our observation of a June 2017 Case Review Committee meeting, we noted use of a new administrative case review template that would help speed up the process; however, the template was not ready in time to be used for this meeting. The Investigator presenting cases was instructed to begin each case by stating which category the case fell into and cite the violation. However, the Investigator proceeded to give a detailed report of each case, which slowed down the process immensely.

The purpose of the Case Review Committee meeting is more of a supervisory function since the committee members are essentially reviewing Investigators' work to determine if sufficient documentation was obtained to move forward with the administrative complaint process. The current process of determining probable cause is unnecessarily lengthy and requires the involvement of multiple individuals, which results in loss of productivity and cases not being processed timely.

We Recommended the Board:

- A. Eliminate the Case Review Committee.
- B. Delegate the final responsibility for determining if there is probable cause to move forward with an administrative complaint to the PCCLB Executive Director or designee.

We Recommended Management:

- C. Assign a supervisor the responsibility of determining if there is probable cause to move forward with an administrative complaint instead of requiring a formal committee. A Code professional, such as a representative from the Pinellas County Building Services Department, can be contacted when a professional opinion is needed.

- D. Review cases on a more frequent basis to avoid a backlog, and to ensure the Investigator can recall pertinent information as needed.
- E. Require each case be categorized by age of case (date), complaint type, the violation identified, and a time line of events prepared prior to the supervisory review for probable cause determination.
- F. Provide case detail packets to decision-makers in advance and in electronic format, such as an indexed Adobe Acrobat File (PDF), for ease of navigation. A projector and screen could be used during meetings to display full color pictures and would allow the zoom function to be utilized when needed.

Status:

- A. **Acceptable Alternative.** Board Rule 11.04 was amended in November 2018 to eliminate the probable cause process and allow the Director and investigator to discuss a case, on an as needed basis, to determine if sufficient documentation exists to proceed with an administrative complaint. The Director may consult with a building official if the case includes a major violation of the Florida Building Code. Although the Case Review Committee still exists, it serves primarily as a supervisory function to be used as necessary. Therefore, this is an acceptable alternative to alleviate our concerns regarding the cumbersome probable cause process we noted in the original audit.
- B. **Implemented.** As the head of the Case Review Committee, Board Rule 11.04 grants the Director the sole authority to authorize the filing of an administrative complaint.
- C. **Acceptable Alternative.** Board Rule 11.04 was amended in November 2018 to eliminate the probable cause process and allow the Director and investigator to discuss a case, on an as needed basis, to determine if sufficient documentation exists to proceed with an administrative complaint. The Director may consult with a building official if the case includes a major violation of the Florida Building Code. Although the Case Review Committee still exists, it serves primarily as a supervisory function to be used as necessary. Therefore, this is an acceptable alternative to alleviate our concerns regarding the cumbersome probable cause process we noted in the original audit.
- D. **Implemented.** Cases are reviewed daily by the Investigations Manager and are presented to the County Attorney when they are set to go before the Magistrate or Board. Magistrate hearings take place monthly and sometimes twice in a month, as needed.
- E. **Implemented.** The case report is uploaded onto the CLD SharePoint site. The SharePoint case record contains very detailed information pertaining to complaint intake, pre-investigation, investigation, citation, and reporting. It also allows supporting documentation to be attached.

- F. **No Longer Applicable.** Cases are reviewed daily by the Investigations Manager, and the Case Review Committee meets on an as needed basis. Moreover, there is no longer a cumbersome probable cause process that necessitates organizing and indexing a large volume of case files.

8. The Examination Committees Composition Do Not Adhere To Legal Requirements.

The Examination Committees composition needs to be revised to adhere to the requirements outlined in the PCCLB Special Act. The Board currently utilizes two additional Examination Committees beyond the four outlined by the PCCLB Special Act, for a total of six Examination Committees.

The current Examination Committees and their member compositions include:

1. Building - 3 Contractors (1 is a Board member)
2. Electrical - 2 Contractors
3. Painting - 3 Contractors
4. Swimming Pool - 3 Contractors
5. Plumbing/Irrigation - 2 Contractors
6. Mechanical - 3 Contractors

Section 15 Examination Committees (1-3) of the PCCLB Special Act outlines the establishment of four Examination Committees, whose members shall be appointed by the Board. The Examination Committees are tasked with establishing and administering the qualifications for certification and the examination of contractors and journeymen seeking certification.

The PCCLB Special Act dictates the four committees to be established and their members, as follows:

1. *General Contractors Examination Committee*
 - a. The Board itself.
2. *Mechanical Contractors Examination Committee*
 - a. Chief Mechanical Inspector from the City of St. Petersburg, City of Clearwater, or County of Pinellas.
 - b. Two mechanical contractors residing and engaging in business within Pinellas County.
3. *Electrical Contractors Examination Committee*
 - a. Chief Electrical Inspector from the City of St. Petersburg, City of Clearwater, or County of Pinellas.
 - b. Two electrical contractors residing and engaging in business within Pinellas County.

4. Plumbing Contractors Examination Committee

- a. Chief Plumbing Inspector from the City of St. Petersburg, City of Clearwater, or County of Pinellas.
- b. Two plumbing contractors residing and engaging in business within Pinellas County.

None of the current Examination Committees include a Chief Inspector or equivalent, as required, creating a lack of representation from large municipalities. The lack of adherence to the PCCLB Special Act is a result of poor management and lack of oversight by the Board.

We Recommended the Board:

Revise the members of the current Examination Committees to emulate the composition outlined in the PCCLB Special Act.

Status:

Implemented. During the March 20, 2018, Board meeting, the Board appointed members of the Mechanical Committee, Electrical Committee, and Plumbing Committee in adherence to the composition requirements in the Special Act. During the same meeting, the Board appointed a Building Subcommittee to assist the Board to conduct the review of general contractor, building contractor, residential building contractor, and, on an ad hoc basis, specialty contractor applicants for local licensing. Committee nominations will be reviewed again at the next scheduled Board meeting.

9. There Are No Written Policies And Procedures For Several Functions Related To The Boards Of Adjustment And Appeals.

A. There Are No Written Procedures For Nominating Members.

There is no clear and transparent method for nominating members to the AA Boards. The PCCLB Special Act does not address the process to nominate members. Without written procedures for nominating members to the AA Boards, there is lack of consistency, transparency, and the process could have the appearance of favoritism.

The Board appoints members to the AA Boards. The nominations have been inconsistent over the years. Historically, members have been appointed several different ways, which includes, but is not limited to, the following:

- Nomination by trade organizations.
- Nomination by other Board members as required in the PCCLB Special Act.
- Names of members who wished to continue to serve were nominated for reappointment.

Also, according to the 2016-2017 roster of AA Boards' members, the terms of 14 of 25 members expired on December 31, 2016. Nominations have not been brought to the Board for appointment.

B. There Are No Written Policies And Procedures For Term Limits.

The Board created a two-year term limit for members of the AA Boards without developing written policies and procedures defining these term limits. Currently, the two alternates do not have term limits while the Board members' positions listed in the PCCLB Special Act have two year term limits. Without written policies and procedures, term limits are not clearly defined and transparent.

C. There Are No Written Policies And Procedures for Nominating Alternate Members.

The PCCLB Special Act does not list alternates as members of the AA Boards. Alternates are permitted according to the County Attorney's Office. There are no policies and procedures addressing nominations for the alternate member positions.

The process for the nomination of the alternate member positions of the AA Boards is not transparent, and these positions do not have the same term limits as the other AA Boards' members. Good business practice dictates that there should be written policies and procedures addressing nominations of alternate members of the AA Boards for transparency and consistency.

We Recommended the Board:

- A. Develop written procedures for nominating members to the AA Boards.
- B. Apply the developed written procedures for the AA Boards' nomination process for each expired membership.
- C. Develop written policies and procedures for term limits for members of the AA Boards.
- D. Develop written policies and procedures for nominating alternate AA Boards' members.
- E. Develop written policies and procedures for term limits for the alternate members of the AA Boards that coincide with the term limits of the other appointed members of the AA Boards.

Status:

- A. **Partially Implemented.** The PCCLB Board adopted Board Rule 24 to address the appointment of AA Board members. The PCCLB Board nominates AA Board members for terms of one year. AA Board vacancies are filled through the same process. Members of the PCCLB Board are prohibited from serving as members of AA Boards. Rule 24.01

stipulates the Florida Building Code AA Board is comprised as follows: two general contractors, a registered architect, a structural engineer, and a local government building official. There are four total AA Boards as follows: Florida Building Code; Plumbing, Mechanical, and Gas; Electrical; and Life Safety and Fire. Board Rule 24 only mentions the Florida Building Code AA Board by name, which makes it uncertain whether it applies to only that AA Board or to all four. We encourage the Board to expand Board Rule 24 to specifically reference the remaining three AA Boards, as it continues to run the risk of inconsistency and a lack of transparency in the AA Board nomination process.

- B. **Partially Implemented.** We reviewed the current AA Board rosters and noted the Florida Building Code; Electrical; and Mechanical, Plumbing, and Gas AA Boards had six vacant slots total. This does not comply with the composition requirements in the Special Act and Board Rule 24. Some appointments have been delayed due to the COVID-19 pandemic, but new AA Board appointments are expected in August 2020. We continue to encourage the Board to implement our recommendation fully, as it runs the risk of insufficient industry representation.

- C. **Implemented.** The PCCLB Board adopted Board Rule 24 to address the nomination of AA Board members. Board Rule 24.02 stipulates PCCLB Board members nominate AA Board members for terms of one year.

- D. **No Longer Applicable.** Board Rule 24.01 provides no allowance for alternate AA Board members. Although it was a past practice to appoint alternate AA Board members, current CLD Management confirmed this is no longer the case since there is no such provision in the Special Act. Consequently, there is no longer a necessity to develop written policies and procedures to address alternate AA Board member nomination.

- E. **No Longer Applicable.** Board Rule 24.01 provides no allowance for alternate AA Board members. Although it was a past practice to appoint alternate AA Board members, current CLD Management confirmed this is no longer the case since there is no such provision in the Special Act. Consequently, there is no longer a necessity to develop written policies and procedures to address alternate AA Board member term limits.

10. The Boards Of Adjustment And Appeals Did Not Always Follow The Provisions Of The PCCLB Special Act Or Robert's Rules Of Order.

A. The AA Boards Did Not Always Achieve A Required Quorum.

A review of seven appeals' cases revealed that three of the seven cases did not achieve a quorum. In two of the cases, only two members of the AA Boards were present. In the third case, although there were enough members present at the appeal to potentially achieve a quorum, two of the members did not have current valid contractor's licenses as required. Consequently, those members did not qualify to serve and should not have been permitted to serve.

The Board has not developed written policies and procedures for ensuring quorums of the AA Boards. The PCCLB Special Act does not address a required quorum for each of the AA Boards. When the governing law does not address the required quorum, the Board must rely on Robert's Rules of Order. In this case, a majority of members in each AA Board must be present to achieve a quorum. Robert's Rules of Order Online - Quorum Nominations Elections Bylaws Constitutions - Page 2 Paragraph 10 states:

"...there has been established a common parliamentary law principle, that if a bare majority of the membership is present at a meeting properly called or provided for, a majority vote (which means a majority of those who vote) shall be sufficient to make the act of the body, unless it suspends a rule or a right of a member (as the right to introduce questions and the right of free discussion before being required to vote on finally disposing of a question) and that a two-thirds vote shall have the power to suspend these rules and rights."

The actions of all AA Boards' meetings that did not achieve a quorum are void and are not enforceable. A new meeting must be scheduled with a valid quorum to approve the actions of the meetings that did not achieve a quorum.

B. Not All AA Boards' Members Are Qualified To Serve.

A review of AA Boards' members revealed three members who are not qualified to serve, because they do not possess a current valid contractor's license. The review also revealed two building inspectors from the cities of St. Petersburg and Clearwater are listed on the roster for 2016-2017 as "Natural Gas (plumber)." Neither building inspector hold a current contractor's license. The Board has substituted building inspectors for licensed contractors that are required by the PCCLB Special Act. The PCCLB Special Act, Section 32, specifies the composition of each of the AA Boards' membership, as follows:

"(1) The board shall create four Boards of Adjustment and Appeals as follows:

- (a) *A plumbing, mechanical and gas Board of Adjustment and Appeals consisting of one (1) mechanical engineer, two (2) plumbing contractors, two (2) natural gas contractors and two (2) mechanical or Class A air conditioning contractors. This Board of Adjustment and Appeals shall have the powers and duties specified in subsection (2) for appeals relating to plumbing, mechanical and gas codes.*

- (b) *An electrical board consisting of one (1) electrical engineer, two (2) electrical contractors and one (1) member of the building industry at large. This board shall have the powers and duties provided in subsection (2) for appeals relating to the electrical code.*

- (c) *A Board of Adjustment and Appeals for the Standard Building Code.*

- (d) *A life safety and fire code Board of Adjustment and Appeals consisting of two (2) active fire marshals, two (2) active building officials, and a fifth member to be selected from the joint recommendation of the fire marshals and building officials comprising said board.”*

F.S. 489.105(3) defines a contractor as:

“Contractor” means the person who is qualified for, and is only responsible for, the project contracted for and means, except as exempted in this part, the person who, for compensation, undertakes to, submits a bid to, or does himself or herself or by others construct, repair, alter, remodel, add to, demolish, subtract from, or improve any building or structure, including related improvements to real estate, for others or for resale to others; and whose job scope is substantially similar to the job scope described in one of the paragraphs of this subsection...”

A review of the existing AA Boards’ members revealed that five members did not meet membership requirements. Members who do not meet the requirements of the PCCLB Special Act are not permitted to serve on the AA Boards.

C. The Plumbing, Mechanical And Gas AA Board Does Not Meet The Required Membership Composition.

The current Plumbing, Mechanical and Gas AA Board does not meet the membership composition set by the PCCLB Special Act. One member is a licensed natural gas contractor, but is listed as "NATURAL GAS (engineer)" on the 2016-2017 roster. Two members are inspectors, which cannot be substituted for contractors.

The PCCLB Special Act, Section 32, defines the membership of the Plumbing, Mechanical and Gas AA Board as follows:

“(1) The board shall create four Boards of Adjustment and Appeals as follows:

(a) A plumbing, mechanical and gas Board of Adjustment and Appeals consisting of one (1) mechanical engineer, two (2) plumbing contractors, two (2) natural gas contractors and two (2) mechanical or Class A air conditioning contractors. This Board of Adjustment and Appeals shall have the powers and duties specified in subsection (2) for appeals relating to plumbing, mechanical and gas provisions of the Florida Building Code.”

Currently, the Plumbing, Mechanical and Gas AA Board is missing one natural gas contractor and one mechanical or Class A Air Conditioning contractor from the required membership.

D. The AA Boards Did Not Meet The Minimum Number Of Times Each Year.

According to the dates posted on the Pinellas County calendar of public announcements, the AA Boards did not meet every three months as required. The PCCLB Special Act, Section 32(2), states:

“The Board of Adjustment and Appeals shall meet as frequently as is required but not less often than once every three months.”

In 2014 and 2015, the AA Boards only met two times in each year. In 2014, the AA Boards met on March 3rd and November 10th. In 2015, the AA Boards met on May 8th and July 7th. In 2016, the AA Boards met three times on the following dates: March 7th, June 8th, and July 18th. According to staff, the PCCLB tries to schedule appeals within 10 days after receiving the appeal. The AA Boards do not have set meeting dates.

We Recommended the Board and Boards of Adjustment and Appeals:

- A. Develop written policies and procedures for the AA Boards regarding required members present to achieve a quorum.
- B. Schedule new AA Boards' meetings with valid quorums to approve the actions of all previous meetings that did not achieve quorums.
- C. Replace the members of the AA Boards who are not qualified to serve by bringing new nominations to the Board for appointment.
- D. Nominate and appoint members to the Plumbing, Mechanical and Gas AA Board that comply with the memberships listed in the PCCLB Special Act.
- E. Schedule regular AA Boards' meetings every three months to comply with the PCCLB Special Act.

Status:

- A. **Implemented.** Board Rule 24.03 states a majority of AA Board members constitutes a quorum.

- B. **Not Implemented.** The CLD has been unable to locate the records of previous AA Board meetings. We continue to encourage the AA Boards to implement our recommendation if the previous AA Board meeting records are located, as they run the risk of actions taken at previous meetings where a quorum was not achieved being challenged.

- C. **Partially Implemented.** We reviewed the current AA Board rosters and noted six vacant slots total in the Florida Building Code; Electrical; and Mechanical, Plumbing, and Gas AA Boards. Some appointments have been delayed due to the COVID-19 pandemic, but new appointments will be made in August 2020. We continue to encourage the Board to implement our recommendation fully, as it runs the risk of insufficient industry representation.

- D. **Partially Implemented.** Section 32 (1)(a) of the Special Act requires the following membership for the Plumbing, Mechanical, and Gas AA Board: one mechanical engineer, two plumbing contractors, two natural gas contractors, and two mechanical or Class A air conditioning contractors. A review of the Plumbing, Mechanical, and Gas AA Board roster revealed both natural gas contractor roster slots and one plumbing contractor roster slot were vacant. We continue to encourage the Board to implement our recommendation fully, as it runs the risk of insufficient industry representation.

- E. **Partially Implemented.** CLD Management indicated the AA Boards were in the process of establishing quarterly meeting schedules. A review of the PCCLB Board meeting website revealed three AA Board meetings scheduled in late 2019. The Life Safety and Fire AA Board met on August 23, 2019, and on August 27, 2019. The Florida Building Code AA Board met once on October 3, 2019. Prior to those meetings, the last documented AA Board meeting was in 2017. We acknowledge the more recent attempts to start scheduling AA Board meetings; however, this does not fulfill the requirement to meet at least every three months. We continue to encourage the AA Boards to implement our recommendation fully, as they continue to be non-compliant with the meeting frequency requirements in the Special Act.

11. Expired Permit Violations Were Not Heard Until Hours Into The Board Meeting.

During the May 23, 2017 Board meeting, contractors in attendance to speak on behalf of their expired permit violation cases were not heard until over three hours into the meeting, long after the consent agenda, which included their case, had been approved.

These cases were forwarded to the PCCLB from various building departments for disciplinary action by the Board due to expired permits. These cases were then presented to the Probable Cause Panel (now known as the Case Review Committee) whereby probable cause was found, an administrative complaint was served, and violations remained. The contractors were notified of the Board hearing.

The Board meeting agenda contains a consent section for contractors who have expired building permits; there is no separate item on the agenda to hear contractors who are present to speak on behalf of their case. The recommendation by the Interim Executive Director was to accept the allegations as filed in the administrative complaint as findings of fact and to enter a Final Order, which includes the following:

- Reprimand for permit violation
- Fine of \$500
- Administrative fees and costs

The agenda references a list of contractors that the Board will vote on, but the list is not published with the agenda (see OFI No. 76).

During the May 23, 2017 Board meeting, nine expired permit cases were part of the consent agenda. The contractors were not given the opportunity to speak until over three hours into the meeting.



Requiring contractors to wait hours into a Board meeting before they are given the opportunity to speak shows a lack of customer service. Etiquette dictates meeting attendees are provided the opportunity to speak timely. For contractors with pending cases, this will facilitate participation and reinforce that the Board treats each case fair and equitable.

We Recommended the Board:

Provide contractors in attendance at Board meetings the opportunity to speak on behalf of their expired permit violation prior to approving the consent agenda.

As an alternative, a section can be added to the formal agenda specifically to hear contractors who are in attendance to speak on behalf of their expired permit case. If contractors are in attendance, their case should be pulled from the consent agenda prior to approval.

Status:

Implemented. The PCCLB Board reformatted the meeting agenda to create an Informal Hearings section in the middle to allow citizens to discuss expired permit violations. According to CLD Management, although the agenda can be amended easily due to a new electronic process, the extended deadline to request a hearing has greatly reduced the need to pull items from the consent agenda.

PCCLB Finances

The PCCLB is a self-supporting, Independent Special District. Revenues are generated from fines and fees paid by contractors and journeymen to the PCCLB that are apart from the County. The PCCLB fund is not included in the County's overall Comprehensive Annual Financial Report (CAFR) fund reporting and audited financial statements. The PCCLB submits its Annual Audited Financial Report directly to the state each fiscal year, which begins October 1st and ends September 30th.

The PCCLB has an independent external audit each fiscal year-end, which requires an external auditor to provide an opinion about whether or not the PCCLB's financial statements present fairly, in all material respects, the financial position of the government activities and general fund of the PCCLB, in accordance with accounting principles. The PCCLB received an unqualified (clean) audit opinion for FY 2016. As previously mentioned, it is important to note that the IG's role is much different from the external auditor; we perform independent and objective internal audits and investigations of the PCCLB's overall management and operations. Internal audits and investigations provide accountability, transparency, and consistency in conducting day-to-day operations.

The PCCLB uses one governmental fund to account for operations. Fund accounting is used by governmental entities to ensure compliance with legal requirements. The PCCLB reimburses the County for administrative related transactions based on an Interlocal Agreement.

The administrative services provided by the following County entities to the PCCLB include:

- Fringe benefits – Human Resources Department (HR)
- Intergovernmental service charges – Office of Management & Budget (OMB)
- Information technology – Business Technology Services (BTS)
- Fleet services – Real Estate Management Department (REM)
- Risk financing – Risk Management Department (RM)
- Postage, printing, and binding – Clerk of the Circuit Court and Comptroller (CCC) Printing and Mail Services Department

In FY 2016, per the Interlocal Agreement, the PCCLB paid the County \$460,643 for administrative services. In addition, per the PCCLB Special Act, on a biennial (every two years) basis, the PCCLB transfers to the County's general fund uncommitted and unexpended funds. From FY 1994 through FY 2016, the PCCLB has transferred to the County over \$487,000. The most recent transfer was \$45,080 in FY 2016.

PCCLB sources of revenue include the following:

- Citations, administrative fines, and fees
- Application fees for journeymen and contractors
- Registration and renewals for state certified contractors

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- PCCLB active and inactive renewals
- Journeymen renewals
- Late renewals
- Countywide Board of Adjustment and Appeals
- Change of status
- Miscellaneous fees for items such as product approval, verification of license status, reciprocity letters, notary public services, and duplicate or replacement competency licenses
- Interest from securities and cash pools

The PCCLB maintains a reserve and fund balance for meeting future expenditures.

Listed below is a three year comparison of actual revenues, expenditures, beginning reserves, and ending reserves for FY 2015, FY 2016, and FY 2017 as of June 30, 2017.

Fund	FY 2015	FY 2016	As of June 30, 2017
Revenues	\$1,125,186.02	\$1,089,146.43	\$467,837.57
Expenditures	\$1,192,956.69	\$1,212,647.26	\$1,040,181.94
Beginning Reserves	\$888,942.69	\$821,172.02	\$697,671.19
Ending Reserves	\$821,172.02	\$697,671.19	\$125,326.82

Listed below is a three year comparison of actual revenues by revenue type for FY 2015, FY 2016, and FY 2017 as of June 30, 2017.

Revenue Type	FY 2015	FY 2016	As of June 30, 2017
Licenses	\$719,389.34	\$721,508.98	\$246,261.22
Citations	\$235,279.16	\$167,106.08	\$110,288.68
Administrative Fines	\$166,482.11	\$195,111.58	\$106,628.00

The PCCLB had the following outstanding as of July 25, 2017:

- 3,271 outstanding citations for a total amount of \$1,846,258.46
- 1,303 outstanding administrative fines for a total amount of \$557,922

The PCCLB accounts for revenues using a modified accrual basis of accounting; therefore, revenues are recognized when received, and outstanding fine amounts are not considered revenue. Expenditures are recognized when incurred.

The following pages present in detail issues identified during our review of PCCLB finances.

12. The PCCLB Cannot Continue To Support Itself Financially Without Strategic Changes.

The PCCLB cannot continue to support itself without increased revenue and/or reduced expenses. Per the PCCLB Special Act, the construction industry is regulated by the PCCLB in order to protect public health, safety, and welfare. If the PCCLB cannot support itself, the public will be left without a vital safeguard in the construction industry. In order for any organization to be financially viable, revenues must match or exceed expenses.

From FY 2015 through June of FY 2017, PCCLB's expenditures have exceeded revenues. However, healthy reserves have helped keep the PCCLB afloat financially. By end of FY 2017, most of the reserves will be depleted, leaving approximately \$250,000 to begin FY 2018. In comparison, the lowest reserves in the last five fiscal years, \$675,000 in the beginning of FY 2013, and the average beginning balance of reserves over the last five fiscal years was \$770,000. With revenues decreasing, expenditures increasing, and a substantially depleted reserves' fund balance at the end of this year, there are not enough funds to support the PCCLB long term. The PCCLB has previously estimated the agency will run out of funds in February 2018.

Contributing to the PCCLB's financial situation are declining revenues over the past three fiscal years. Part of the decline in revenues is due to a lack of productivity from two Investigators who spent working hours attending to personal activities instead of issuing citations. After the IG conducted formal interviews with the Investigators, both chose to resign or retire from employment with the PCCLB. The agency was put in a position to hire a contracted temporary investigator at a higher pay rate in order to increase productivity and generate revenue. In addition, negative media attention has likely decreased the public's trust and confidence in the PCCLB, causing some contractors to either not pay fines that are due, or not pay licensing fees.

Below is a financial analysis including actual revenues and expenditures from FY 2013 through June FY 2017, and revenue and expenditure projections from July 2017 through FY 2018. (Some of the following figures are projections based on formulas and calculations, which can result in rounding differences. When footing the totals, a difference of one penny can be attributed to these rounding differences).

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PINELLAS COUNTY CONSTRUCTION LICENSING BOARD
FUND 1071 CONSTRUCTION LICENSING BOARD

FINANCIAL VIABILITY ANALYSIS

	Actuals				IG Projection	
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 Actuals Through June 2017 + Projected through September 2017	Projected FY 2018
TOTAL REVENUES	\$ 1,147,495.03	\$ 1,248,371.44	\$ 1,125,186.02	\$ 1,089,146.43	\$ 883,360.70	\$ 810,040.76 (1)
RESERVES AND FUND BALANCES BEGINNING AND BUDGETED	674,658.47	767,991.15	888,942.69	821,172.02	697,671.19	241,845.05
TOTAL RESERVES AND FUND BALANCES	<u>674,658.47</u>	<u>767,991.15</u>	<u>888,942.69</u>	<u>821,172.02</u>	<u>697,671.19</u>	<u>241,845.05</u> (2)
TOTAL REVENUES, RESERVES AND FUND BALANCES	1,822,153.50	2,016,362.59	2,014,128.71	1,910,318.45	1,581,031.89	1,051,885.81
EXPENDITURES:						
TOTAL PERSONAL SERVICES	704,179.30	744,821.63	786,639.09	795,117.87	800,158.51	705,852.94 (3)
TOTAL OPERATING EXPENSES	349,983.05	361,876.19	406,317.60	372,449.39	539,028.33	633,377.46 (4)
TOTAL CAPITAL OUTLAY	-	19,392.08	-	-	-	25,000.00 (5)
TOTAL EXPENDITURES	1,054,162.35	1,126,089.90	1,192,956.69	1,167,567.26	1,339,186.84	1,364,230.39
TOTAL TRANSFERS	-	-	-	45,080.00	-	-
TOTAL OTHER USES	-	-	-	-	-	-
TOTAL EXPENDITURES, TRANSFERS AND OTHER USES	\$ 1,054,162.35	\$ 1,126,089.90	\$ 1,192,956.69	\$ 1,212,647.26	\$ 1,339,186.84	\$ 1,364,230.39
ENDING RESERVES AND FUND BALANCES	\$ 767,991.15	\$ 890,272.69	\$ 821,172.02	\$ 697,671.19	\$ 241,845.05	\$ (312,344.58)

Footnotes:

- (1) FY 2018 revenues from license renewals, citations, and administrative fines were projected by calculating the percentage change from FY 2016 to FY 2017 and applying it to FY 2017. FY 2018 revenues for all other categories were projected by taking an average of FYs 2015, 2016, and 2017. FY 2017 information includes actuals from October - June, and projections for July - September. Projections for July - September were calculated by annualizing actuals from October - June.
- (2) Reserves and Fund Balance for FY 2018 is equal to Ending Reserves and Fund Balances in FY 2017.
- (3) Personal Services' projections for FY 2018 include adjustments for two positions that will not be filled in the foreseeable future. In addition, some benefits' information was obtained from the Office of Management & Budget for FY 2018.
- (4) Operating Expenses for FY 2018 were based on available data, projected based on the percentage change from FY 2016 to FY 2017, or in one case, taking an average of FYs 2013 - 2016 since FY 2017 had uncommon expenses (contractual expenses for temporary employees).
- (5) Per the Office of Management & Budget, the PCCLB's budget for Capital Outlay for FY 2018 is \$25,000.

Based on FY 2018 revenue and expenditures' projections, there will be an estimated Ending Reserves and Fund Balance of **(\$312,344.58)**. Decisions must be made strategically going forward to ensure the PCCLB can continue to be financially viable in order to protect and serve the community with regard to the construction industry.

It is important to note that the Pinellas County Sheriff's Office (PCSO) began assisting the PCCLB with investigative duties on August 7, 2017. This partnership is expected to provide additional revenue through enhanced patrolling and more effective enforcement methods. However, this is a pilot program (with an anticipated end date of February 3, 2018). It is unknown at this time if the PCSO will continue assisting the PCCLB after that time, and if they do, what expenses the PCCLB may incur for these services.

We Recommended Management:

Implement strategic changes in order to improve the PCCLB's financial status.

Status:

Implemented. Austerity measures were initiated in 2017, and the Sheriff's Enforcement Pilot Project for unlicensed contractors provided for an increase in fine revenues. A bridge loan from the County was budgeted but was not required when revenues increased. Once the County took over the operation and investigative staff were hired, revenues increased substantially, bringing in over \$900,000 in excess revenues by the end of FY 2019.

13. PCCLB Fees Are Less Than The Average Fees Charged In Other Counties.

PCCLB fees are lower than the average of fees charged by the compiled benchmarked counties' construction licensing boards. We obtained fee information for the following local construction licensing boards:

- Charlotte County
- Collier County
- Sarasota County
- St. Johns County
- Palm Beach County

Some of the fees are significantly greater in other counties. For example, Pinellas County charges \$125 for a contractor application fee, but Palm Beach County charges \$450. Charlotte and Collier Counties also charge \$200 or more for their contractor application fees. A comparison of the PCCLB fees charged versus fees charged in other local counties, including an average of those other local counties, is as follows:

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	<u>PINELLAS</u>	<u>CHARLOTTE</u>	<u>COLLIER</u>	<u>SARASOTA</u>	<u>ST. JOHNS</u>	<u>PALM BEACH</u>	<u>AVERAGE OF 5 OTHER FL COUNTIES</u>
Application and Test Fee							
Contractor	\$125	\$200, \$250, or \$300	\$230	\$75	\$55 Test Fee + \$106 Application Fee	\$450	\$238
Specialty Contractor	\$125	\$150	\$205	\$75	\$55 Test Fee + \$106 Application Fee	\$450	\$208.20
Journeyman	\$50	\$50	\$80	\$75	\$55 Test Fee + \$106 Application Fee	\$100	\$93.20
Renewal of Active License (Local)							
Contractor	\$150 (Annual)	\$200, \$250, or \$300 (Biennial)	\$145 (Annual)	\$180, \$270, or \$360 (Biennial)	\$106 (Biennial)	\$250 (Biennial)	\$122.56 (Annual)
Specialty Contractor	\$150 (Annual)	\$150 (Biennial)	\$125 (Annual)	\$180 (Biennial)	\$106 (Biennial)	\$250 (Biennial)	\$93.60 (Annual)
Journeyman	\$35 (Annual)	\$50 (Biennial)	\$55 (Annual)	\$45 (Biennial)	\$50 (Biennial)	\$50 (Biennial)	\$30.50 (Annual)
Reinstate Expired License							
Contractor	\$125 + Late Fee + All Back Fees	\$25 + Late Fees + Renewal Fee	\$230 + Arrears	\$75 + Renewal Fee + Late Fee	\$50 + Late Fees + Renewal Fee	\$450	\$166
Specialty Contractor	\$125 + Late Fee + All Back Fees	\$25 + Late Fees + Renewal Fee	\$205 + Arrears	\$75 + Renewal Fee + Late Fee	\$50 + Late Fees + Renewal Fee	\$450	\$161
Journeyman	\$125 + Late Fee + All Back Fees	\$25 + Late Fees + Renewal Fee	\$80 + Arrears	\$75 + Renewal Fee + Late Fee	Not Specified	\$100	\$70

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and Grand Jury Presentment

	<u>PINELLAS</u>	<u>CHARLOTTE</u>	<u>COLLIER</u>	<u>SARASOTA</u>	<u>ST. JOHNS</u>	<u>PALM BEACH</u>	<u>AVERAGE OF 5 OTHER FL COUNTIES</u>
Other Fees							
Inactive Renewal	\$50	\$50	Not Specified	\$45	\$35	\$150	\$70
Voluntary Registration of State Certified Contractors	\$35	\$0	\$45	\$45	\$50	\$50	\$38
Letters of Reciprocity	\$20	\$5 (First One Free)	\$55	\$75	\$30	\$75	\$48
Late Fees	\$100	10% After 30 Days = \$20, \$25, or \$30 25% After 60 Days = \$50, \$62.50, or \$75 50% After 90 Days = \$100, \$125, or \$150	\$20 Per Month	50% of Renewal Fee \$135, \$202.50, \$270	\$30 Within 90 Days and \$106 Within 12 Months	\$25 Per Month	30 Days = \$84.17 60 Days = \$98.33 90 Days = \$127.50 6 Months = \$150.95

The average fees of the benchmarked counties may be a more reasonable figure to compare against the fees charged by Pinellas County. The average fee was achieved by calculating the total fees noted per item and dividing by the number of fees noted. The following table includes Pinellas County fees, the average of the five benchmarked counties, and the difference between Pinellas County and the average.

<u>Fee Type</u>	<u>Pinellas</u>	<u>Average</u>	<u>Variance</u>
Application and Test Fee			
Contractor	\$125.00	\$238.00	(\$113.00)
Specialty Contractor	\$125.00	\$208.20	(\$83.20)
Journeyman	\$50.00	\$93.20	(\$43.20)
Renewal of Active License (Annual)			
Contractor	\$150.00	\$122.56	\$27.44

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and Grand Jury Presentment

<u>Fee Type</u>	<u>Pinellas</u>	<u>Average</u>	<u>Variance</u>
Specialty Contractor	\$150.00	\$93.60	\$56.40
Journeyman	\$35.00	\$30.50	(\$4.50)
Reinstate Expired License			
Contractor	\$125.00	\$166.00	(\$41.00)
Specialty Contractor	\$125.00	\$161.00	(\$36.00)
Journeyman	\$125.00	\$70.00	\$55.00
Other Fees			
Inactive Renewal	\$50.00	\$70.00	(\$20.00)
Voluntary Registration of State Certified Contractors	\$35.00	\$38.00	(\$3.00)
Letters of Reciprocity	\$20.00	\$48.00	(\$28.00)
Late Fees	\$100.00	30 Days = \$84.17 60 Days = \$98.33 90 Days = \$127.50 6 Months = \$150.95	30 Days = \$15.83 60 Days = \$1.67 90 Days = (\$27.50) 6 Months = (\$50.95)

Pinellas County's fees fall below the average in several of the reviewed categories. Most significantly are the application and test fees, the reinstatement fees for contractors, and the voluntary registration fee for State certified contractors. Pinellas County charges \$125 for the application/testing fee for contractors and specialty contractors, but the averages for the other counties are \$238 and \$208.20, respectively. This is a difference of \$113 and \$83.20 for each application received. For the journeyman level applications, Pinellas County charges \$50, but the average is \$93.20, leaving a difference of \$43.20.

Pinellas County charges a reinstatement fee of \$125 for contractors, specialty contractors, and journeymen, but the average for the benchmarked counties are \$166, \$161, and \$70, respectively. While Pinellas County does charge more than the average for the journeyman reinstatement, they fall short of the average by \$41 and \$36 when it applies to contractors.

Based on data extracted from the PCCLB Oracle database on July 7, 2017, PCCLB has 7,291 State licensed contractors actively renewed. Increasing its annual renewal fee from \$35 to \$50 or \$55 will better align the fee with the benchmark and increase the PCCLB revenues by \$109,365 or \$145,820, respectively.

We noted that several of the benchmarked counties are utilizing a biennial renewal process for contractor renewal fees. They charge a higher renewal fee, but on a biennial basis. In order to

compare on an annual renewal basis (as is charged by PCCLB), the renewal fees were divided into an annual rate prior to averaging. The contractor, specialty contractor, and journeyman renewal fees currently being charged by the PCCLB are similar or above the average.

Other areas where the PCCLB fee structure falls below the average are the inactive renewal fees, the letters of reciprocity (verification) fee, and the late fees being charged at or beyond 90 days. Pinellas County charges \$20 for letters of reciprocity, but the average is \$48 leaving a difference of \$28 for each letter issuance. According to the PCCLB Oracle database, there were 96 transactions listed for 2015 and 53 transactions listed for 2016. Increasing the letter of reciprocity fee from \$20 to \$45 or \$50 will bring their fee structure more consistent with the benchmark and more than double their revenue for this service.

PCCLB defines a renewal that transpires on October 1 or later as "late." Pinellas County charges a flat rate of \$100 as a late fee regardless of whether the renewal fee is paid 30 days, 60 days, 90 days, or 6 months late. Some counties have established a tiered or a per-month fee structure; others have structured their late fee as a percentage of the renewal fee. For late renewals that fall within 1 - 89 days, Pinellas County charges a fee close to the average. However, with late renewals at 90 days or greater, Pinellas County begins to fall below the average. Compared to the average, Pinellas County charges \$27.50 less when the renewal is late at or beyond 90 days. At the 6 month mark, the difference grows to \$50.95.

Based on examining the PCCLB Oracle database records on July 7, 2017, there were 2,403 late renewals. Of those late renewals, only 248 were local contractors; 2,155 were late renewals of the voluntary registrations of State licensed contractors. Of the local contractor late renewals, 54 of these renewals were late by 90 days or greater; 591 of the voluntary State licensed contractors were late by 90 days or greater. The PCCLB does not assess a late fee to the voluntary registrations of State licensed contractors. By not charging the \$100 late fee for the State licensed renewals, there is no incentive for these contractors to renew timely nor is there an incentive for these contractors to renew every year. As there was no late fee requirement in place for these contractors, the PCCLB missed out on greater than \$215,500 in late fee revenue.

If the PCCLB would consistently assesses the late fee penalty for any and all renewals and if they would increase the late fee penalty or transition to a tiered late penalty structure, there would be an increased incentive for the contractors to renew timely and result in a more stable renewal fee revenue stream.

PCCLB fee schedules have not been adjusted since 2002, and have not been compared to rates being charged in other Florida counties. It is a good business practice to review similar agencies as benchmarks to determine that operations and pricing are in line with others. Benchmarking the fee schedules of similar construction licensing boards in the surrounding Florida counties would provide an idea of reasonable and competitive fees in a similar market.

We Recommended Management and the Board:

Consider revising their fee structure to coincide with those of other Florida county construction licensing boards.

Status:

Implemented. The Board adopted a new fee schedule, Board Rule 6.02, which became effective on September 19, 2017. The new fee schedule aligns with average fees charged by comparable operations throughout the State of Florida.

14. Internal Controls For Safeguarding Funds Are Inadequate.

During our review of the PCCLB's internal controls, we noted several control deficiencies for safeguarding funds. These deficiencies include:

- Receipt and processing of checks
- Physical security of funds
- Non-compliance with policies and procedures

Internal controls assist in preventing and detecting fraud, which includes using a system of checks and balances to ensure no one person has control over all parts of a financial transaction. Adequate internal controls are essential to safeguard cash receipts. These controls help ensure that cash is brought under control immediately upon receipt and that procedures are in place at each step in the process to ensure cash is properly secured and accounted for.

Internal controls include the use of physical security controls. Physical security focuses on the safety of people and the proper maintenance and control of assets. Listed below in further detail are the areas that we identified as having internal control deficiencies.

A. Internal Controls Are Not Adequate For Checks Received By Mail.

The current process used by PCCLB staff for checks received by mail entails an Office Specialist opening the mail, logging the checks electronically, and then taking the checks to a Senior Office Specialist for receipt of payment processing. The two Senior Office Specialists routinely collect and record the receipt of fines and fees in the PCCLB Cash Register application.

Staff, typically an Office Specialist, opening the mailed payments or processing payments for the day prepare an electronic check log. The check log includes the following items:

- Contractor name
- License number
- Subject (reason for payment)
- Amount paid
- Grand total amount paid for all checks
- Initials of the staff preparing the log



The electronic check log is a good control component; however, the log is not printed and given to a Senior Office Specialist to initial as verification that all checks received by mail were given to them. The Office Specialist has no verification that all checks were accepted and verified by the Senior Office Specialist. The check log is not currently included with the end of day receipt balancing reports and forwarded for supervisory review. In addition, whenever possible, two employees should open the mail. Currently, one staff member opens the mail and logs the checks.

Best practices to prevent and detect fraud include that when opening mail, checks are listed on a log before turning them over to the person responsible for depositing receipts. The log is updated when checks are recorded, balanced, and approved, which provides for accountability.

B. Checks Are Not Endorsed In Accordance With Best Practices For Cash Control.



Checks that are received for payment of fines and fees by mail or in-person at the PCCLB are not endorsed immediately. Instead, the checks are delivered to a Senior Office Specialist who processes the payments. The current process entails the Senior Office Specialist endorsing all checks with a restrictive bank deposit stamp, "*For Deposit Only*," just prior to the daily bank deposit. The bank deposit stamp is not sufficient since it does not provide the bank name and account number specific for PCCLB deposits.

Best practices for cash control have not been implemented for check endorsements, which increases the potential for misuse of checks that have not been immediately endorsed with a restrictive bank deposit stamp. Best practices for handling and safeguarding checks include immediately endorsing checks with a restrictive bank deposit stamp when payment is received in-person or by mail.

C. Internal Controls Are Not Adequate For Safeguarding Cash During Business Hours.

Cash, checks, and credit card receipts are unsecured during PCCLB business hours. The Senior Office Specialists collect payment of fines and fees daily at the PCCLB. Payments are made by cash, checks, or by credit card. The current process used to collect fines and fees includes

accepting payment, entering the payment information into a desktop computer, and printing the customer receipt. Cash, checks, and credit card receipts are placed in a letter- sized unsealed envelope in an unlocked desk drawer. The funds collected are kept separate for each Senior Office Specialist.

The transactions are processed on a desktop computer rather than a cash register system. Management has not implemented a proper cash register system, which includes locked drawers. The BCC and CCC departments utilize cash register systems. These registers provide physical control and safeguard cash during business hours.

There are occasions when the same staff is required to retrieve files, scan, or photocopy documents away from the customer service area. It may not be feasible to monitor customers or other employees in the customer service area during these occasions, thus increasing the risk for stolen or lost funds.

D. The Safe Location Does Not Adhere To Best Practices For Cash Control.

The PCCLB safe is located in the office of the primary custodian for petty cash and change funds. The safe is used to secure the petty cash fund of \$300 and the change fund of \$150. In some instances, the cash collected for fines and fees must be locked in the safe overnight until the following business day when it is deposited.



The primary cash custodian has the safe located in her office. There are five employees who have the combination and access to the safe, including the primary cash custodian.

The safe should be located where it is continually visible by departmental employees, but out of public sight. Management has not located the safe to adhere with best practices.

There is potential for an employee to misuse funds locked in the safe since the safe is located within the primary cash custodian's private office. The primary cash custodian can easily access the safe at any time undetected.

E. There Are Inadequate Internal Controls For Safe Access.

No log is maintained indicating who, when, and why the PCCLB safe was opened. The current process used by PCCLB staff does not require tracking employees who access the safe.

Our review of safe access indicated that appropriate employees have the safe combination as long as job related roles do not change. Currently, five employees have the safe combination, including the primary cash custodian. If job related roles change or employees leave the PCCLB, the safe combination should immediately be changed to prevent access of individuals who no longer require entry.

Management has not implemented the use of a safe log, which would provide a trail of safe access. Without a safe log, there is no accountability for missing or misused funds. A safe log should be maintained to document who accessed the safe and when. This would require logging the following for employees accessing the safe:

- Name of employee
- Date and time
- Purpose

Only those authorized employees with the safe combination should be allowed to access the safe. Best practices also suggest that the safe be opened by two employees present at all times.

F. Transporting Cash Is Creating A Liability For The PCCLB And Putting Employees At Risk.

PCCLB cash in transit is not secured for daily bank deposits. There are two Senior Office Specialists at the PCCLB, who process payments received for fines and fees. At the end of each business day, one Senior Office Specialist prepares the deposit and physically takes (drives) the deposit to the bank in her personal vehicle. There is more than one bank location that the Senior Office Specialists use to make the deposits.

The daily physical deposit transactions are averaged as follows:

- \$3,098.87 in FY 2015
- \$2,933.03 in FY 2016
- \$1,666.99 in FY 2017 (as of June 26, 2017)

The majority of revenue is collected during the months of September and October when license renewals are due. The deposit amounts are significantly higher during this period. For example, in FY 2015, during the month of September, a deposit exceeded \$24,000 in one business day. This is a significant amount of cash and checks to transport without secured armored services.

The BCC and CCC departments contract with armored security services to transport funds to banks' servicing centers. The PCCLB also uses the same banking institution/servicing centers as other County departments, who could also use armored security services to transport funds to banks' servicing centers.

Management has not utilized armored transportation services, which potentially creates a liability for the PCCLB. The safety of employees and security of funds would be compromised in the event of a theft. Time management is negatively impacted due to the time it takes the employee to drive and make the deposit.

Best practices for physical security over cash recommend the use of armored security services when transporting cash from one location to another.

G. Internal Controls For Manual Receipts Are Inadequate.

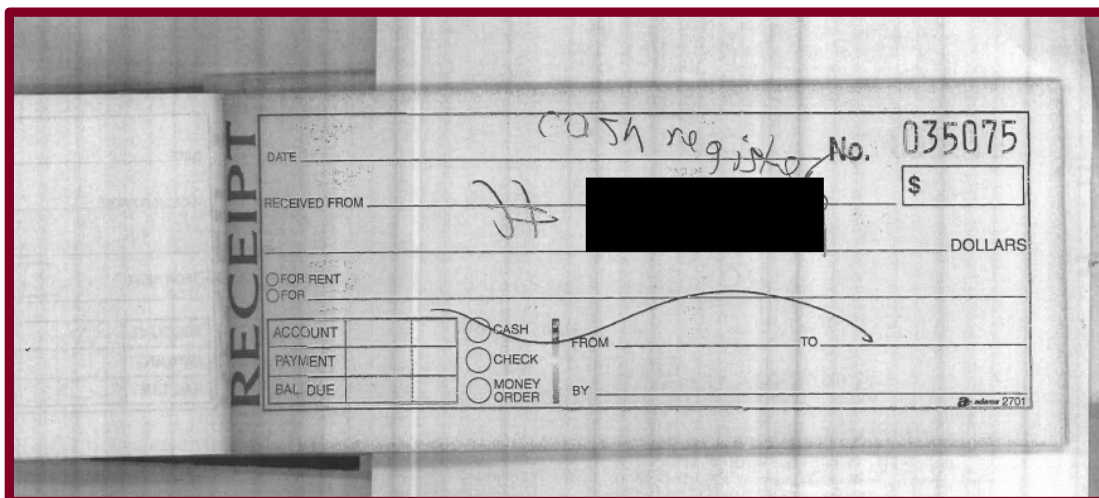
PCCLB staff typically issue computer generated receipts to customers for payments of fines and fees. However, in some instances, manual receipts are issued instead from cash receipt books. Staff stated that on most occasions, manual receipts are issued for cash payments made after 4:00 p.m., right before the office closes. The cash receipt books are in sequential order and contain a three-part carbon receipt (white, yellow, and pink). There are 50 receipts pre-numbered in each cash receipt book.

We reviewed two cash receipt books that are currently in use, book number one containing receipt numbers 035001 - 035050, and book number two containing receipt numbers 035051 - 035100. Both cash receipt books had unused receipts. During our review of the cash receipt books, we noted the following control weaknesses:

- The receipt books are shared by employees.
- The pink or yellow copy is not attached with daily balancing reports.
- There is no periodic review of the cash receipt books by a supervisor.
- The cash receipt books currently used are not secured in a locked cash drawer.
- Unused cash receipt books are not stored in the safe.
- There are no policies and procedures for issuing manual receipts.

We also noted during our review:

- Receipt number 035073 was missing.
- Receipt number 035075 referenced a Cash Register receipt, but no information was filled out on the receipt.
- Receipt number 035013 was not used (break in sequence).
- Receipt number 035020 was voided by the cashier with no supervisor's initial for approval.



Without proper monitoring and control of manual receipts, misuse of cash may not be discovered. A missing receipt may indicate that a transaction has not been recorded or funds have been stolen and the receipt destroyed to hide the theft. There is always a high risk of theft when handling cash. The cashier could potentially steal the cash, not enter the transaction into the computer, and therefore, a payment would never be recorded.

H. Petty Cash Is Not Counted And Balanced Monthly By The Supervisor Of The Custodian.

Although petty cash is counted and reconciled during replenishment, it is not counted monthly by the supervisor or an appointed designee. The PCCLB has one primary cash custodian and one alternate custodian. Petty cash is counted and reconciled when submitted to the CCC Finance Division for reimbursement. The frequency of reimbursement submittals depends on the need for fund replenishment. The authorized PCCLB petty cash fund is \$300.



Cash fund policies and procedures are controls that are designed to safeguard cash. The CCC Finance Division's Petty Cash and Change Fund Policy and Procedures state the following:

“At a minimum each fund should be counted and balanced monthly by the supervisor of the custodian or other designee.”

The cash custodians were not aware of the requirement to have a supervisor or designee count the fund monthly. Non-compliance with policies and procedures can increase the risk of misuse of petty cash funds.

I. The Change Fund Is Not Secured During Business Hours.

During the business day, the change fund is kept in a white envelope in an unlocked desk drawer located behind the customer service counter. The PCCLB has a change fund of \$150, which is used to make change for payments received at the PCCLB customer service counter.

On some occasions, the Senior Office Specialists, who perform the cashiering duties, are required to retrieve files, scan, or photocopy documents away from the customer service area. It may not be feasible to monitor customers or other employees in the customer service area during these occasions, thus increasing the risk for stolen or lost funds. Security of assets includes restricting access of cash to as few people as possible and locking cash in a secured location.

We Recommended Management:

- A. Implement the following internal controls for checks received by mail:
- Require two employees to open mail.
 - Format the check log to include columns for the Senior Office Specialists and Supervisor or independent employee to document their review.
 - Print the check log and submit both the log and checks to the Senior Office Specialists for receipt processing.
 - Include the check log in the daily receipts processing for supervisory or an independent employee to document the review.
 - Scan and electronically file the completed check log, or as an alternative, the individual responsible for opening the mail can maintain the manual check log.
 - Reconcile the check log against deposits periodically.
- B. Endorse checks for deposit immediately after they are received by mail or in-person with a restrictive endorsement bank deposit stamp to include the PCCLB bank name and account information.
- C. Implement a Cash Register system to include securing cash in a locked drawer during business hours. Staff should have separate cash funds and cash registers.
- D. Relocate the safe to a centralized secured location. The safe should be located where it is continually visible by departmental employees, but out of public sight.
- E. Implement the following internal controls for safe access:
- Maintain a log for safe access recording the employee name, date, time, and purpose.
 - Immediately change the safe combination when job related roles change or employees leave the entity to prevent individuals who no longer require access from entering the safe.
 - Update the safe combination at least annually.
 - Require two employees to open the safe at all times.
- F. Contract with an armored truck service to transport bank deposits. A cost effective solution is to piggyback on another armored truck service currently under contract with the Board of County Commissioners or Clerk of the Circuit Court and Comptroller departments.
- G. Implement the following controls for manual receipts:
- Require separate cash receipt books for each cashier.

- Attach the carbon copy of the receipt to daily balancing reports and cross reference the Cash Register receipt number.
 - Require a supervisor to periodically review cash receipt books.
 - Require active cash receipt books be locked in the cash drawer.
 - Require unused cash receipt books be locked in the safe.
 - Develop and implement written procedures for manual receipts.
 - Have the Clerk of the Circuit Court and Comptroller, Printing and Mail Services Department, print PCCLB official, pre-numbered cash receipt books.
- H. Require the supervisor of the cash custodians or designee to count and balance the PCCLB petty cash fund on a monthly basis to comply with the Finance Division's Petty Cash and Change Fund Policy and Procedures.
- I. Secure change funds in a locked till, drawer, or cash box during business hours.

Status:

- A. **Acceptable Alternative.** Management stated that, due to staffing limitations, one employee opens all mail. The department's procedures requires that separate employees open the mail, log the checks, and prepare the deposit. All deposit reports are reviewed and approved by the Director or the designee who is either the Deputy Director or the Investigations Manager. Our review of the process indicates that internal controls are adequate for checks received by mail. Although only one employee opens the mail, proper separation of duties have been implemented by management to circumvent the risk of fraud.
- B. **Acceptable Alternative.** Management stated the department does not have a mail clerk position, but the current procedure is that one specific employee is assigned the task of opening the mail. A separate employee logs the checks which are then processed and endorsed by a different employee. All deposit reports are reviewed and approved by the Director or the designee who is either the Deputy Director or the Investigations Manager. Our review indicates the process is adequate. Typically, checks received in the mail should be endorsed "For Deposit Only" before the checks are logged. However, since the checks are logged by a separate employee, this separation of duties should circumvent the risk of fraud.
- C. **Implemented.** Each cashier maintains a separate locked change fund drawer during business hours.
- D. **Implemented.** The safe is located in the interior office within plain sight of numerous staff members and secured from public view.
- E. **Implemented.** Management has implemented adequate controls for safe access. Two employees are required to access the safe and sign and initial the safe log. The petty

cash fund has been eliminated, as has the separate change fund. Therefore, the necessity for safe access throughout the business day has decreased.

- F. **Implemented.** The CLD was added to an existing County courier contract. The courier is a secured, bonded transport agency which picks up the daily receipted funds from the CLD location and delivers the funds to the bank for deposit.
- G. **Acceptable Alternative.** All receipts and voids are electronically generated.
- H. **No Longer Applicable.** The Petty Cash Fund was dissolved in July 2019.
- I. **Implemented.** All cash is secured in locked drawers during work hours and in the safe during non-business hours.

15. Internal Controls For Cashiering Processes Are Inadequate.

A. There Is Lack Of Oversight For Cashiering Processes.

PCCLB cashiering processes are performed daily without review and approval by a supervisor or independent employee. The PCCLB is a small department with only two Senior Office Specialists that process cash receipts for the collection of fines and fees. The cashiering processes include the following:

- Accepting payments for fines and fees.
- Entering payments in the Cash Register application.
- Printing customer receipts.
- Reconciling transactions to collected funds.
- Reconciling credit card transactions.
- Making bank deposits.
- Uploading all supporting documentation and bank deposit receipts into the County's Oracle Project Unified Solution (OPUS) system the next business day.



The daily receipts/reports uploaded to OPUS include the following:

- Register Balancing Report (includes breakout of types of transactions).
- Daily Cash Register Receipt Detail Report.
- Bank deposit ticket and receipt.

These processes are used on a daily basis without review and approval by a supervisor or independent employee. Proper levels of supervision have not been implemented at the PCCLB. Lack of oversight increases the risk of errors and misappropriation.

Cash controls include proper segregation of duties. Ideally, different employees should receive, deposit, record, and reconcile payments. However, it may not be feasible to fully segregate all cash-related duties in small departments, such as the PCCLB. In this situation, increased monitoring must compensate for less than fully segregated cash control.

The CCC utilizes the Accounting Policies and Procedures Manual, Court and Operational Services Divisions, to properly segregate accounting functions. This manual is a benchmark to properly control cash related activities.

B. A Supervisor Is Not Verifying Deposits And Counting The Change Fund Daily.

A supervisor is not verifying the daily deposit slip and bank deposit receipt. In addition, the change fund is not counted daily by a supervisor to ensure it balances to the authorized amount of \$150.

The current process entails two Senior Office Specialists preparing the daily deposit for cash and checks received for the payment of fines and fees. The change fund is used to make change for payments received at the PCCLB customer counter. As noted above, there is a lack of oversight for cashiering functions. This includes ensuring the change fund reconciles to the amount authorized daily.

The CCC Finance Division's Change Fund Policy and Procedures, Section XIII, Change Fund Procedures, states the following:

"Change funds should be used by departments who handle cash transactions to make change for the cash drawer. The approved custodian is responsible for maintaining the fund at its approved balance. At the beginning of each day the change fund should only contain the approved balance. At the end of each day the custodian shall deposit funds in excess of the approved change fund balance. The supervisor should verify the deposit and count the change fund..."

Staff was not aware of these policies and procedures, and therefore, misuse of funds may go undetected.

C. Segregation Of Duties To Void Cash Register Transactions Is Not Adequate.

There is no review and approval process for voided transactions. During the process of evaluating the controls over cash receipts, we noted that the two employees who perform the cashier daily cash balancing and prepare the bank deposit are also voiding transactions in the Cash Register system.

At the end of each business day, cash balancing reports are generated. The Daily Cash Register Receipt Detail Report lists all receipts processed for the collection of fines and fees. The receipts are in sequential order and any voided transactions appear on the report. Although these features are good controls, there is no supervisor review or approval of the report. Without proper monitoring, these controls can be circumvented.



Employees who perform the daily cash balancing/reconciliation and prepare the bank deposit also void cash transactions in the Cash Register application. Adequate segregation of cash functions has not been established. The risk exists that an employee could void a transaction in the Cash Register system from their computer and misappropriate the cash for that transaction when preparing the bank deposit.

Best practices for internal controls over cash activities include accountability, authorization, and approval. Cash accountability ensures that cash is accounted for, properly documented, secured, and traceable to specific cash handlers. Proper controls include supervisors or Management authorizing and approving all voided transactions.

D. Policies And Procedures Are Incomplete For Senior Office Specialist Processes.

The Senior Office Specialist processes for the collection of PCCLB fines and fees include:

- Accepting payments for fines and fees.
- Entering payments in the Cash Register application.
- Printing customer receipts.
- Reconciling transactions to collected funds.
- Reconciling credit card transactions.
- Making bank deposits.
- Uploading all supporting documentation and bank deposit receipts into the OPUS system the next business day.

A hard copy binder with written instructions has been prepared for some of the processes by backup staff. However, the instructions are not formal written policies and procedures that have been reviewed and approved by Management. The binder serves as a guide for backup staff to access. In addition, the written instructions that have been prepared to date are not electronically available for other staff to access.

Written policies and procedures have not been completed by staff and reviewed and approved by Management. Without written policies and procedures, unauthorized deviations may occur that could cause processing errors and unaccountability of receipt transactions.

Written policies and procedures provide guidance that is necessary to properly and consistently carry out departmental activities at a required level of quality. The establishment of policies and procedures provides the opportunity for Management to ensure that adequate processes and internal controls have been established. The development of policies and procedures also support the cross-training and backup for key staff functions. It is Management's responsibility to establish written policies and procedures covering key department processes. The policies and procedures should be in sufficient detail to provide standard performance criteria and reduce the risk of misunderstanding and/or unauthorized deviations that could cause processing errors.

We Recommended Management:

- A. Appoint a supervisor or independent employee to review and approve cashiering processes. This includes the appointed employee counting the cash drawer, and reviewing and approving supporting documentation prior to the bank deposit. In addition, the appointed employee should electronically review and approve the information uploaded to the OPUS system the next business day.

- B. Implement the following controls for the change fund:
 - Appoint a supervisor or independent employee to verify the deposit and count the change fund on a daily basis.
 - Document verification and counts as evidence of performance.

- C. Implement the following proper segregation of duties for voided Cash Register transactions:
 - Require a supervisor or independent employee to authorize and approve all voided Cash Register transactions.
 - Require a notation in the system stating the reason for the voided transaction as part of the approval process.

- D. Complete and approve written policies and procedures for Senior Office Specialist processes. The policies and procedures should be available electronically for all appropriate staff to access.

Status:

- A. **Implemented.** Management stated new cashiering processes were developed in accordance with the IG recommendations and instituted by the Director. The Clerk's Office has reviewed and validated the processes. According to the Financial Procedures within the CLD Team Member Handbook, the Senior Office Specialist prepares the daily deposit from the check logs and the PCCLB/OPUS application entry. The Director and/or Managing Supervisor also review and approve the deposit as part of the overall daily financial process. This review includes verifying the deposit preparation and entries.

- B. **Implemented.** An independent employee reviews, validates, and signs off on the deposits. Once the bank receipt is returned, the Director, Deputy Director, or independent employee reviews the deposit documentation and signs off. According to the Financial Procedures within the CLD Team Member Handbook, the Senior Office Specialist prepares the daily deposit from the check logs and the PCCLB/OPUS application entry. The Director and/or Managing Supervisor also review and approve the deposit as part of the overall daily financial process. This review includes verifying the deposit preparation and entries.

- C. **Implemented.** The process now requires an independent employee review and sign off on voided transactions.

- D. **Partially Implemented.** Management has documented the receipts and cash reporting process on a flowchart which provides each employee's responsibility. Management stated all work processes will be documented in a desk manual and distributed to each employee. We encourage Management to continue to develop and implement written policies and procedures to provide guidance that is necessary to properly and consistently carry out departmental activities at a required level of quality. Without written policies and procedures, unauthorized deviations may occur that could cause processing errors and unaccountability of receipt transactions.

16. Outstanding Citations Have Not Been Reconciled.

Citations due from contractors have not been reconciled to reflect an accurate amount outstanding. We requested a list of outstanding citations from Management. Management provided IG a report generated by BTS of all unpaid citations as of July 25, 2017.

Management stated the report is not accurate because many citation cases deemed uncollectible have not been voided. Our review indicated there are outstanding citations over 15 years old (dating back to 2002) with no payment history. Over 60% of all outstanding citations listed on the report are over a year old. Outstanding citations are tracked in the PCCLB Oracle application. The PCCLB uses a modified accrual basis of accounting. Revenues from citations are not recognized (posted) until the payment is received.

Contractors that are non-responsive to citation payment terms and Final Orders by an administrative hearing are subject to a Final Order and property lien recorded in the public records. For citations served, but not recorded, the statute of limitations may apply to bring enforceable action by civil suit.

Management stated it can sometimes be difficult to find and serve the contractor with the citation, and thus, enforce payment by legal action. The contractor must be served the citation by a process server or receive the citation by certified mail in order for the PCCLB to enforce further action.

The PCCLB does not currently outsource past due citations to a collection agency (see OFI No. 18 for further discussion).

As of July 25, 2017, the BTS report reflects 3,271 outstanding citations, which total \$1,846,258.46. This is a substantial amount of potential revenue that should be reconciled to provide for proper financial planning and budgeting. The PCCLB also generates reports, which list payments made in addition to outstanding citations. Any payments on the reports generated by the PCCLB should be reconciled to the general ledger revenue accounts in the County's OPUS system. Management also provided a BTS generated report of all unpaid administrative fines as of July 25, 2017, which total \$557,922 (see OFI No. 17). The impact on revenue of all unpaid administrative fines and citations is over \$2.4 million.

Management has not reconciled past due citations to determine an accurate amount outstanding. In addition, cases have not been voided in the PCCLB Oracle application that are deemed uncollectible due to the statute of limitations.

Proper financial planning and budgeting cannot be performed without accurate records. Cases where collection efforts are not performed timely may become uncollectible due to the statute of limitations.

Reconciliation refers to keeping financial or other records in balance, in agreement, and accurate. Outstanding citations should reflect an accurate, collectible amount based on the statute of limitations.

We Recommended Management:

- A. Reconcile outstanding fines and fees. As part of the reconciliation process, payments on the report should be reconciled to the general ledger revenue accounts in the County's Oracle OPUS based system.
- B. Reconcile all outstanding citations. As part of the reconciliation process, Management should perform the following:
 - Reconcile payments to the general ledger revenue accounts in the OPUS financial records.
 - Consult with the County Attorney regarding the statute of limitations, which govern the PCCLB.
 - Determine what citations are deemed uncollectible and what citations should be referred for further action. Citations deemed uncollectible due to statute of limitations should be voided in the Oracle application.

Status:

- A. **Partially Implemented.** Management is in the process of reconciling outstanding fines and fees. We continue to encourage Management to reconcile all outstanding fines and fees. Proper financial planning and budgeting cannot be performed without accurate records. Cases where collection efforts are not performed timely may become uncollectible due to the statute of limitations.

- B. **Partially Implemented.** Management is in the process of reconciling outstanding citations. We continue to encourage Management to reconcile outstanding citations. Cases where collection efforts are not performed timely may become uncollectible due to the statute of limitations.

17. Outstanding Administrative Fines Have Not Been Reconciled.

Administrative fines due have not been reconciled to reflect an accurate amount outstanding. We requested a list of outstanding administrative fines from Management. Management provided to us a report generated by BTS of all unpaid administrative fines as of July 25, 2017.

Management stated the report is not accurate because many administrative fines deemed uncollectible have not been voided. The number of administrative fines as of July 25, 2017 was 1,303 for a total of \$557,922.

Our review indicated there are outstanding administrative fines over 11 years old (dating back to 2006) with no payment history. Over 70% of all administrative fines were more than a year old. Outstanding administrative fines are tracked in the PCCLB Oracle application. The PCCLB uses a modified accrual basis of accounting. Revenues from administrative fines are not recognized (posted) until the payment is received.

Contractors that are non-responsive to administrative fine payment terms and Final Orders by an administrative hearing are subject to having their contractor license suspended. Unlike unpaid citations, property liens are not placed on unpaid administrative fines.

The PCCLB does not currently outsource past due administrative fines to a collection agency (see OFI No. 18 for further discussion).

Management has not reconciled past due administrative fines to determine an accurate amount outstanding. In addition, cases that are deemed uncollectible due to the statute of limitations have not been voided in the PCCLB Oracle application.

Proper financial planning and budgeting cannot be performed without accurate records. Cases where collection efforts are not performed timely may become uncollectible due to the statute of limitations.

Reconciliation refers to keeping financial or other records in balance, in agreement, and accurate. Outstanding administrative fines should reflect an accurate, collectible amount based on the statute of limitations.

We Recommended Management:

Reconcile all outstanding administrative fines. As part of the reconciliation process, management should perform the following:

- Reconcile payments to the general ledger revenue accounts in the County's OPUS financial records.
- Consult with the County Attorney regarding the statute of limitations, which govern the PCCLB.
- Determine what administrative fines are deemed uncollectible and what administrative fines should be referred for further action. Administrative fines deemed uncollectible due to statute of limitations should be voided in the Oracle application.
- Ensure that all contractor licenses have been suspended for delinquent administrative fines.

Status:

Implemented. Management stated a dedicated reconciliation process was performed for outstanding fines related to citations and administrative complaints. The reconciliation results were outlined in a report with recommendations for fine write-off. The report was submitted to the County Administrator, Assistant County Administrator, and OMB on July 24, 2020.

18. The Collection Process For Past Due Fines And Fees Is Not Adequate.

Management does not have a formal collection process for outstanding fines and fees. As noted in OFI No. 16, there are unpaid citations in the PCCLB Oracle application up to 15 years old with no payment history. Per PCCLB reports, there were 3,271 outstanding citations in the amount of \$1,846,258.46 as of July 25, 2017.

PCCLB collection efforts have been minimal, and they do not utilize a collection agency to pursue past due fines and fees. Currently, the PCCLB's only recourse for unpaid citations, as defined in PCCLB Rule 04-03, relating to enforcement by the Board or by Special Magistrate, states in Section 8 that the PCCLB can place a lien on the property of contractors not certified by the State of Florida, if feasible.



Collection agencies can provide external collection efforts since PCCLB staff is limited. The CCC offers a "Start Smart Campaign" that allows the community to pay past due, outstanding fines with all collection fees waived. The most recent event was held from February 27, 2017 through March 10, 2017. The fines and late fees are still mandated; however, if a case has gone more than 90 days, the additional collection fees assessed are waived.

This type of amnesty event can be a proactive approach to collect past due fines. There are several add on fees the PCCLB imposes if fines and license fees are not paid timely. By offering an amnesty event such as the "Start Smart Campaign," a reduced amount due is available to the contractor.

Listed below are fees that could potentially be waived during a PCCLB amnesty event:

- Failure to renew license by September 30th - \$100 additional fee
- Reinstatement of expired license - \$125
- Late fee - \$100

Licenses are closed out after two years of expired or suspended status. For licenses that have been closed, the following fees apply that could potentially be waived during a PCCLB amnesty event:

- Application fee - \$125
- Late fee - \$100
- Renewal fee - current fee plus all fees in arrears

Another option is to offer early payment discounts as an incentive for contractors to pay required license renewal fees, etc. or a percentage discount for payment of fines before the due date.

Without an adequate collection process, some revenues may not be recognized. In addition, untimely collection efforts can potentially cause cases to become obsolete, thus decreasing chances of collections. Best practices for collection efforts include proper monitoring of past due fines and fees. Proper monitoring entails effective and efficient processes formalized into written policies and procedures.

We Recommended Management:

- A. Hold an amnesty event to waive late and other associated fees assessed.
- B. Utilize a collection agency to pursue outstanding fines and fees.
- C. Develop and implement written policies and procedures for the collection processes. The policies and procedures should include a time line to determine when further action is needed. Collection efforts should start with PCCLB staff making initial collection attempts and escalate to being sent to a collection agency.

- D. Consult with the County Attorney's Office for other potential legal action remedies available that PCCLB can pursue.
- E. Provide early payment discounts for fines or license renewals as an incentive for payment.

Status:

- A. **Not Implemented.** The former County Administrator declined to institute an amnesty program when discussed in 2018; however, Management is reviewing optional incentives for payment of past due fines. We continue to encourage Management to hold an amnesty event. There is potential loss of revenue without an incentive for contractors and journeymen to pay past due fines and fees.
- B. **Implemented.** The CLD is currently utilizing a State of Florida contracted collection agency to recover past due fines and fees.
- C. **Partially Implemented.** Investigators are reminding those who owe fines and fees to make their payments when due. The Board is considering policies for a fine payment plan process that includes both licensed and unlicensed contractors. The vote was scheduled for March 2020; however, that Board meeting was canceled due to the COVID-19 pandemic. We continue to encourage Management to implement our recommendation fully, as it runs the risk of lost revenue due to inconsistent collection efforts.
- D. **Implemented.** Management consulted with the County Attorney's Office for potential legal remedies. Liens are the only legal action remedy currently approved by the County Attorney; however, other alternatives are being studied.
- E. **Not Implemented.** An early payment discount policy is currently under discussion and will be reviewed by the County Attorney before presentation to the Board. We continue to encourage Management to offer an early payment discount. There is potential loss of revenue without an incentive for contractors and journeymen to pay fines and fees.

19. Venue Options Are Limited For The Payment Of Fines And Fees.

PCCLB offers contractors and journeymen to make payments online; however, there is only one location for payment of fines and fees in-person. Currently, the only venue option available to contractors and journeymen to make payments in-person is the PCCLB office located on Belcher Road in Clearwater. Although the office is in a centralized location, the location may not be convenient for contractors and journeymen who are located in north or south Pinellas County. In addition, the opportunity to make payments at the PCCLB office exists only Monday through Friday, 8:00 a.m. to 4:00 p.m., a limited time window for those who work during these hours.

The PCCLB has not collaborated with other agencies to process payments for fines and fees. Collaborating with the CCC and Amscot Corporation (Amscot) would offer contractors and journeymen the opportunity to make payments at multiple locations. Amscot has numerous locations throughout the County that are open for business until 9:00 p.m., including weekends and holidays. Some Amscot locations are open 24 hours.

The peak months for processing license renewal payments at the PCCLB are August, September, and October. By offering multiple locations and hours to make payments, contractors and journeymen may be encouraged to make timely renewals. The PCCLB office location would also be at an advantage due to less congestion and efficient payment processing. Timely payment of fines and fees could potentially increase due to the greater flexibility of venue options and extended hours.

Limiting venue options provides inconvenience to contractors and journeymen. Also, by offering only one location to make payments, contractors and journeymen may be less likely to make timely payments of fines and fees.

Payment venue options can streamline payments by reducing processing costs, increasing efficiency, and providing convenience to customers. Payment venue options exist for the PCCLB. The CCC has branches located in north, south, and central Pinellas County. The CCC also offers citizens the option of paying fines and fees at any Amscot location throughout the County. Both agencies could contribute to streamlining payments for the PCCLB.

We Recommended Management:

Collaborate with CCC and Amscot Corporation or similar financial service establishments to offer contractors and journeymen additional venue options to pay fines and fees.

Status:

Not Implemented. Management presented the concept of additional venue payment options to the former County Administrator; however, utilizing other venue payment options was not approved in 2018. Management will prepare a discussion packet and renew the proposal for alternate payment sites. We continue to encourage Management to collaborate with CCC and Amscot Corporation, or similar financial service establishments, to offer contractors and journeymen additional venue options to pay fines and fees. Fines and fees may not be paid timely without the convenience of additional venue options.

20. PCCLB Financial Management Processes Need Improvement.

PCCLB Management is not preparing a performance management analysis on a monthly basis. The current process entails Management retrieving financial reports from the County's Oracle application every two months. The two-month cycle for retrieving reports corresponds with the Board meetings for discussion. Financial statements are readily available on a monthly basis, and general ledger activity is available on a daily basis in the County's Oracle application. Financial statements are not currently printed, reviewed, and saved on a monthly basis by Management.

Management stated the former Executive Director typically retrieved the financial reports from the County's Oracle application every couple of months. The PCCLB Department Administrative Manager stated she was trained prior to the former Executive Director's retirement. However, there are no written policies and procedures on how to retrieve the reports, what reports to print, and how often. In addition, there is no requirement for a formal monthly analysis of budgeted to actual information.

No formal analysis is prepared by Management. There were no documents provided to the IG by the PCCLB, besides those prepared by the County's Finance Division, that indicated a documented analysis of actual to budgeted expenditures and revenues.

During FY 2017, PCCLB projected revenues are under budget and the reserve fund has significantly decreased to meet future funding needs. The Interim Executive Director recognized the revenue shortfall; however, the revenue shortfall could have been projected in earlier months if proper performance measurements had been enacted. With an effective financial management process, proper strategies can be implemented to control further decline of revenues.

In addition, the PCCLB website does not provide the Board with monthly financial statements or goals and objectives. Financial transparency is essential for providing trust within the organization and to citizens.

Management has not developed a formal financial management process. Without an adequate financial management process, decision-making is not effective or efficient to meet objectives.

Governments serve a broad group of stakeholders, including taxpayers, citizens, elected representatives, oversight groups, and others in the financial community. Although Pinellas County Government does not have oversight of the PCCLB, the financial reporting and budget process are driven by government accounting principles and standards. Best practices for financial management, including budgeting and financial reporting, are set forth by the Government Finance Officers Association (GFOA) and the National Performance Management Commission as stated below:

"The Government Finance Officers Association (GFOA) has long urged state and local governments to incorporate performance measurement as an integral part of their budget process, as recommended by the National Advisory Council on State and Local Budgeting. Likewise, the GFOA is persuaded that the full benefit of performance measurement can only be achieved when performance measures and performance reporting are further integrated into an overall framework of performance management."

According to the Commission, applying the following principles to management and policy making through the implementation of performance-driven practices:

"...creates public value in the form of better policies, services, and programs, and, ultimately, improved community condition:

- 1. Information, measures, goals, priorities, and activities are relevant to the priorities and wellbeing of the government and the community.*
- 2. Information related to performance, decisions, regulations, and processes is transparent, easy to access, use, and understand.*
- 3. Goals, programs, activities, and resources are aligned with priorities and desired results.*
- 4. Decisions and processes are driven by timely, accurate, and meaningful data.*
- 5. Practices are sustainable over time and across organizational changes.*
- 6. Performance management helps to transform the organization, its management, and the policymaking process."*

We Recommended Management:

- A. Implement best practices for performance management provided by the Government Finance Officers Association (GFOA).
- B. Develop and implement written policies and procedures for the financial management process to include the following:
 - Formal objectives and priorities.
 - Monthly financial statement retrieval and retention on a shared drive.
 - Monthly financial analysis preparation and retention on a shared drive.
 - For financial transparency, monthly financial information posting on the PCCLB website.

Status:

- A. **Implemented.** Over the last year, all financial processes have been under close scrutiny and careful review, with the help of specifically assigned staff consultants from OMB and the Office of Technology and Innovation (OTI). All financial data is fully transparent, and weekly information is available through a specialized Oracle Business Intelligence Enterprise Edition report.
- B. **Implemented.** All appropriate financial management objectives have been adopted, in accordance with BCC Finance requirements. We reviewed the Financial Procedures within the CLD Team Member Handbook and determined the budget process is adequate. The CLD is posting financial information on its website for transparency.

21. Staff Is Recording Incorrect Amounts For Fines And Costs In The PCCLB Oracle Application.

A review of a sample of administrative complaints for cases with expired building permits revealed that the fine and cost information entered into the PCCLB Oracle application is incorrect. In several cases, IG discovered that a fine amount of \$300 and “Add. Admin Fine” amount of \$426 was entered in the Oracle application for a total of \$726. The fine imposed by the Board was actually \$500 with additional costs of \$226, for a total of \$726. Although the total fine and costs amount was correct, classifying fines and costs incorrectly does not follow good accounting practices.

In other cases, it was observed that the Final Order by the Board was rescinded by PCCLB staff without bringing the case back to the Board for a vote. The Oracle application did not list a fine, but the “Add. Admin Fine” of \$426 remained in the system.

There are no written procedures to reconcile the actions approved by the Board against the information entered into the Oracle application to ensure that correct fines and costs are recorded. Without reconciliation, the PCCLB may not be able to identify the correct amount of uncollected revenue (see OFI No. 17 for further discussion).

We Recommended Management:

- A. Ensure PCCLB staff enter the correct fines and costs imposed by the Board into the PCCLB Oracle application.
- B. Develop procedures to regularly reconcile fines and costs imposed by the Board to those entered into the Oracle application for quality assurance.

Status:

- A. **Implemented.** Management stated, to the extent possible, staff has been trained to enter the correct information into Oracle. Final Orders are cross-checked to the action taken. Anything questioned would be cross-checked against the database. The Board Procedures within the CLD Team Member Handbook state that all Final Orders will be signed by the Chair and recorded in the data system after a secondary review by the Supervisor to assure all information is accurate.
- B. **Partially Implemented.** Management requires staff to cross-check their entries. Any time a question arises, the information is tracked and corrected, as required. We encourage Management to develop procedures to regularly reconcile fines and costs imposed by the Board to those entered into the Oracle application for quality assurance. Without reconciliation, the CLD may not be able to identify the correct amount of uncollected revenue.

22. Uncommitted And Unexpended PCCLB Funds Are Being Transferred To The County's General Fund.

Every two years, on a biennial basis, uncommitted and unexpended funds are transferred to the County's general revenue fund. The transfer is made per the PCCLB Special Act.

A previous audit of the PCCLB, Report No. 2009-10, issued by the IG (formerly the Internal Audit Division) on April 30, 2009, stated:

“PCCLB funds are being transferred to the county’s general fund when they should remain with the PCCLB to benefit the consumers of Pinellas County.”

The associated recommendation stated:

“We recommend the PCCLB work with the County to discontinue the practice of transferring PCCLB funds to the County's General Fund and allow the PCCLB to commit \$50,000 to other areas that will benefit the general public and licensed contractor industry in Pinellas County.”

This recommendation was never implemented by Management. Although the PCCLB is in compliance with Florida Law, future uncommitted and unexpended funds should be allocated to the PCCLB reserves, thus increasing the fiscal year end fund balance. These funds could be used to enhance the effectiveness and efficiency of PCCLB operations for items, such as:

- Staffing
- Technology
- Training

- Marketing
- Equipment

The funds transferred to the County for each applicable FY 1994 through FY 2016 amounted to over \$487,000. This is a substantial amount of funds that could have been allocated to the reserves for the PCCLB, thus contributing to enhancing operations.

The PCCLB reserve balance has decreased significantly. The beginning reserve balance for FY 2017 was \$697,671.19. As of June 30, 2017, the ending reserve balance was \$119,137.90, an 83% decrease. Potentially, the ending reserve balance could increase if funds at fiscal year-end were transferred to the reserves rather than the County's general fund.

Management has not initiated a legislative revision to the PCCLB Special Act to discontinue the transfer of PCCLB funds to the County's general fund.

PCCLB sweeps to the County general fund decreases the effectiveness and efficiency of PCCLB operations. This practice also affects the public, as funds could be used to potentially decrease unlicensed contractor activity.

The PCCLB Special Act, as amended by Chapter 2004-03, in Section 21 FEES, states the following:

“(2) Any funds received by the board from fees which remain uncommitted and unexpended at the end of each biennium shall be paid into the county general revenue fund.”

We Recommended Legislation:

Revise the PCCLB Special Act to state that uncommitted and unexpended funds at the end of each fiscal year be allocated to the PCCLB reserves (fund balance).

Status:

No Longer Applicable. PCCLB operations became a responsibility of the CLD, under the County Administrator, as of July 1, 2018. The fund continues to be supported by revenue from licensing fees, fines, and citations.

23. Senior Office Specialists Were Not Compensated For Work Time Travel To Make Daily Bank Deposits.

The Senior Office Specialists have not been compensated for what is considered "Travel That is All in a Day's Work" under the Federal Labor Standards Act (FLSA), US Department of Labor Wage and Hour Division. The Senior Office Specialists' responsibilities include making daily bank deposits on Monday through Friday. One of the Senior Office Specialists would typically leave the office at 4:30 p.m. to travel to the bank and wait at the drive-thru business lane to make the deposit. The work hours for the Senior Office Specialists are 8:00 a.m. to 4:30 p.m. with a half-hour lunch, Monday through Friday. This is a standard eight-hour work day, which totals 40 hours for each work week.

Under the FLSA, the time spent driving to the bank and waiting to make the deposit is considered work time. One Senior Office Specialist typically makes the deposit Monday through Thursday, and the other Senior Office Specialist makes the deposit on Friday. The Senior Office Specialist position is considered "classified," and therefore, paid at an hourly rate. Both employees were not compensated for their time worked over 40 hours in accordance with the FLSA. It should be mentioned that neither Senior Office Specialist submitted hours for travel to the bank and the wait time for making the deposit.

Recently, the PCCLB office changed its public business hours to 8:00 a.m. to 4:00 p.m. The Senior Office Specialists now prepare the deposit and drive to the bank to make the deposit before 4:30 p.m.

Management did not require employees to submit hours for travel time to the bank and waiting time to make the deposit within their normal work hours. Therefore, the PCCLB is potentially in violation of labor laws. Classified employees were not paid at one and one-half time their regular rate for hours worked in excess of 40 hours.

The U.S. Department of Labor, Wage and Hour Division, in Regulations Part 785, Section 785.38, under the FLSA of 1938, as amended, and State minimum wage laws require that employees be paid for all time worked. This is true even when work is performed somewhere other than at the usual worksite. Employees must also be paid for travel between worksites under the FLSA.

The U.S. Department of Labor, Wage and Hour Division, under Federal law (FLSA) requires that employees be paid for work time travel. The US Department of Labor, Wage and Hour Division, Fact Sheet #22, summarizes the law as:

"Travel That is All in a Day's Work: Time spent by an employee in travel as part of their principal activity, such as travel from job site to job site during the workday, is work time and must be counted as hours worked."

"Waiting Time: Whether waiting time is hours worked under the Act depends upon the particular circumstances. Generally, the facts may show that the employee was engaged to wait (which is work time) or the facts may show that the employee was waiting to be engaged (which is not work time). For example, a secretary who reads a book while waiting for dictation or a fireman who plays checkers while waiting for an alarm is working during such periods of inactivity. These employees have been "engaged to wait."

In regards to time worked over 40 hours, the FLSA states the following:

"The Act requires that employees must receive at least the minimum wage and may not be employed for more than 40 hours in a week without receiving at least one and one-half times their regular rates of pay for the overtime hours. The amount employees should receive cannot be determined without knowing the number of hours worked."

We Recommended Management:

Compensate all classified employees for travel and wait time necessary to complete their required work responsibilities. Work time in excess of 40 hours should be paid at one and one-half times the employee's regular rate of pay.

Status:

Acceptable Alternative. Staff is no longer required to deliver bank deposits. The CLD was added to an existing County courier contract. The courier is a secured, bonded transport agency which picks up the daily receipted funds from the CLD location and delivers the funds to the bank for deposit.

24. There Are No Written Procedures Regarding Deceased Contractors Who Owe Fines.

A review of a sample of administrative complaints identified a case where the contractor had passed away and fines and costs were owed. However, the case was closed without any additional action of the Board. The Board meeting minutes state that the Board imposed a fine of \$500 plus administrative costs, for a total of \$726. The Final Order issued by the Board lists fines and costs for a total of \$526, which was reflected in the PCCLB Oracle application.

There are no written procedures to process cases where the contractor owes fines, but is deceased. Currently, PCCLB staff are closing the cases of deceased contractors where Final Orders of the Board are outstanding. In addition, the hard case files for these situations do not contain any documentation as to proof of death to support closing the outstanding case.

Due to the lack of written procedures for these situations, PCCLB may be losing out on collecting money that is owed to them by not filing a claim in the estates of deceased contractors.

We Recommended Management:

Consult with the County Attorney's Office for legal remedies for processing cases of deceased contractors who owe fines to the PCCLB, including filing claims against estates.

Status:

No Longer Applicable. The County Attorney opined that the process to track and collect such fines was not worth the time and effort it would take in terms of return on investment. The costs to recover funds would exceed the risk of losing out on collecting funds from deceased contractors.

25. There Are No Written Policies And Procedures To Avoid Duplicate Customer Payments.

Controls are not in place to prevent duplicate customer payments being accepted/validated into the PCCLB Cash Register system. We tested a sample of 27 contractor cases to ensure the amount of the fine assessed was in accordance with PCCLB policy.



During our testing, we noted that one contractor had paid an administrative fine twice for four separate cases. For each case, a fine of \$300 was assessed, totaling \$1,200 for all cases. The contractor was notified of the fines by certified mail on December 18, 2014 for three cases and paid these cases by credit card on January 15, 2015. He was notified a second time by certified mail on March 3, 2015 and paid by check on May 15, 2015 for the three cases again (see OFI No. 27 for further discussion regarding PCCLB notifications). For one case, the same contractor paid by credit card on November 10, 2014 and again by check on March 27, 2015. As of April 4, 2017, the PCCLB owes the contractor \$300 per case for duplicate payments, a total of \$1,200 for four cases.

Management stated that during the period of overpayment, the Cash Register application did not display previous contractor payments. Contractor payment history was only available in the PCCLB Oracle application. However, since there were no policies and procedures to guide staff, the case information screen in the PCCLB Oracle application was not accessed by staff to check for prior payments before accepting payment from a contractor. The case information screen would have displayed the payments previously made by the contractor. Although the current Cash Register application now displays previous payments, staff should still access the case information screen to determine if there are any discrepancies prior to payment validation.

Management has not developed written policies and procedures to avoid duplicate payments. Without written policies and procedures, unauthorized deviations may occur that could cause processing errors and unaccountability of receipt transactions. Contractor overpayments overstate revenues and increase administrative staff time in order to issue a refund.

Written procedures provide guidance that is necessary to properly and consistently carry out departmental activities at a required level of quality. The establishment of procedures provides the opportunity for Management to ensure that adequate processes/internal controls have been established. The development of procedures also supports the cross-training and backup for key staff functions. It is Management's responsibility to establish written internal procedures covering key department processes. The procedures should be in sufficient detail to provide standard performance criteria and reduce the risk of misunderstanding and/or unauthorized deviations that could cause processing errors.

We Recommended Management:

- A. Develop and implement written policies and procedures to avoid duplicate contractor payments, including the required review of the Cash Register case information screen prior to posting a payment.
- B. Review all contractor cases to determine if other duplicate payments exist and a refund is due.
- C. Refund the contractor for duplicate payments made for cases 14-2046, 14-2048, 14-2051, and 14-1616.

Status:

- A. **Implemented.** The Financial Procedures within the CLD Team Member Handbook require staff to verify payments against records to assure they are applied against the right charge or case and to assure there are no overpayments. Management stated the deposit review process seems to be identifying questionable entries as deposits are processed. Some data quirks are currently being investigated.
- B. **Implemented.** Management conducted a review of the database primary tables for case records and payments. No additional instances of duplicate contractor payments were found.
- C. **Implemented.** On October 12, 2017, a refund check was issued to the contractor in the amount of \$1,200 for the four, \$300 duplicate payments.

26. Procedures For Dishonored Checks Require Revision.

PCCLB staff have developed written policies and procedures for dishonored checks; however, procedures need to be revised to properly process dishonored checks. The written procedures state to give the contractor/journeyman ten business days to make restitution from the date notification of the dishonored check letter is received. All notifications are sent by certified mail. However, we noted during our review of procedures, the PCCLB dishonored letter sent to the contractor/journeyman states that they have 15 working days from the receipt of notice to make payment for the check. There is a conflict since the procedures state 10 days to make restitution.

F.S. 832.062(4)(a) states that the check writer has 15 days from the date of notice to pay for the dishonored check. The PCCLB notification letter complies with the Florida Statute; however, the procedures should be revised to state the correct amount of days one can pay. In addition, F.S. 832.062(4)(a) states that the name of the bank on which the dishonored check was drawn be stated on the notification letter. Currently, the PCCLB notification letter does not include the bank name. The letter should be revised to “substantially” comply with F.S. 832.062(4)(a).

The procedures state that if no payment is made within the 10-day time frame, the dishonored check will be forwarded to the State Attorney’s Office (SAO). Attached to the procedures are several forms required for PCCLB staff to complete for the SAO referral; however, the procedures should include an explanation of how to process the SAO forms. The CCC Accounting Department processes “NSF checks” on a daily basis and submits non-payment referrals to the SAO on a regular basis. PCCLB Management should consider reviewing and incorporating additional language in their procedures as used by the CCC Accounting Department.

Management stated that it receives few dishonored checks, and payment for those checks is typically recovered. PCCLB adds a service charge for dishonored checks in addition to the amount of the check. Staff is referencing a memo from January 24, 2011 for service charge amounts. The memo references F.S. 832.08(5). This statute references the State Attorney Bad Check Diversion Program. The Bad Check Diversion Program is used when restitution has not been made by initial notice. We noted the service charges on the memo are in accordance with F.S. 832.062(4)(a), which is the source that should be used to cite the service charges added by the PCCLB for dishonored checks. PCCLB is adding service charges that are legally permissible.

The procedures also include computer screen shots for entering a comment that a dishonored check was returned in the PCCLB Oracle application and how to enter payment of the dishonored check in the Cash Register system. Both screens are good tools for staff to reference.

The PCCLB staff maintains a file folder with all pending dishonored check information, which is used to monitor outstanding payments due. Language should be added to the procedures regarding the file. Staff should understand that paperwork, copies of letters sent, and any other

pertinent information should be placed in the file. Also, staff should understand how often the file should be reviewed for follow-up. Few dishonored checks are received at the PCCLB. Maintaining ticklers on the Outlook calendar may be beneficial to alert staff that the check writer has not paid within the required 15-day time frame.

Management should review accounts receivable history to ensure all dishonored check transactions are included in the file maintained by staff. A statute of limitations applies to dishonored checks. The SAO guidelines state the following:

"It is imperative that all worthless check complaints be received no later than six months prior to the statute of limitations expiration. The statute of limitation for checks received for merchandise or services:

- *Less than \$150.00 - two years from the date of the check;*
- *Greater than or equal to \$150.00 - three years from the date of the check."*

Management and staff were not aware the dishonored check procedures required revision. Inaccurate policies and procedures can contribute to processing errors. If PCCLB processing for dishonored checks is inaccurate, recovery of the dishonored check amount and service charges may be disqualified from SAO prosecution.

Written policies and procedures provide guidance that is necessary to properly and consistently carry out departmental activities at a required level of quality. The establishment of policies and procedures provides the opportunity for Management to ensure that adequate processes/internal controls have been established.

The development of policies and procedures also support the cross-training and backup for key staff functions. It is Management's responsibility to establish written policies and procedures covering key department processes. The policies and procedures should be in sufficient detail to provide standard performance criteria and reduce the risk of misunderstanding and/or unauthorized deviations that could cause processing errors.

We Recommended Management:

- A. Revise the procedures for dishonored checks. Required revisions should include the following:
 - Notice of dishonored check letter to include the name of the bank on which the check was drawn.
 - Procedures to state the check writer has 15 days to pay for the dishonored check and service charge.
 - The dishonored check service charge referenced in F.S. 832.062 49(4)(a).
 - Language added to instruct staff what paperwork is required to be maintained in the pending file.

- Language added to instruct staff how often the file must be reviewed for follow-up.
 - Ticklers (reminders/appointments) added to the staff Outlook calendars to alert them that the 15-day grace period has expired and SAO referral paperwork should be processed.
- B. Discuss the SAO referral process with the CCC Accounting Department and incorporate their procedures for SAO referrals.
- C. Review the dishonored check file maintained by staff to ensure applicable dishonored checks have been referred to the State Attorney's Office within the required time frame.
- D. Review the accounts receivable general ledger transactions to ensure all dishonored check information is included in the file that is maintained by staff.

Status:

- A. **Implemented.** The CLD is currently following the County's process for dishonored checks. As part of the County's process, the CLD sends the citizen a letter notifying them of the dishonored check. The letter indicates the time frame restitution must be made and applicable returned check fee charges. The CLD notifies the SAO when the citizen has not paid restitution within the required time frame.
- B. **Implemented.** The CLD is currently following the County's process for dishonored checks. As part of the County's process, the CLD sends the citizen a letter notifying them of the dishonored check. The letter indicates the time frame restitution must be made and applicable returned check fee charges. The CLD notifies the SAO when the citizen has not paid restitution within the required time frame.
- C. **Implemented.** The CLD is currently following the County's process for dishonored checks which includes the SAO referral process. As part of the County's process, the CLD sends the citizen a letter notifying them of the dishonored check. The letter indicates the time frame restitution must be made and applicable returned check fee charges. The CLD notifies the SAO when the citizen has not paid restitution within the required time frame.
- D. **Implemented.** Staff inputs the dishonored check information into the OPUS system. Upon restitution of the dishonored check, receipt of payment is input into the OPUS system and posted to the general ledger.

27. The PCCLB Administrative Complaint And Hearing Notices Are Not Accurate.

The PCCLB administrative complaint and hearing notices are not updated to reflect payment of fines or permit rectification prior to being mailed. PCCLB policy requires a standardized certified letter entitled, "Notice Of Licensing Law Violation" be sent to contractors notifying them of a violation. The language in the letter includes:

- "1. Rectify the status of the expired/abandoned permit with the PINELLAS COUNTY Building Department; and*
- 2. Submit payment of a \$300.00 fine to the PCCLB to close this case which may be paid online at www.pcclb.com."*

PCCLB policy also requires a standardized certified letter (second notice) entitled, "Notice Of Administrative Complaint And Hearing," if the fine has not been paid and/or the permit has not been reinstated. The letter includes standardized language, as follows:

"IF YOU PAY A \$300 FINE AND REINSTATE THE PERMIT PRIOR TO THE HEARING DATE STATED BELOW, THIS MATTER WILL BE CLOSED..."

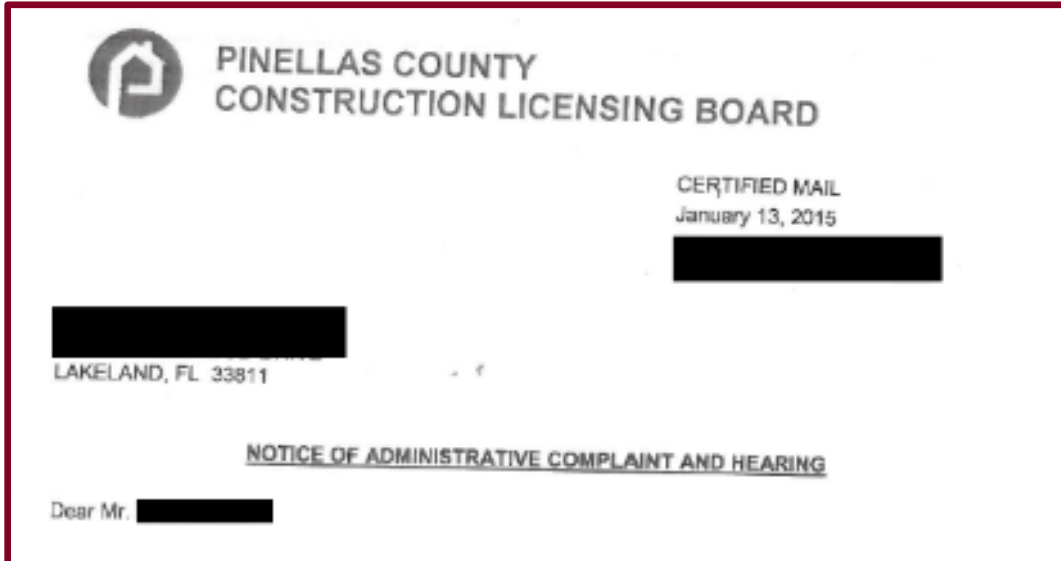
Management stated they receive updates from the Pinellas County Building Department informing them of unrectified permits. This list is checked prior to the second notice being issued. The notice language is standardized, and Management stated that often the contractor will pay the fine, but not rectify the permit; hence, the mailing of the second letter. Management stated both conditions must be met before the hearing date.

We tested a sample of 27 contractor cases to ensure the amount of the fine assessed was in accordance with PCCLB policy. During our testing, we noted that one contractor was sent a second notice for four cases stating that the fine was still due and the permit had not been reinstated. However, the fines had been paid for all four cases subsequent to receiving the first letter, "Notice Of Licensing Law Violation."

The case file screen in the PCCLB Oracle application was not accessed prior to mailing the second notice letters. Notification that the fine was still due may have prompted the contractor to pay the fine twice for all four cases as discussed in OFI No. 25. In our sample, we found some contractors had resolved cases, but were still included in the Board minutes (see OFI No. 76 for further discussion).

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Follow-Up Audit of the Pinellas County Construction Licensing Board
and Grand Jury Presentment

Management is sending out the "Notice Of Administrative Complaint And Hearing" without verifying if the contractor has paid the fine. Inaccurate notices of fine payments due and/or status of permits can contribute to duplicate payments and inaccurate Board minutes.



As noted in OFI No. 25, one contractor in our sample made duplicate payments in March 2005 after receiving a second letter, "Notice Of Administrative Complaint And Hearing," that the fine is still due. It should be noted that Management subsequently changed the procedure to issue only one letter. The letter is now issued after the Case Review Committee (formerly, the Probable Cause Panel) meetings. The change in procedure was made after our sample review.

We Recommended Management:

Customize the language in the "Notice Of Administrative Complaint And Hearing" certified letter to reflect only those issues, which remain outstanding.

Status:

Implemented. The CLD has revised the letter which has been reviewed by the County Attorney for sufficiency and accuracy. Management has customized the language in the "Notice Of Administrative Complaint And Hearing" certified letter to reflect only those issues which remain outstanding.

28. Leasing Building Space From Pinellas County May Be Financially Beneficial To The PCCLB.

The use of a Pinellas County owned facility as opposed to the PCCLB's current practice of leasing a facility from an external entity may be financially beneficial to the PCCLB. Currently, the PCCLB leases 4,570 square feet of office space with rent payable monthly (with a 3% annual increase), as follows, for the remaining two years of a five-year lease:

- Beginning January 1, 2017 = \$3,824.54
- Beginning January 1, 2018 = \$3,939.28

PCCLB is currently in the fourth year of a five year lease with the external entity. Under the current lease, the following are the responsibilities of the PCCLB:

- Make electric service payment
- Provide and maintain appropriate fire extinguisher and pay fire inspection charges
- Obtain proper permits, licenses, and zoning for their business
- Maintain commercial general liability and commercial property/fire insurance
- Maintain personal property hazard insurance
- Maintain and/or repair facility (such as heating/air, electric, lighting, plumbing, windows, glass, janitorial, carpet/flooring, pest control, etc.)



Under the current lease, the following are the responsibilities of the Lessor:

- Water, sewer, and solid waste disposal payments
- Common area maintenance including parking lot
- Roof, load bearing walls, and slab
- Maintain commercial general liability and commercial property/fire insurance
- Maintain property in compliance with the Americans with Disabilities Act and the Florida Civil Rights Act under F.S. 760.01
- Real estate tax payment

The PCCLB Interim Executive Director is seeking the feasibility of leasing space from the County. The County administration has responded favorably and discussions are underway. According to the Pinellas County Real Estate Management Department, lease rates for County-

owned space are determined by the operating costs for the space, plus \$1 per square foot for capital improvements, plus utilities. Janitorial service is usually included in building costs.

Review of a lease agreement between Pinellas County and Forward Pinellas (previously known as the Pinellas Planning Council) shows that leasing space from the County versus an external entity may be financially beneficial to the PCCLB. Forward Pinellas entered into a lease agreement with the County on July 1, 2012. The lease was originally for 3,150 square feet, which is comparable to the square footage the PCCLB would require. The PCCLB currently leases 4,570 square feet; however, the PCCLB may not require this large of a space in the future. If the pilot program with the PCSO is successful and continues as a permanent function, PCCLB may reduce staff, thus requiring less space. If the PCCLB leases space from the County, the large conference room in the current PCCLB facility may not be needed, as PCCLB meetings may be held in County owned conference rooms.

The Forward Pinellas lease rental rate for the initial year of the five year term was \$7.70 per square foot and increases by 3% annually. Total cost for the first five years of the Forward Pinellas lease is \$128,773.09. The total cost for the five year PCCLB lease is \$222,983.64. The current PCCLB facility five-year lease is almost double the five-year cost of the Forward Pinellas lease.

In addition, the Forward Pinellas lease rental payments include the following:

- Water, sewer, electric, and sanitation
- Exterior monthly pest control
- Maintenance of the roof, structural load-bearing walls, and slab
- Upkeep, maintenance, repair, replacement, and management of the premises/building infrastructure, including but not limited to the following: electrical power distribution, lighting, HVAC, plumbing, roofing, ventilation, window glass, irrigation system, parking lot, site drainage, exterior doors and locks, card access system, and pressure cleaning of the outside walls
- Janitorial services, trash removal, data/voice/telecommunication installation and service, security and alarm systems and service, office equipment and furnishings, carpet and floor cleaning and repair, repair and maintenance of aesthetic finishes, interior pest control, appliance and fixture maintenance, annual window cleaning, and any other necessary utility or service requirements

These are more favorable terms for the PCCLB, since under its current lease, it is responsible for electric and to maintain and/or repair the facility (such as heating/air, electric, lighting, plumbing, windows, glass, janitorial, carpet/flooring, pest control, etc.).

The PCCLB may be paying more than necessary for its current leased facility. PCCLB should be good stewards of public funds, and consider leasing building space from the County in the future.

We Recommended Management:

Pursue leasing building space from the County, and execute a lease with the County if it is financially advantageous.

Status:

Implemented. The CLD moved to the Young-Rainey Science Technology and Research Center which is owned and operated by County government. The CLD's lease with the County has resulted in significant rent savings.

29. PCCLB Staff Do Not Have A Pre-Approved Vendor List For Office Repairs.

PCCLB staff do not have pre-approved vendors to contact for office repairs. The PCCLB leases office space, and the lease requires the PCCLB, the Lessee, to repair and keep in operable condition, heating/air conditioning equipment and systems, lighting, structural components, doors and windows/access points, and plumbing. The lease specifies that repairs are not limited to these specific items. There is a broad range of potential repairs that might be needed at the PCCLB facility. Staff should have access to a pre-approved vendor list to call for repairs and/or emergencies.

We reviewed the PCCLB vendor history for FY 2015, FY 2016, and FY 2017 through August 2, 2017. Our review indicated that a company owned by a Board member was paid for air conditioning repair services on June 22, 2017 in the amount of \$303.17. The services and payment to a Board member's company represents a conflict of interest for the PCCLB.

On another occasion, a plumbing company was paid \$642.41 on February 18, 2016 for a plumbing emergency at the PCCLB facility. Staff decided to call the contractor due to the familiarity with the individual. In this circumstance, the contractor was not a Board member. However, potentially, the contractor/company could have been affiliated with Board members' other companies. Some Board members have affiliations, which are not typically associated with the Board member's primary company.

PCCLB staff stated they were unaware of potential conflicts of interest. Not maintaining a pre-approved vendor list can lead to conflicts of interest. Employees and Board members should be expected to avoid financial, business, or other transactions that might conflict or appear to conflict with the interests of the PCCLB. Even the appearance of a conflict of interest where none actually exists can be damaging and should be avoided. The selection of pre-approved vendors provides assurance that conflicts of interest will be avoided.

We Recommended Management:

- A. Prepare a pre-approved vendor list for office repairs.
- B. Periodically review the pre-approved vendor list for potential conflicts of interest when new Board members are elected.
- C. Discuss the selection process of pre-approved vendors with the County's Purchasing Department to ensure the process complies with purchasing policies and procedures.

Status:

- A. **No Longer Applicable.** Management stated the CLD is now required to follow the County's purchasing policies and procedures for vendor selection, so the CLD no longer needs to create and review its own pre-approved vendor list.
- B. **No Longer Applicable.** Management stated the CLD is now required to follow the County's purchasing policies and procedures for vendor selection, so the CLD no longer needs to create and review its own pre-approved vendor list.
- C. **Implemented.** Management stated the CLD is now required to follow the County's purchasing policies and procedures for vendor selection.

PCCLB Information Technology

PCCLB staff use an Oracle application to access case and contractor licensing data, which is stored in a back-end Oracle database. The back-end database maintains a record of cases since 2001. PCCLB Investigators enter contractor citations and administrative complaints into the Oracle application, and Senior Office Specialists are responsible for accepting payments in the Cash Register application once the associated fines and fees have been levied. PCCLB Senior Office Specialists also administer new contractor licensing and license renewals. The Cash Register application interfaces with the Oracle database to populate payment information on the associated case or contractor records.



The CyberSource application is used to process online and in-person credit card payments, refunds, and renewals. Agency revenue and expenditure activity is recorded in the OPUS application.

As part of licensing, Senior Office Specialists must confirm the contractor has valid insurance, passes the required examination, and determine if the contractor has a State license. Each piece of data is stored in the Oracle database. To assist PCCLB Senior Office Specialists in decision-making, the Oracle database interfaces with the State of Florida's Department of Business and Professional Regulation database to determine if the contractor is registered, has no outstanding complaints, and has current insurance.

BTS administers the PCCLB Oracle database and application, Cash Register application, CyberSource, and OPUS. BTS also supports the PCCLB network and email functions. PCCLB maintains a local server for file and print sharing and connects to BTS via the network for all other resources.

We reviewed the information technology (IT) controls of the PCCLB systems, as well as controls surrounding any accompanying processes, to ensure compliance with IT security standards and best practices. As a result of our IT controls' review, we noted significant issues with the PCCLB Oracle database and application. Issues included the following:

- Inadequate segregation of duties between cashier and investigative functions.
- Deficient user access controls.
- Insufficient field level validation edit checks.
- Inadequate system auditing of changes to critical data.
- No documentation of critical data elements.
- Mislabeled data.
- Deficient reporting capabilities.

Support and development efforts have been stymied by BTS not creating and updating documentation of the PCCLB system. Lack of communication between the PCCLB and BTS regarding user needs has resulted in a system, in its current state, that is no longer capable of supporting these needs. Based on the number and significance of issues identified with the PCCLB Oracle application and database, we have determined that the current system is not adequate to support the PCCLB operations and data review needs. Our review also revealed the current application platform is antiquated and cannot support the functionality upgrades that the PCCLB requires.

During audit fieldwork, PCCLB Management expressed its desire to seek an alternate software solution to replace the Oracle application, and we agree that a new system is needed. We encourage Management to seek funding to realize this goal. The new system should take into account the identified system weaknesses to ensure all agency and control needs are sufficiently addressed. Until such time as PCCLB can procure and implement new software, BTS should ensure the current system is enhanced as much as possible, given the system's capabilities, to achieve PCCLB user needs.

Our review also identified weaknesses with user access controls governing the CyberSource credit card processing application as well as the absence of a read-only security role in the Cash Register application to permit data review without the risk of modification. In addition, we noted issues with general IT security controls, including failure to lock the agency's network closet, an employee maintaining a visible password list, and unsecured network printers. Specific to data input controls, PCCLB staff did not consistently input cases into the Oracle case management system.

We discussed with PCCLB Management a pilot partnership with the PCSO to enforce unlawful contractor activity. In conjunction with the partnership, the PCSO has implemented SeeClickFix as a citizen reporting tool for contractor activity. We strongly encourage the continued use of SeeClickFix as an IT resource to provide another avenue for civic engagement.

The following pages present in detail issues identified during our review of PCCLB IT controls.

30. The PCCLB Case Management System Does Not Adequately Support Agency Needs.

Based on the collective issues described in this audit, our overall conclusion is the PCCLB Oracle case management system does not sufficiently address the agency's needs. Specific issues identified question the accuracy and integrity of agency data (see OFI No. 33). The system also limited the ability of PCCLB staff to retrieve key reporting data necessary for Management decision-making (see OFI No. 34). In addition, we noted specific concerns with segregation of duty and user access controls in the Oracle case management system (see OFI Nos. 31 and 32).

In addition to those issues, we determined the CyberSource credit card processing application does not automatically update the Oracle case management system when a credit card refund occurs. Therefore, it is the responsibility of the Senior Office Specialist to manually correct the refunded transaction in the Oracle application to ensure the payment is removed from the associated record.

Discussions with Management revealed the PCCLB is actively pursuing an alternate software solution to replace its current system. Recently, management in the Public Works Department, Environmental Management Division, recommended the Enforcement/Fertilizer application to PCCLB Management. BTS wrote the application for the Environmental Management Division, and it resides on the modern Oracle Application Development Framework (ADF) platform. The Environmental Management Division performs enforcement and inspection activities while also accepting citizen complaints. Therefore, the information collected within its application is very similar to the data collected and retained by the PCCLB.

We performed a walk-through of the Enforcement/Fertilizer application in the Environmental Management Division and determined that it closely matches the needs of the PCCLB. It is very user friendly and puts valuable information at the fingertips of staff. Among the beneficial features of the system is the flexibility to query anything from the system; schedule reports; print pre-populated documents; upload text, photographic, or video documentation to records; and access the system remotely via mobile wireless devices and the internet. In addition, the migration of data to this system should be seamless for the PCCLB since its data is already stored in an Oracle database, and thus, compatible with the Oracle ADF platform.

During a meeting with BTS and PCCLB Management on July 12, 2017, BTS identified potential solutions to the PCCLB's software needs, which are listed as follows in ascending order of likely expense:

- BTS customize the Enforcement/Fertilizer application to fit PCCLB's needs with a cost estimate to be provided.
- BTS complete a full application re-write from scratch to the Oracle ADF platform with a cost estimate to be provided.

- Procure an off-the-shelf software solution, which would not be an option in the short term due to the PCCLB's budget constraints.

The current case management system has become antiquated. Some required enhancements cannot be made to the current system due to application platform limitations. This means only a system designed on a new, modern application platform could successfully support the required enhancements. Therefore, the agency is currently relegated to using a system that does not fully satisfy all of its data retention and review needs.

Lack of automation in credit card refund processing increases the risk of staff forgetting to correct transactions in the case management system, thereby preventing future collection efforts on refunded cases that show they are paid.

The PCCLB case management system should ensure the accuracy, integrity, completeness, accessibility, and security of data. Reporting functionality should be sufficient to ensure that Management has accurate, relevant, and timely information available for decision-making purposes. Additionally, PCCLB operations should have the capability to be paperless through electronic records' creation and retention and sufficiently automated to prevent excessive required data entry.

The current PCCLB case management application resides on an Oracle Forms platform, which is no longer supported by the manufacturer. The PCCLB previously discussed with BTS a software enhancement to re-write the case management system; however, no progress was made beyond the discussion phase. BTS staff indicated they put a lot of system updates on hold due to economic reasons.

We Recommended Management:

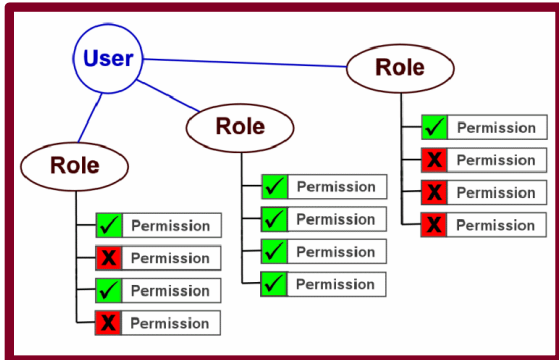
- A. Request from BTS a customization of the Enforcement/Fertilizer application in the Environmental Management Division as an immediate software solution. This includes obtaining a cost estimate from BTS to customize the system and migrate existing PCCLB data. The PCCLB should seek additional funding as necessary to facilitate the purchase.
- B. In preparation for a system upgrade, meet with BTS to discuss and agree on user and security requirements for the new system to include, at a minimum, the following considerations:
 - Identification of data required to be input and stored
 - Identification of data relationships
 - Accuracy of stored data
 - Integrity and reliability of stored data
 - Completeness of stored data
 - Accessibility of stored data
 - Relevance and timeliness of application reporting

- Interface with the external CyberSource credit card processing application and Cash Register application to post payments and refunds to the case management application, including the creation of balancing reports between payments and administrative case, citation, and licensing activity
 - Segregation of duties between administrative, investigative, and management functions
 - Necessity of becoming a paperless operation with emphasis on electronic records creation and retention
- C. Obtain user training from BTS to ensure all PCCLB employees are instructed on system functionality and can perform their job duties in the new application.

Status:

- A. **Acceptable Alternative.** The CLD is being included in the County's Accela implementation, which will include several other BCC departments. Until implementation, interim corrections are being made to the legacy Oracle application as they are identified. We consider this an acceptable alternative, as it satisfies the intent of the recommendation to seek a solution to modernize and improve the functionality of the legacy application.
- B. **Acceptable Alternative.** The CLD is being included in the County's Accela implementation, which will include several other BCC departments. Therefore, the County has vetted the Accela application and deemed it appropriate to satisfy departmental needs. The CLD has participated in regular meetings with the Accela vendor and OTI to identify the processing and integration of data for each distinct CLD function, and the anticipated projected go-live date is April 2021. The CLD has also been reviewing data in the legacy system and has refined certain processes for easy transition to Accela with the assistance of OTI and CLD. We consider this an acceptable alternative, as the CLD has selected an alternate software solution and is actively working to identify all requirements to facilitate a smooth implementation.
- C. **No Longer Applicable.** This recommendation applied specifically to the BTS customization of the Enforcement/Fertilizer application. However, the CLD is going a different route and is being included in the County's Accela implementation. Moreover, end user training is the vendor's responsibility in coordination with the County's technology resources.

31. PCCLB Oracle Application Security Roles Are Not Appropriately Segregated.



There are segregation of duties' issues in the creation and assignment of security roles in the PCCLB Oracle case management application. Security roles allow specific permissions to be granted to different functional groups based on each group's need to access certain resources. Of the 18 security roles established in the Oracle application, five are unnecessary since they are only assigned to user accounts that are inactive, unidentified, or belong to terminated employees. BTS database administration

staff also expressed concern with the excessive number of security roles.

We reviewed the individual resource permissions granted to each security role to ensure proper segregation of duties. As a result, we determined two security roles that were assigned to Investigators granted permissions to modify Cash Register table data in the Oracle application.

Additional review of users assigned to the Oracle application security roles revealed 10 user accounts belonging to current full-time, part-time, or temporary PCCLB employees. We identified insufficient segregation of duties in the security role assignments of all 10 accounts.

The two Senior Office Specialists responsible for the cashier function, as well as two Office Specialist backups, were granted access to security roles that provided the ability to alter case and citation data. Two full-time Investigators and one part-time Investigator were provided access to a security role allowing them to modify Cash Register data. In addition, the Interim Executive Director, Administrative Manager, and a temporary administrative employee were granted security roles allowing them to modify Cash Register, case, and citation data without compensating controls to enforce segregation of duties.

The existence of unnecessary security roles complicates security administration efforts and leads to users being unnecessarily assigned to multiple roles, thereby potentially compromising segregation of duties. Users with the ability to modify Cash Register, case, and citation data could void or alter fine or citation amounts while also voiding or altering the associated receipts in order to manually balance a transaction. As addressed in OFI No. 33, the PCCLB Oracle database is not configured to audit changes to critical data elements, which obscures changes made and the associated user identities.

Specific to the process of granting user access, NIST Special Publication 800-14, 3.5.1 Staffing, states the following:

***“Position Definition.** Early in the process of defining a position, security issues should be identified and addressed. Once a position has been broadly defined, the responsible supervisor should determine the type of computer access needed for the position. There are two general security rules to apply when granting access: separation of duties and least privilege.*

***Separation of duties** refers to dividing roles and responsibilities so that a single individual cannot subvert a critical process. For example, in financial systems, no single individual should normally be given authority to issue checks. Rather, one person initiates a request for a payment and another authorizes that same payment.*

***Least privilege** refers to the security objective of granting users only those accesses they need to perform their official duties. Data entry clerks, for example, may not have any need to run analysis reports of their database.”*

Only the security roles necessary to establish proper segregation of duties by functional area should be established. Cash Register table data, and case and citation table data should be strictly segregated to ensure one user does not have the ability to establish or change the amount due and receive the payment. The granting of security role permissions and the assignment of accounts to security roles should follow the rule of least privilege to ensure Investigators do not have access to modify Cash Register data, and Senior Office Specialists and Office Specialists do not have the ability to modify case and citation data. Moreover, duties should be properly segregated to ensure Management and administrative personnel do not have access to the data associated with multiple critical functions. In the absence of adequate staffing, compensating controls should be in place to ensure user activity is monitored for appropriateness and approved.

A Management review of security roles for necessity and segregation of duties was not completed. Similarly, a review of user account security role assignments was never completed to ensure adherence to segregation of duties between cashier and investigative functions.

We Recommended Management:

- A. Work with BTS to remove all unnecessary security roles in the Oracle case management system.
- B. Work with BTS to identify the job duties of each PCCLB employee and ensure permissions granted to security roles, as well as users assigned to the security roles, follow the principles of least privilege and segregation of duties between job functions. Specifically, Investigators should not be assigned to security roles allowing them to modify Cash Register data, Senior Office Specialists and Office Specialists should not be

assigned to security roles allowing them to modify case and citation data, and other administrative and Management staff should not be assigned to security roles allowing access to data associated with all critical functions, unless there is a documented need for such access. If the required staffing is unavailable to accomplish full segregation of duties, compensating controls should be implemented, such as an audit log of all changes by the user to be signed off by another Management employee.

Status:

- A. **Partially Implemented.** CLD Management confirmed several audits of user access have been performed. All users who are not known by the department to require access will be eliminated. We continue to encourage Management to implement our recommendation fully, as it runs the risk of unnecessary users retaining access to the legacy CLD application. In addition, CLD Management should ensure the appropriateness of all users granted access to the new Accela application.

- B. **Partially Implemented.** According to CLD Management, Investigators and new employees have roles and responsibilities of least privilege. However, Office Specialists require access across a wide range of responsibilities because their roles intersect with Investigators' roles. Therefore, fully segregated roles are not possible due to the size of the organization and the multiple tasks certain staff must perform. BTS does not maintain an electronic audit log of the application. We continue to encourage Management to implement our recommendation fully by maintaining a log of changes performed by Office Specialists to production case and citation data. The log may be maintained in paper with a Management signature to substantiate all changes were appropriate. Otherwise, Management continues to run the risk of undocumented modifications to legacy CLD application data. In addition, CLD Management should ensure adequate segregation of duty controls and audit logging controls are present in the new Accela application.

32. PCCLB Oracle And CyberSource Application User Access Controls Are Deficient.

User access controls governing the creation and removal of user accounts in the PCCLB Oracle case management application and the CyberSource Enterprise Business Center (EBC) credit card payment processing application are deficient. Access to the PCCLB systems is initiated by a PCCLB Management request to BTS. PCCLB Management sends an access request form and requests the access for the new employee be copied from the access of an existing employee in the same position (Investigator, Office Specialist, or Senior Office Specialist). BTS then creates an account and assigns one or more security roles that grant specific data permissions. Based on these permissions, the PCCLB systems control what the associated user can view and/or edit. PCCLB Management stated it notifies BTS of employee termination over the phone so that application access can be removed.



We identified 127 user accounts with access to the PCCLB Oracle case management application. Our review of these user accounts determined 11 accounts, one of which was inactive, had an unknown owner; BTS indicated the majority of these were likely old test accounts. Three additional accounts were expired and had an unknown purpose.

We also identified 47 Oracle application accounts belonging to current employees in the Office of Consumer Protection (Consumer Protection), Building Services, and Development Review Services that were granted permissions to modify license status information and the state contractor interface table, which contains data obtained from the state contractor database. Management in these agencies stated they thought they had read-only access. They further confirmed some employees in each of these agencies need read-only access to obtain licensing information, but not all of the employees who were provided access. PCCLB Management indicated they knew nothing about external users having access to PCCLB data and knew of no reason external users should have access to modify data.

We also noted 29 inactive accounts and three locked accounts that at one time granted permissions to modify data by Building Services, Development Review Services, and Consumer Protection employees. Weaknesses with security role assignments have been addressed separately in OFI No. 31.

The PCCLB uses the CyberSource EBC application for credit card payments, refunds, and renewals. The CyberSource EBC application controls access to the two functions through the use of two unique Merchant IDs. We identified a total of 15 accounts with access to the PCCLB payments and refunds Merchant ID and 22 accounts with access to the PCCLB renewals Merchant ID. We made the following determinations as a result of testing these users' access:

- 1 account that was granted report access to both PCCLB Merchant IDs belonged to a retired employee.
- 1 account that was granted access to both PCCLB Merchant IDs belonged to a former County employee whose other County accounts were inactive. This user had the same level of access as PCCLB Senior Office Specialists.
- 1 account that was granted access to both PCCLB Merchant IDs belonged to an employee of Parks and Conservation Resources who, although at one time needed access, no longer needs access to the PCCLB Merchant IDs. This user had the same level of access as PCCLB Senior Office Specialists.
- 5 accounts granted access to the PCCLB payments and refunds Merchant ID were locked or disabled.
- 11 accounts granted access to the PCCLB renewals Merchant ID were locked.

Users being granted unnecessary access to PCCLB data could result in the accidental or intentional modification of the data or the submission of unauthorized transactions. This risk for Oracle data is exacerbated when the owner of the Oracle account is unknown. In addition, as addressed in OFI No. 33, the PCCLB Oracle database is not configured to audit changes to critical data elements, which obscures changes made and the associated Oracle user identities.

Regarding the prompt removal of unnecessary user access, Section II.D.4. of the Pinellas County Information Security Policy, states the following:

“All information systems privileges must be promptly terminated at the time that a user ceases to provide services that require access.”

In addition, according to NIST Special Publication 800-14, 3.12.2 Access Control Mechanisms:

“Organizations should carefully administer access control. This includes implementing, monitoring, modifying, testing, and terminating user accesses on the system.”

Management must be vigilant to ensure unauthorized users do not have access to modify or initiate transactions. Management should ensure that adequate policies and procedures are in place to request, modify, and terminate user access. Moreover, Management should adhere to these policies and procedures to ensure only authorized users are provided access to PCCLB resources.

The PCCLB has not reviewed user account necessity and has not questioned unknown users assigned to its Oracle database and CyberSource EBC Merchant IDs. BTS stated it does not disable accounts unless the PCCLB submits a request ticket. Additionally, the PCCLB has not reviewed the permissions of external agency user accounts to ensure the associated accounts require access and have no ability to modify PCCLB data.

We Recommended Management:

- A. Work with BTS to identify and remove all unnecessary Oracle case management application user accounts to ensure all remaining users are current and authorized employees or necessary system operation accounts, unless there is a documented need to retain locked or disabled accounts for historical activity review purposes.
- B. Work with BTS to identify, disable, and remove PCCLB Merchant ID access for all unnecessary CyberSource EBC user accounts. If a user requires access to other agency Merchant IDs, at a minimum, the PCCLB Merchant IDs should be removed from the account. Unless required for historical activity review purposes, locked or disabled accounts should also be removed from the PCCLB Merchant IDs.
- C. Work with Consumer Protection, Building Services, and Development Review Services to evaluate their need to access PCCLB data, and if deemed necessary, ensure only the required users are provided read-only access.

- D. Develop policies and procedures used to request, modify, and terminate user access to PCCLB resources for PCCLB employees and authorized external agency employees. These policies and procedures should reference any existing BTS policies and procedures and should, at a minimum, provide instructions on the following:
- Who in PCCLB is responsible for initiating a request to add, modify, or remove user access;
 - When and how a user access request should be completed;
 - Methodology for user security role assignment;
 - Follow-up procedures to ensure the requested action was completed by BTS; and
 - Documentation retention requirements.

Status:

- A. **Partially Implemented.** CLD Management confirmed several audits of user access have been performed. All users who are not known by the department to require access will be eliminated. We continue to encourage Management to implement our recommendation fully, as it runs the risk of unnecessary users retaining access to the legacy CLD application. In addition, CLD Management should ensure the appropriateness of all users granted access to the new Accela application.
- B. **Partially Implemented.** CLD staff has made an inquiry to BTS to determine whether this remains an issue. We continue to encourage Management to implement our recommendation fully, as it runs the risk of unnecessary users retaining access to the legacy CLD application. In addition, CLD Management should ensure the appropriateness of all users granted access to the new Accela application and associated financial interface, as applicable.
- C. **Partially Implemented.** The Accela Case Management System will address the informational needs among departments. Currently, only Consumer Protection has expressed a need to access case information, and read-only access has been granted. We continue to encourage Management to implement our recommendation fully by implementing the Accela application and allowing only necessary external user read-only access, as it runs the risk of unnecessary external users retaining access to the CLD data.
- D. **Partially Implemented.** The Deputy Director has and will continue to monitor all users' access and will grant, rescind, or revoke access as necessary. While there is no specific policy governing access to data, the new SharePoint case reporting program has improved controls which assign specific roles to those in the office who must have access to cases from clerical staff who receive fine payments and requests for hearings to the investigators preparing the cases for hearings. Only investigators, managers, and the investigations support staff can change the information while certain clerical staff can add

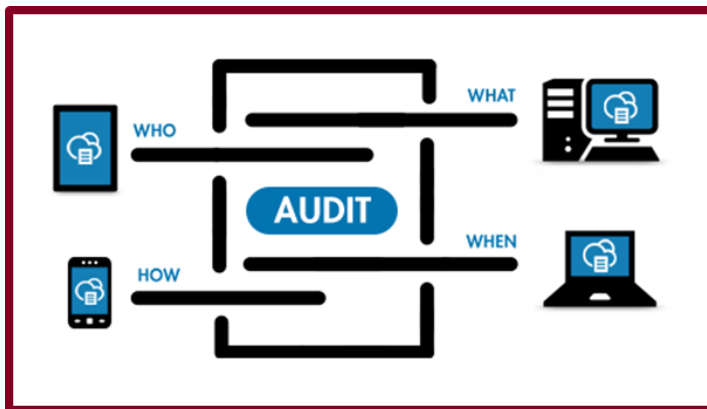
information pertaining to fine payment or updated license information. We continue to encourage Management to implement our recommendation fully by formalizing policies and procedures governing user access to the CLD systems and especially in conjunction with the Accela implementation, as it runs the risk of inconsistent user setup and unnecessary access.

33. The PCCLB Oracle Database Lacked Sufficient Field Level Validation Edits And Was Not Configured To Audit Changes To Critical Data Elements.

BTS did not configure auditing of changes to PCCLB data, and the PCCLB did not communicate sufficiently with BTS to identify and implement adequate field level validation edits. Database auditing refers to the identification of changes to data residing in critical tables and fields, including the object impacted, who performed the operation, and when. Field validation edits limit data input to select preapproved options.

During our review of the Oracle application used for contractor case and license management, we determined the application had no field level validation edits established for the case number, investigator initial, and fine amount fields in the case and citation entry screens. In addition, the comments field in the case entry screen did not require input.

An analysis of case numbers recorded in the Oracle application revealed one case number was duplicated because the system allowed one entry that did not match the standard case number format, which requires the last two digits of the year, a hyphen, and the sequential case number. The duplicated entry (161679) omitted the required hyphen.



The field for investigator initials in the case entry screen accepted any test input of 15 characters or less, and the field for investigator initials in the citation entry screen accepted any test input of three characters or less. The only requirement for the administrative fine amount and additional administrative fine amount fields in the case entry screen was that they each had to be a value less than \$10,000. The fine amount in the citation entry screen had

to be a value less than \$100,000.

Further complicating the ability to determine what data changes were made and by whom, we determined there was a separate table in the PCCLB Oracle database to capture data changes; however, the table contained no records. BTS Management confirmed this table was unused and could not determine if any database auditing was enabled.

There were fields in one of the Oracle database tables that appeared to capture data changes, such as fields indicating a modification had occurred or a field was old. However, BTS was unable to explain what, if any, auditing was being performed and to what extent.

Accidental or intentional data entry errors could result in a case or citation being associated with an unidentified investigator. A lack of edits on the fine amount field increases the risk of fine amounts being incorrectly or arbitrarily selected and input. In addition, no requirement to populate the comments field in the case entry screen could result in the omission of critical case information. Duplicate case numbers resulting from no field formatting edit causes confusion when updating the case records and can lead to incomplete information being entered on the correctly formatted case number record. Duplicate cases also inflate case numbers.

Lack of sufficient database auditing leads to a loss of critical information, including the identification of the change, the user making the change, and when it occurred. This introduces the risk of unknown changes to critical PCCLB data.

Regarding the importance of application field level validation edits or checks, the Institute of Internal Auditors (IIA) Global Technology Audit Guide (GTAG) 8: Auditing Application Controls, Appendix A: Common Application Controls and Suggested Tests, states:

“These controls ensure that all input transaction data is accurate, complete, and authorized...”

- *Format and required field checks; standardized input screens...*
- *Validations (e.g., stored table and drop-down menu of valid items).”*

Speaking to the criticality of database auditing, the National Institute of Standards and Technology (NIST) Special Publication 800-14, 3.13 Audit Trails, states the following:

“Audit trails maintain a record of system activity by system or application processes and by user activity. In conjunction with appropriate tools and procedures, audit trails can provide a means to help accomplish several security-related objectives, including individual accountability, reconstruction of events, intrusion detection, and problem identification.”

Due to a loss of database knowledge over time, BTS developers lack a complete understanding of database functionality and critical needs. The Oracle application is a forms' based system, which contains very few system validation edits. Edits were not created for the case number, amount, and investigator initial fields, which allowed for freedom of input.

We Recommended Management:

- A. Work with BTS to ensure the Investigator initials' field in the case and citation entry screens is only populated from a list of approved Investigator initials.

- B. Work with BTS to ensure the fine amount fields in the case and citation entry screens are only populated from a list of approved fine amounts.
- C. Work with BTS to ensure the comments' field in the case entry screen requires input.
- D. Work with BTS to ensure the case number field input in the case and citation entry screens is compared to the standard PCCLB case number format and rejected if non-compliant. In addition, PCCLB Management should ensure case 161679 is deleted from the Oracle database after confirming that all case data has been recorded on case number 16-1679.
- E. Work with BTS to identify critical table and field elements required to be audited.
- F. Ascertain from BTS what, if any, auditing is currently activated in the PCCLB Oracle database and have BTS assess options to activate auditing functionality on each data element deemed critical by PCCLB Management. Database audit trails should capture, at a minimum, the following items:
 - Name of the object modified.
 - Previous and current values of the modified object.
 - Identity of the user performing the change.
 - Date and time of the change.
- G. Direct BTS to create audit trail reports to assist PCCLB Management in promptly identifying and reviewing changes to critical data elements.

Status:

- A.-G. **Not Implemented.** CLD Management indicated it will ensure the Accela implementation addresses IG recommendations A-G. We encourage Management to incorporate our recommendations into the Accela implementation, as it continues to run the risk of inconsistent and inaccurate data entry and the inability to correlate critical changes to the originating users.

34. BTS Did Not Create And Maintain Documentation Describing Critical Oracle Database Resources And The Application Did Not Support User Reporting Requirements.

BTS created no documentation of the PCCLB Oracle database and was not actively engaged with PCCLB Management to ensure user reporting needs were met. We determined BTS had no available documentation describing the key tables, fields, table relationships, and interfaces within the PCCLB Oracle database. The lack of documentation made audit data analysis and reporting extremely cumbersome. Highlighting the lack of database documentation and calling into question the accuracy of the database contents, a field name in one of the PCCLB Oracle database tables was incorrect. The field was located in a table containing citations and identified the associated records as paid fine amounts. Upon further analysis of the application processing, we determined the field was the fine amount due, not paid.

Specific to application reporting, discussions with PCCLB staff revealed the Oracle application does not provide all required agency information in its standard reports. The application contains 35 standard reports that cannot be customized to append or delete data elements. Furthermore, no filtering can be performed beyond the default standard report filters. Of the 35 standard reports, we noted the following:

- The “Annual Inv. Statistics” report is outdated.
- The “Liens Expiring by Date Range” report is non-functioning.
- The title of the “Fines Paid/Outstanding by Date Range” report suggests the report contains all paid and outstanding fines, encompassing both administrative complaints and citations; however, the citation date field in the report is the only clue indicating the report contains only paid and outstanding citations.
- There is no standard report of paid and outstanding administrative complaint fines.

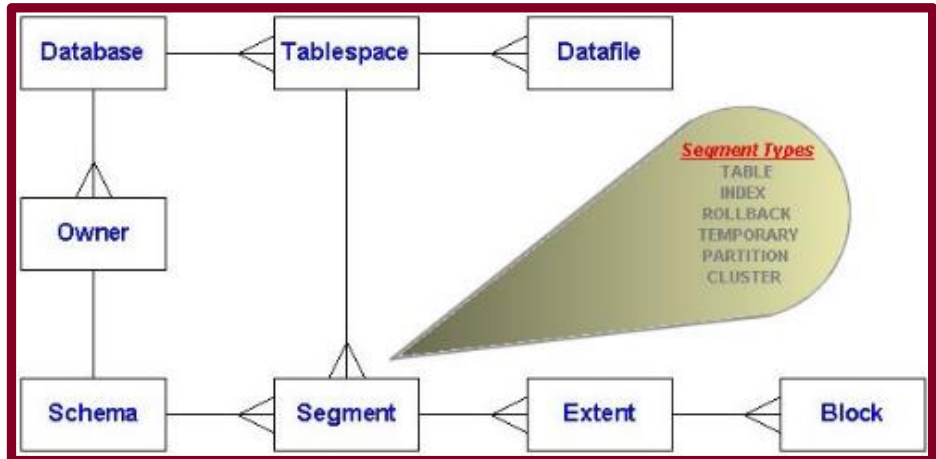
Reporting deficiencies were underscored by a public records’ request for a report of fines and fees. Fulfillment of the request required several discussions between PCCLB and BTS staff to identify the correct information to be extracted and the means of doing so. Additionally, BTS database administrators had to review the entire database to identify the location of critical data elements since there was no available database documentation to guide them.

When PCCLB receives specific data requests that cannot be facilitated through the standard reports, it must request from BTS additional technical support to produce the desired information. This creates delays in the exchange of information available for agency and other interested party decision-making. In addition, vague report titles can result in the misinterpretation of report contents, potentially affecting Management decision-making.

Agency data becomes unreliable for Management reporting and decision-making if critical data elements are incorrectly identified. Additionally, one error could call into question the accuracy of the remaining database contents.

A well-managed database should have documentation of critical data elements readily available to technical staff to expedite agency maintenance and reporting requests. A major component of database documentation is accurate data labels. Accurate database documentation is the prerequisite to dependable reporting. Moreover, available application reporting should match agency data review requirements. Data required to be produced for business purposes should be available in a timely fashion either in a standard report or through a custom query function. Reports should be titled so as to accurately reflect the contents.

No documentation was originally created for the PCCLB database, and detailed knowledge of the database has been lost over time. The Oracle database contents have not been consistently reviewed as witnessed by the presence of mislabeled data and non-functioning and inadequate reports.



We Recommended Management:

- A. Have BTS develop PCCLB Oracle database documentation to include the identification of key tables, fields, table relationships, and interfaces. Special attention should be given to those objects critical to the operations at PCCLB and necessary for processing and reporting purposes.
- B. Have BTS correct the citation fine amount due field name in the PCCLB Oracle database to reflect the true contents.
- C. Work with BTS to perform an analysis of the PCCLB Oracle database to ensure no other data mislabeling has occurred, and if so, correct those instances.
- D. Work with BTS to compare PCCLB reporting requirements to the current available standard reports, and as necessary, have BTS create the required reports and make them available in the PCCLB Oracle application while removing any unused or non-functioning reports currently residing in the application. Report titles should also be reviewed and modified, as necessary, to ensure they accurately reflect report contents.

- E. Ensure that user reporting requirements are a major consideration when pursuing a future system acquisition to replace the existing Oracle application.

Status:

- A. **Implemented.** OTI built a data model for the CLD Oracle database which shows key tables, fields, and data relationships.
- B. **Not Implemented.** BTS has not yet corrected the data field, although CLD Management expects that to be accomplished in FY 2020. We continue to encourage Management to implement our recommendation, as it runs the risk of misleading data presentation. Similarly, CLD Management should ensure all data elements are correct in preparation for the Accela implementation.
- C. **Partially Implemented.** CLD Management stated the Deputy Director handled data corrections on a case by case basis; however, we recommended a full review of the database be performed to capture all data mislabeling. We continue to encourage Management to implement our recommendation fully, as it runs the risk of misleading data presentation. Similarly, CLD Management should ensure all data elements are correct in preparation for the Accela implementation.
- D. **Partially Implemented.** CLD Management indicated all application reports have been inventoried, and those identified to be valid and valuable are utilized. CLD Management employs a workaround when the reports are insufficient in order to assure accuracy in reporting. We encourage Management to incorporate our recommendation into the Accela implementation to ensure the necessary reporting functionality is available, as it continues to run the risk of insufficient reporting capabilities.
- E. **Implemented.** CLD Management confirmed the IG data reporting recommendations influenced the Accela decision. Staff will work closely with the implementation team to assure accurate and reliable data reporting.

35. PCCLB Cases Are Not Consistently Entered Into The Oracle Application.

PCCLB investigative staff do not consistently enter all cases into the Oracle case management application. Upon opening a new case, PCCLB Investigators obtain the next available case number from a Microsoft Excel case log stored on their network and organized by year. Information available in the case log includes the investigator, case number, date received, contractor/business name, license number, Complainant name, violation, permit number, and current status. However, the case log is not the official case record. After logging the case in the case log, it must then be entered into the Oracle case management application.



Our review of cases logged from January 1, 2016 through June 6, 2017 revealed 81 cases that were logged; however, they were never entered into the Oracle application. We also identified two sizeable cases entered into the Oracle application that were not recorded on the case log (17-9999 and 17-10000). Case 17-9999 contained a limited amount of information, whereas 17-10000 was blank. Issues with incorrectly formatted case numbers are addressed separately in OFI No. 33.

When cases are not timely entered into the Oracle application, PCCLB Investigators and Management lose the ability to readily review case details and analyze case statistics. This also increases the risk that critical follow-up on cases is never performed or is significantly delayed. Unnecessary Oracle case number entries inflate case statistics and create confusion on what, if any, action is required on those cases.

Cases should be timely entered into the Oracle case management application to ensure it maintains a complete, accurate, and current record of cases. Timeliness, accuracy and completeness of case information is critical for Investigator and Management decision-making.

PCCLB Management recently became aware of discrepancies between the case log and Oracle application and indicated these cases should have been entered into the Oracle application, but for unknown reasons they were not. PCCLB Management has assigned an Investigator to provide a status on the cases that were not recorded in the Oracle application.

We Recommended Management:

- A. Perform a full review of all cases logged, but not entered into the Oracle case management application. Those cases should then be entered into the Oracle application.
- B. Develop policies and procedures to ensure all logged cases are entered in the Oracle case management application. The policies and procedures should include any valid exceptions that would not require a logged case to be entered in Oracle.
- C. Review cases 17-9999 and 17-10000 to determine if they are necessary, and if not, delete them from the Oracle database. If these cases are still deemed necessary, they should be assigned sequential case numbers from the case log and re-entered into Oracle with the valid numbers.

Status:

- A. **Implemented.** CLD Management implemented an internal process for validating the case log data entered into the Oracle database. The new Management reporting structure allows the CLD to validate the data entered into Oracle. Specifically, the Deputy Director performs a monthly review of the data and provides reports to Management and staff.

- B. **Partially Implemented.** CLD Management confirmed this work is currently underway. The department is mapping the entire investigative process to assure necessary case information is being entered as soon as the initial report comes in and as assigned cases proceed to hearing or closure. We continue to encourage Management to implement our recommendation fully, as it runs the risk of logged cases not being entered into Oracle.
- C. **Implemented.** Cases 17-9999 and 17-10000 were reviewed and determined to be placeholders or test records. They have been deleted from the database.

36. The PCCLB Has Not Collaborated With Other County Agencies To Use SeeClickFix.

The PCCLB has not explored partnerships with other County agencies to pursue beneficial IT resources. During the course of the audit, we attempted to identify additional IT resources that could benefit PCCLB operations. Consequently, we identified the SeeClickFix application implemented by Pinellas County in November 2014. Citizens can use this application to report issues or concerns to the following Pinellas County agencies:



- Animal Services
- Development Review Services
- Parks and Conservation Resources Department
- Public Works Department
- Code Enforcement

SeeClickFix is currently available to Pinellas County citizens to report such things as potholes, cracked sidewalks, blown street lights, mistimed traffic signals, illegal dumping, Code violations, graffiti, animal-related complaints, etc. The application is available online and on mobile platforms and allows citizens to upload photographs and provide the exact location of the issue. Citizens can then track the progress and resolution of their issues through the application.

Current PCCLB Management has expressed an interest in partnering with other County agencies to allow residents to report unlicensed contractor activity or other contractor complaints in SeeClickFix. On August 7, 2017, the PCSO began a six-month pilot program to assist the PCCLB in enforcing unlawful contractor activity. Discussions with PCSO staff revealed the PCSO is using SeeClickFix as a reporting resource for contractor activity.

The PCCLB will benefit greatly from a SeeClickFix partnership to allow citizens to report unlicensed, unpermitted, or imprudent contractor activity. This should generate more revenue

for the PCCLB, and most importantly, provide an additional safeguard for Pinellas County's citizens against unlawful contractor activity.

PCCLB Management should be seeking opportunities to collaborate with other agencies to improve the flow of information with the community. The more partnerships established, the greater the likelihood in detecting and preventing unlawful contractor activity. Technology provides an excellent opportunity for the PCCLB to partner with other County agencies to bolster its enforcement capabilities through enhanced civic engagement.

The PCCLB operated in such an independent fashion that it missed opportunities to explore meaningful partnerships with other County agencies to enhance civic engagement.

We Recommended Management:

- A. Continue its efforts partnering with the PCSO using the SeeClickFix application to enable citizen reporting of unlawful contractor activity.
- B. As necessary, work with the PCSO to develop SeeClickFix complaint intake and handling policies and procedures and distribute them to key staff involved in the process.

Status:

- A. **No Longer Applicable.** The CLD does not use the County application based on SeeClickFix for reporting contractor licensing activity. After the conversion of the CLD to a County department, the SeeClickFix application was considered, but Management opted out. Discussion led to the observation that the application did not provide sufficient detail to initiate an investigation. The CLD continues to explore partnerships with other building departments as seen in the Palm Harbor Pilot Project that began in January 2020. The goal of the project is to identify opportunities for process improvements and efficiencies by integrating the efforts of various building departments. As the CLD transitions into Accela, it intends to explore additional ways to receive reports from the community.
- B. **No Longer Applicable.** The CLD does not use the County application based on SeeClickFix for reporting contractor licensing activity.

37. The PCCLB Network Printers And Multi-Function Device Were Not Adequately Secured.

The PCCLB printers were not adequately secured to prohibit anonymous access. Computers communicate with printers by means of data transmissions between communication ports that are designated for the corresponding service. A common means of accessing printer settings to perform troubleshooting is over the internet via Hypertext Transfer Protocol (HTTP), which is also known as a web interface. A common weakness of printer web interfaces lies in their setup.



Specifically, printer web interface administrator login credentials are often left as the manufacturer default or are never assigned.

Another means of accessing printers is via File Transfer Protocol (FTP). The FTP service is an older protocol that was designed to facilitate file sharing. The existence of an open FTP communication port on a printer allows files to be printed with the FTP service. Weaknesses associated with FTP include the transmission of login credentials in unencrypted, clear-text, or null login credentials.

The PCCLB has four network printers and a multi-function device that has print, copy, scan, and fax functionality. We determined all four network printers had web interfaces without an administrator password. In addition, the multi-function device had a default web interface administrator password that was readily discoverable by searching the device model on the internet.

In addition, we determined three of four PCCLB network printers allowed anonymous access by means of an open FTP communication port without a required user login.

An anonymous user could gain administrator access to the PCCLB's printers and multi-function device via web interface with no required password or a default password that is readily discoverable on the internet. Anonymous access could also be obtained through other unsecured communication ports. Anonymous access could allow an avenue for accessing, mapping, and ultimately infiltrating the Pinellas County network. This could result in the release of critical agency information or a service disruption if malware is introduced into the Pinellas County network.

Regarding tasks to be completed at device setup, the Pinellas County Information Security Policy, Section II.C.5, states the following:

“Whenever any computer system or device has a vendor-supplied default password enabled, this password must be disabled or changed prior to the system or device being placed in service.”

Specific to unnecessary services and protocols, NIST Special Publication 800-53, APPENDIX F-CM, CM-7, suggests the following:

“Information systems can provide a wide variety of functions and services. Some of the functions and services, provided by default, may not be necessary to support essential organizational operations (e.g., key missions, functions)... Organizations review functions and services provided by information systems or individual components of information systems, to determine which functions and services are candidates for elimination (e.g., Voice Over Internet Protocol, Instant Messaging, auto-execute, and file sharing). Organizations consider disabling unused or unnecessary physical and logical ports/protocols (e.g., Universal Serial Bus, File Transfer Protocol, and Hyper Text Transfer Protocol) on information systems to prevent unauthorized connection of devices, unauthorized transfer of information, or unauthorized tunneling.

All unnecessary communication ports should be closed on the PCCLB’s printers. All necessary communication ports and associated services should be secured with unique login credentials only available to the person responsible for administering the service.

Management did not work with BTS to ensure the printer web interface default and null administrator passwords were changed to a unique password at device setup. In addition, all available printer services were not reviewed to ensure they were necessary and secure.

We Recommended Management:

- A. Based on remediation efforts by BTS subsequent to notification in a meeting on July 12, 2017, the identified issues with the four network printers have been corrected. Therefore, no Management recommendation is necessary related to establishing web interface administrator passwords and disabling unnecessary FTP access on the network printers.
- B. Work with BTS to ensure the default web interface administrator password on the PCCLB multi-function device is changed and ensure the password is maintained in a secure fashion only by the device administrator.

Status:

- A. **No Longer Applicable.** BTS remediated the identified printer setup issues during audit fieldwork.
- B. **Implemented.** BTS changed the default web interface administrator password on the CLD multi-function device after the initial audit. The Deputy Director retained the password.

38. The PCCLB Cash Register Application Has No Read Only Security Role.

Discussions with BTS revealed the PCCLB Cash Register application has no read-only security role established. Additional review of the established security roles identified only a manager role and general user role, both of which permit data modification. PCCLB Senior Office Specialists use this application to record receipts and post the associated transactions to the Oracle case management application. PCCLB Office Specialists serve as backups.

The ability to perform research is critical to the audit function. The existing Cash Register application security roles do not allow access to perform transactional research without the risk of modifying data. Given the existing security roles, any user provided access would also be granted the ability to alter transactions, which increases the risk of inadvertent data changes. In the absence of application access, all requests for information must be directed to PCCLB staff, which increases the burden on them.

A system of financial or operational significance should have a read-only security role established to assign to auditors and other authorized parties in order to perform research. This ensures that the data is readily available and cannot be accidentally altered. It also reduces the burden on staff to respond to information requests.

The PCCLB Cash Register application was created with only functional security roles and did not address the need for read-only access.

We Recommended Management:

Work with BTS to create a read-only security role in the PCCLB Cash Register application, which only has the ability to view transactions. User accounts should only be assigned to the security role on an as needed basis with prior Management approval.

Status:

Not Implemented. A read-only security role has not been created in the PCCLB Cash Register application. We continue to encourage Management to implement our recommendation, as it runs the risk of allowing unnecessary access to alter data should a user only require data inquiry.

39. The PCCLB Network Closet Housing The Agency's File Server Was Unlocked And An Employee Maintained A Visible Password List At Their Workstation.

PCCLB staff did not adequately secure the agency's critical computing resources. During testing at the PCCLB office, we observed the agency's network closet door was unlocked. The closet houses the agency's server, which hosts critical agency files and printers, as well as network switches that connect to the County network and internet resources. The door handle had a lock; however, Management was uncertain of the associated key's location.

Additionally, during a discussion with one of the PCCLB Senior Office Specialists at their workstation, we noted a visible password list at the base of the computer monitor. User authentication credentials were listed for the agency's Cash Register application and the County's financial application.



Contractors and other interested parties have access to the PCCLB facility to attend meetings and hearings. An unlocked server closet increases the risk an unauthorized user could obtain access to the PCCLB server and network switches to access system files, upload malicious code, such as viruses or trojans, or initiate a network service disruption. In addition, the security of the PCCLB and County systems could be compromised if an unauthorized user obtains a copy of a PCCLB employee password list and uses it to login as the employee. This could include the ability to alter agency financial transactions.

Security over agency servers, switches, and individual user passwords is critically important. The following statement regarding physical security of network assets is noted in Section V.A.2.a) of the Pinellas County Information Security Policy:

"Areas that house servers must be protected with physical security measures that prevent unauthorized persons from gaining access."

According to NIST Special Publication 800-123, 3.1 Installation and Deployment Planning:

"Many servers host sensitive information... In such cases, it is critical that the servers are located in secure physical environments. When planning the location of a server, the following issues should be considered:

Are the appropriate physical security protection mechanisms in place for the server and its networking components (e.g., routers, switches)? Examples include – Locks"

Specific to password security, the Pinellas County Information Security Policy, II. C. 6. Storage of Passwords, states the following:

“Users must maintain exclusive control of their personal passwords; they must not share them with others. Passwords must not be stored in readable form in files, browsers, terminal function keys, in computers without access controls, or in other locations where unauthorized persons might discover them. This includes unsecured paper or other written records.”

Agency Management never realized it was a risk to have the network closet unlocked, and the Senior Office Specialist wanted easy access to user login credentials. However, security is not predicated on convenience.

We Recommended Management:

- A. Install a new lock on the network closet. Keys should be distributed to Management with at least one assigned backup in the event of an immediate technical need to access the closet during the primary key holder's absence.
- B. Require the noted employee to remove the printed password listing from their workstation to ensure no one can obtain access to their login credentials. Additionally, we recommend the noted employee update their passwords appearing on the list.
- C. Provide security awareness training for PCCLB employees to ensure everyone understands the importance of securing their login credentials.

Status:

- A. **No Longer Applicable.** The CLD moved to a different facility. Moreover, the new facility is more secure and limits public access to the interior of the office.
- B. **Implemented.** Management directed the noted employee to remove the password information from her workstation, which she did. She also changed her passwords since the original audit.
- C. **Implemented.** All CLD staff have completed the BTS Security Awareness Training.

PCCLB Investigative Process

The PCCLB investigative function is responsible for patrolling Pinellas County and identifying unlicensed construction activity. Upon discovering unlicensed activity, the PCCLB Investigators issue citations. In addition, Investigators process consumer complaints against licensed contractors. Any complaint, which results in a finding of a contractor violating State of Florida licensing laws or the Pinellas County Code of Ordinances (County Code), results in an administrative complaint or action against the contractor.

Citation Process

PCCLB Investigators may issue citations when they observe unlicensed construction activity, which carries a fine of \$500. The Respondent may dispute citations during a formal hearing process in front of a Special Magistrate. The Special Magistrate hears evidence from the PCCLB and the Respondent and renders a decision. If the Special Magistrate determines a violation exists, the Respondent must pay the fine and correct any remaining issues. If the Special Magistrate does not determine a violation exists, the case is closed.

Administrative Complaint Process

When a complaint is received against a licensed contractor, typically from a homeowner, a PCCLB Investigator obtains information from the Complainant and the contractor in order to determine if licensing law or Code violations exist. The Investigator may also visit the home to obtain evidence. The Investigator presents the case at the next Case Review Committee (formerly known as the Probable Cause Panel) meeting, and the Case Review Committee determines if there is sufficient evidence to move the case forward.

If probable cause is not found, the parties are notified and the case is closed. If probable cause is found, there are two potential outcomes:

1. If no issues remain, and there is no harm to the consumer, a “Notice of Impending Action” is sent to the contractor stating they can pay the fine and there will not be an administrative complaint filed against them.
2. If issues require correcting, an administrative complaint is sent to the contractor, along with an “Election of Rights” form, where the contractor may select one of the following options:
 - Request an informal meeting with the PCCLB Executive Director where the issue will be discussed, potentially stipulated with a fine, and closed.
 - Request an informal meeting with the Board; the Board may either affirm the complaint and assess a fine, request additional information and table the case, or refer the matter to civil court.

- Request a formal hearing in Tallahassee with an Administrative Law Judge through the Department of Administrative Hearings.

When a contractor receives a formal administrative complaint, they have 20 days to return the “Election of Rights” form. If the contractor elects to meet with the Board, and the Board’s Final Order includes a fine, the contractor has 30 days from that date to pay the fine, or their license will be suspended.

In addition to homeowner complaints against contractors, various municipalities and the County report expired permits to the PCCLB. Expired permits are reviewed by the Case Review Committee with automatic probable cause found. After the Case Review Committee meeting, a “Notice Of Licensing Law Violation” and “Notice Of Administrative Complaint And Hearing” is sent to the contractor with a fine amount of \$300 due, along with a formal “Administrative Complaint” and “Election of Rights” form. The contractor must resolve the permit issue and pay the fine within 20 days. If this is not done, the case will go to the Board, where additional fees and costs may be imposed, and the contractor’s license may be suspended. After the Board meeting, a Final Order is sent to the contractor stating the amount due.

It should be noted that during our review, the administrative complaint process was modified, and this report will reflect all pertinent changes as needed. For background purposes, we have included the process that was in place at the beginning of our review, except where otherwise noted.

Issues identified during our review of the investigative process are presented in detail below. Within the investigative process, there are general opportunities for improvement, which may relate to both the citation and administrative complaint processes. In addition, there are opportunities for improvement that are specific to the citation process and others that are specific to the administrative complaint process. For clarity, we have divided this section into three subsections: Administration, Citations, and Administrative Complaints.

The following pages present in detail issues identified during our review of PCCLB investigative process.

Administration

40. There Are Opportunities To Improve Collaborating Efforts Between The PCCLB And The Office Of Consumer Protection.

The collaborating efforts between the PCCLB and Consumer Protection need improvement. As the regulatory body of the construction industry for the County, the PCCLB ensures contractors have the required credentials to perform construction work in their respective trades; ultimately, their efforts help protect consumers in the County. Some of the services provided to County citizens by Consumer Protection include:

- Mediation of consumer complaints
- Criminal investigation of consumer fraud
- Consumer education

Some of the complaints received by Consumer Protection are related to the construction industry; therefore, a partnership between the two agencies is not only effective, but also essential as their respective purposes complement each other.



Through our interviews with staff from the PCCLB and Consumer Protection, we determined they have an existing working relationship. The agencies refer cases to each other; however, neither one keeps track of the cases referred. Therefore, there is no way to quantify or effectively evaluate their collaborating efforts.

Currently, the PCCLB does not have any written policies and procedures addressing case referrals to other agencies (i.e., Consumer Protection). According to a PCCLB Investigator, staff are simply instructed to refer cases involving consumer harm to Consumer Protection; however, there is no established procedure for the referral process or a tracking system to follow-up on cases referred.

A tracking system for referrals received and cases referred out would allow the PCCLB to effectively stay abreast of its case load. It would also prevent duplicated efforts internally in the event the Complainant calls multiple times and speaks to different staff members. In addition, the tracking system would also help in the event Consumer Protection refers a case with the

same Complainant and contractor. Furthermore, a tracking system is an effective tool from a managerial standpoint to quantify work load and evaluate the partnership between the agencies.

Through our interviews, we determined that, at one point, Consumer Protection had access to the PCCLB's database; however, since the application needs to be upgraded, the access is not currently being used. Re-establishing read-only access for Consumer Protection would improve the agencies' information sharing capability, which would ultimately improve their efficiency and effectiveness.

We Recommended Management:

- A. Establish a tracking system for cases referred to other agencies.
- B. Incorporate the tracking system into the PCCLB case management database.
- C. Establish written policies and procedures for case referrals to Consumer Protection. The policies and procedures should establish a point for hand off to Consumer Protection. This determination should not be left up to staff's discretion, as it would create inconsistency.
- D. Instruct staff to stay abreast of cases/complaints referred to Consumer Protection in order to update the PCCLB case management database accordingly.
- E. Collaborate with Consumer Protection to gain read-only access to its case management database in order to facilitate following-up on referrals.
- F. Grant Consumer Protection read-only access to the PCCLB case management database to allow it to follow-up on cases referred to the PCCLB and also check on contractors' license status.
- G. Establish the extent of the PCCLB's role and responsibility in relation to consumers.
- H. Establish the extent of the PCCLB's role and responsibility regarding cooperation with Consumer Protection.

Status:

- A. **Not Implemented.** There is no tracking system in place to indicate what cases the CLD has referred to Consumer Protection. However, this information will be tracked once the Accela Case Management database system is in place, which is now in the planning stage and due to go live by April 2021. We continue to encourage Management to implement our recommendation, as it runs the risk of missed collaboration opportunities.
- B. **Not Implemented.** There is no tracking system in place. Once the Accela Case Management database is in place, the CLD will have a tracking system. We continue to

encourage Management to implement our recommendation, as it runs the risk of missed collaboration opportunities.

- C. **Implemented.** Procedures in the CLD Team Member Handbook lay out the process for case referral to Consumer Protection. The CLD Team Member Handbook states, "All complaints against licensed contractors which allege consumer harm, or where there is a disagreement between the complainant and the contractor regarding the quality of the work or finances will be referred to the consumer Protection Division. After 30 days, PCCLB investigative staff will ascertain the status of the case referred and determine whether action on the part of the PCCLB is warranted, as it pertains to the status of the licensee."

- D. **Implemented.** Procedures in the CLD Team Member Handbook describe the process for case follow-up with Consumer Protection. The CLD Team Member Handbook states, "After 30 days, PCCLB investigative staff will ascertain the status of the case referred and determine whether action on the part of the PCCLB is warranted, as it pertains to the status of the licensee."

- E. **Partially Implemented.** Management has not been given read-only access to the Consumer Protection case management system; however, Management stated Consumer Protection shares case information and updates when requested or when a complainant indicates they have also complained to the CLD. Once Accela goes live in Consumer Protection, the CLD could be granted read-only access to Consumer Protection's complaint data. The CLD has already granted such access to Consumer Protection. We continue to encourage Management to implement our recommendation fully, as it runs the risk of missed collaboration opportunities.

- F. **Implemented.** Management confirmed read-only access has been granted to Consumer Protection.

- G. **Partially Implemented.** Management stated there was a process in place to respond to consumer reports and complaints timely and completely, which was under review and revision. However, Management was unable to provide a copy of that process because the mapping was in process. We continue to encourage Management to implement our recommendation fully, as it runs the risk of missed collaboration opportunities.

- H. **Implemented.** Management stated the responsibilities and role of the CLD with respect to Consumer Protection have been addressed through joint meetings and are outlined in the Investigative Section of the CLD Team Member Handbook. The two departments discuss common issues periodically as they arise. Information is routinely shared, and the lines of communication remain open.

41. There Is A Lack Of Supervisory Review Of GPS Data.

In April 2015, Global Positioning System devices (GPS) were installed in all three PCCLB Investigators' vehicles. Through the use of the Synovia Silverlining web application, live GPS data of each vehicle is viewable in both raw data and map formats. The application also has the capability to run historical reports. Each GPS device communicates automatically every 20-30 seconds with the web application through data pings that contain various information, such as date, time, idling, location (via longitude and latitude coordinates), direction of travel, and speed of the vehicle.



We conducted a preliminary analysis of GPS data reported from PCCLB Investigators' vehicles between April 16, 2015 and March 10, 2017. Our analysis indicated that two Investigators may be misusing County time and equipment. Based on the preliminary analysis, the IG's Public Integrity Unit (PIU) opened an investigation and conducted a detailed analysis of the GPS data in conjunction with surveillance of the two Investigators.

The PIU determined that both Investigators were and had been spending a significant amount of work time running personal errands and not performing their duties as PCCLB Investigators. One resigned from employment and the other retired at the conclusion of the PIU formal interviews. The PIU is issuing separate detailed reports related to each former PCCLB Investigator.

PCCLB staff indicated that, in the past, GPS data was monitored periodically. However, it was inconsistent and had not been reviewed in at least one year. A lack of policies and procedures for a supervisory review of GPS data, as well as an absence of adequate oversight of Investigators, has resulted in GPS data not being reviewed by Management on a regular basis. The result is a lack of accountability for the Investigators and their daily activities while patrolling the County.

Reviews of GPS data must be conducted on a routine basis to ensure Investigators are patrolling within their designated zones and to identify unexpected behaviors, such as speeding, excessive idling, and frequent visits to non-work related locations.

We Recommended Management:

- A. Implement a routine supervisory review of GPS data to include items, such as routes/locations traveled, speeding violations, variances from designated zones, duration of stays at non-work related locations, and excessive idle times.

- B. Develop written policies and procedures for routine supervisory GPS data reviews.
- C. Educate staff on the appropriate use of County vehicles, as well as the capabilities of the GPS reporting function.

Status:

- A. **Implemented.** The Investigations Manager has access to Synovia to regularly review the Investigators' GPS data.
- B. **Implemented.** Policies and procedures governing the routine supervisory review of GPS data are contained in the CLD Team Member Handbook. The Investigations Manager is responsible for reviewing the investigators' GPS data at least monthly.
- C. **Implemented.** Information concerning the GPS reporting capabilities and the appropriate vehicle use policy are included in the CLD Team Member Handbook issued to all CLD staff.

42. Investigators Are Not Adequately Covering The County.

PCCLB Investigators are not efficiently covering the County. At the beginning of our review, there were three field Investigators, who each covered a portion of the County, one in North County, one in mid-County, and one in South County. They do not have pre-determined routes to ensure they cover their designated area completely over a set time period. In addition, Investigators begin and end their day at the PCCLB office, which takes away from time they could be patrolling. Investigators must spend time in the office to perform research on cases that could be done in the field if they had access to reliable electronic devices in their vehicles.

By not adequately covering the County, unlicensed activity continues to be performed, which may negatively affect homeowners. In addition, the PCCLB loses revenue by not issuing citations when they are warranted.

Investigators, who patrol large areas, should have an organized method for ensuring that all County areas are patrolled on a regular basis to uncover as much unlicensed activity as possible. Investigators should also have access to electronic devices, such as mobile device terminals (MDTs) in their vehicles, which would allow them to spend more time patrolling and less time in the office.

We Recommended Management:

- A. Implement a system for assigning routes to PCCLB Investigators who work in the field.
- B. Install electronic devices, such as MDTs, in PCCLB Investigators' vehicles.

- C. Analyze the potential for allowing PCCLB Investigators to take their vehicles home and start or end their work day in the field, thereby increasing patrolling time.

Status:

- A. **Implemented.** Management stated it assigned the three Field Investigators routes as equally as possible, in three geographic divisions of the County, based on construction activity in dwelling units. Travel routes are not prescribed. Investigators are assigned specific geographic areas to patrol, and all complaints which come into the system are assigned based on those geographic areas. They are currently well balanced based on the number of cases emanating from each of the three areas.
- B. **Partially Implemented.** Management stated field units have arrived, and one unit has been fully installed. The other installations were interrupted due to the COVID-19 pandemic but will be accomplished as soon as possible. We continue to encourage Management to implement our recommendation fully, as it runs the risk of missing an opportunity to improve efficiency in the investigative process.
- C. **No Longer Applicable.** The County's Administrative Policy, which became effective November 14, 2019, prohibited take-home vehicles. Therefore, our recommendation to permit take-home vehicles is no longer applicable. However, Management indicated it would consider using a secure vehicle site around the County in the future that would allow for a shorter commute time and longer time in the service area.

43. Investigators Are Not Adequately Patrolling On Weekends.

Review of GPS records between April 15, 2015 and March 10, 2017 shows that Investigators patrolled 82 of 99 weekends, or 83%. Additionally, of the 82 patrolled weekends, 18 of them provided minimal County coverage, with patrols lasting an average of 10 minutes.

Providing an ongoing presence in the community is a critical role PCCLB Investigators should maintain in order to monitor and help prevent the illegal use of unlicensed contractors. As directed by Management, the PCCLB should have at least one Investigator patrolling throughout the County during the week, as well as on weekends.

A lack of both set weekend schedules and Management oversight contribute to the inadequate coverage and patrol. By not adequately patrolling the County on weekends, unlicensed activity continues to be performed, which may negatively affect homeowners. In addition, the PCCLB loses revenue from the reduction in citations issued to unlicensed contractors.

We Recommended Management:

Implement a schedule for PCCLB Investigators on weekends.

Status:

Implemented. Management stated the Investigations Manager is responsible for establishing a rotating weekend schedule among the three Field Investigators. During the COVID-19 pandemic, field investigations have been limited. The Investigations Manager rotates the Investigators and assigns each of them to weekend patrol every six weeks. Once regular scheduling resumes, the Investigators will be assigned to a three-week rotation to assure one of them is patrolling every weekend with the exception of holiday weekends.

44. Investigator Vehicles Are Not Marked Properly.

PCCLB Investigators' vehicles are marked with a badge and the lettering "PCCLB." The average citizen is likely unaware of what the PCCLB acronym means, and the badge implies law enforcement, which the PCCLB is not. Some PCCLB Investigators have a concern that contractors recognize the vehicles and abandon the work site when they see Investigators arrive.

During our audit, Management removed the markings completely from some of the PCCLB vehicles, leaving one with the PCCLB acronym and badge. Since vehicle markings were not properly affixed in the past, and those that have been altered bear no information, this may mislead or confuse the public. The vehicles should be marked in a way that easily identifies the PCCLB with an official logo.



The County's policy related to vehicle markings states that the vehicles should have a County decal and identification number prominently displayed on each side of the vehicle. Any exceptions require approval from the County Administrator.

We Recommended Management:

Modify PCCLB Investigators' vehicle markings to include wording instead of the PCCLB acronym and consider removing the badge image.

Status:

Implemented. The badge images were removed and the vehicles were wrapped in the Contractor Licensing and County logo.

45. PCCLB Field Investigators Do Not Wear Uniforms.

PCCLB Field Investigators do not currently wear uniforms as Management has not implemented a dress code policy for the field Investigators. The field Investigators who wear plain clothing and are not easily identifiable as government employees performing official business, may find themselves in an unsafe situation if they are approaching an individual's personal property.

Government employees performing official business, which requires them to come in contact with the public, should wear uniforms with logos to be easily identifiable and convey a professional image. With the potential for PCCLB Investigators to travel onto someone's personal property in order to conduct their job duties, it is important that uniforms be worn to indicate that the individual coming onto their property is conducting official business, and is not an intruder.

We Recommended Management:

Develop and implement a policy for the PCCLB field Investigators to wear an official uniform.

Status:

Implemented. The CLD Team Member Handbook requires Field Investigators wear department issued uniform shirts.

46. The PCCLB Case Log Is Not Maintained Timely.

During our review, we noted the PCCLB case log was not always in chronological order. The case log is a Microsoft Office Excel spreadsheet used to record citations and administrative complaints as "cases," and to retrieve the next chronological case number for the case. Management indicated that they are aware that Investigators do not always enter cases timely; however, Management relies on the case log in order to track Investigator productivity.

Not entering cases in the case log, which is the first control for ensuring all cases get entered into the Oracle application, leaves the agency vulnerable to losing track of a case. In addition, Management cannot effectively track productivity if cases are not entered timely. Management

indicated that Investigators should be entering cases into the case log within 48 hours. Management stated they are working with BTS to obtain productivity tracking functionality in the Oracle application, or another application.

We Recommended Management:

- A. Obtain an application with functionality to track PCCLB Investigator productivity.
- B. In the interim, remind staff of the importance of timely entering cases into the case log.
- C. Develop a policy that includes timeframes for PCCLB Investigators to enter cases into the case log.

Status:

- A. **Acceptable Alternative.** Although a specific application has not been created, reports from SharePoint allow productivity to be tracked.
- B. **No Longer Applicable.** As shown in the status for recommendation 46A, the CLD has implemented a new case tracking system. Therefore, the recommendation to timely enter information in the old case log is no longer applicable.
- C. **Partially Implemented.** Management stated the case management process mapping was initially undertaken in 2018; however, work to establish time standards was not carried forward. Current case management process remapping is under way, and time standards will be established as a result. CLD Management provided workflow charts for case management and the unlicensed investigations process. Although the charts do not provide specific time standards for each stage, it is a start and understanding of how the process flows from the initial intake through the investigation up to the closure. We continue to encourage Management to implement our recommendation fully, as it runs the risk of losing track of cases.

47. Investigator Policies And Procedures Are Inadequate.

Investigator policies and procedures do not exist for some processes, such as:

- Citation issuance.
- Investigating administrative complaints in the field.
- Oracle application use for both citations and administrative complaints.

In addition, the Investigator policies and procedures are not sufficient for some processes. For example, citations can be paid on payment plans, but the procedures lack details regarding tracking, enforcing, and collection efforts. In addition, the Probable Cause Panel process is being

revised and replaced by a Case Review Committee. This significant change renders the current procedures outdated in some areas.

Management did not create complete written policies and procedures for PCCLB processes. In addition, process changes have not been accurately reflected in the current procedures. Without properly documented policies and procedures, inconsistencies may occur between Investigators.

Policies and procedures should exist for each position that clearly identify the responsibilities of each staff member. The procedures should include detailed steps to be taken to perform duties. Consequently, in the event that any staff member is unable to perform his/her duties, another staff member could refer to the procedures and accomplish the agency's goals.

We Recommended Management:

Update the PCCLB Investigator policies and procedures to include all current duties and responsibilities.

Status:

Partially Implemented. The CLD Team Member Handbook includes some investigative procedures; however, it is not comprehensive. Management stated the initial investigative procedures outlined in the CLD Team Member Handbook are being reviewed and will be rewritten to reflect the revamped process currently under development. We continue to encourage Management to implement our recommendation fully, as it runs the risk of inconsistent investigative activities.

48. Office Specialist Policies And Procedures Are Inadequate.

The Office Specialist procedures for citations are outdated or not detailed enough in some areas. For example, processes related to the Special Magistrate hearing process, including hearing preparation, processing affidavits of non-licensure, and hearing status letters, are not very detailed. When citations are not paid, the PCCLB may impose liens as an enforcement remedy, but the procedures for processing liens are not sufficiently detailed.

In addition, the procedures for processing administrative complaints that are referred from municipalities and the County are not current. For example, the procedures to process expired building permit complaints are outdated and do



not reflect efficient and effective use of resources. The following are areas of the procedures identified for improvement:

1. PCCLB staff enters case information into the PCCLB Oracle application as they process complaints, including entering a \$300 fine before notice is sent to the contractor and before the case has gone to the Case Review Committee. The Case Review Committee finds automatic probable cause for expired permit cases. Then, a notice is sent to the contractor. The contractor has the option to pay the fine and resolve the permitting issue prior to the case going to the Board for a vote, which could impose a higher fine plus administrative fees, waive the fine, dismiss the case, or include conditions for performance in the Final Order.
2. PCCLB staff is limiting the number of expired building permit cases sent to the Case Review Committee to 75 per meeting. Limiting the number cases may have the following consequences:
 - Extend the due process for contractors.
 - Extend the time for the completion of the construction project in question.
 - Create a backlog of cases to be heard by the Case Review Committee.
 - Slow the collection of potential fines for expired building permits.

Management has not updated the Office Specialist procedures. Without properly documented policies and procedures, inconsistencies may occur. Policies and procedures should exist for each position that clearly identify the job responsibilities. The procedures should include detailed steps to be taken to complete duties. That way, in the event that any staff member is not able to perform their duties, another staff member could refer to the procedures and still accomplish the agency's goals.

We Recommended Management:

- A. Update the Office Specialist policies and procedures to include all current duties and responsibilities.
- B. Update the procedures for expired building permits so that all cases are included in the next Case Review Committee meeting.

Status:

- A. **Partially Implemented.** Management stated it adapted and rewrote procedures to the extent possible and incorporated them into the CLD Team Member Handbook. Specifically, the CLD Team Member Handbook contains a section devoted to financial procedures. In addition, a large notebook contains desk procedures for key functions while a review of all procedures is underway. A new desk manual will be produced to reflect the revamped procedures. We continue to encourage Management to implement

our recommendation fully, as it runs the risk of inconsistent performance of Office Specialist responsibilities.

- B. **Implemented.** Management mapped the expired permit case process and initiated major changes. The new process is more accurate, timely, and efficient. A review of the process flow showed case hearings among the established milestones.

Citations

49. Investigators Do Not Consistently Issue Citations.

Two field Investigators indicated they use their discretion when issuing citations and do not always issue citations for all violations. For example, one Investigator pointed out that the citation he issued could be argued in the Respondent's favor, as it was a citation for unlicensed work. The Investigator had arrived at a residence when a contractor was packing up his belongings in his vehicle and leaving. The field Investigator stated the Respondent could argue that he was not observed working, even though he told the field Investigator he had just finished the job. The field Investigator also mentioned he could have issued a citation for advertising, since the contractor gave him a business card, but decided not to and could possibly issue it later if the Respondent disputes the issued citation.

Field Investigators indicated that they used their discretion and sometimes did not issue citations for all potential violations. Missing opportunities to cite unlicensed construction activity not only fails to provide a consequence and deterrent for the unlicensed worker, but also prohibits the PCCLB from collecting necessary revenue. In the scenario observed by the IG staff, it also puts the PCCLB in a position to potentially lose the issued citation.

Florida Statutes and County Code govern the construction industry regulations related to contractors performing construction work, as well as other aspects of working in the construction industry. Violations are punishable by up to a \$500 fine and revocation or suspension of a license, among other actions. It is important that violations are issued in a fair and consistent manner. The following County Code sections give PCCLB Investigators authority to issue citations:

- Section 1-8. – *“General penalty; continuing violations.”* identifies the legal remedies that may be taken upon discovering an infraction of any of the sections listed below, including a fine of up to \$500, and suspension or revocation of a contractor's license. The BCC may pursue legal action in court, as needed.
- Section 22-14. – *“Acts prohibited.”* notes several violations concerning unlicensed work, permitting, and advertising. The violations include a person without any type of construction license performing construction work, or a licensed contractor that is performing work in a field in which they are not licensed. In addition, subcontracting work to an unlicensed person is considered a violation.

- Section 26-81. – *“Publication of advertisements for construction contractors.”* states that any contractor advertising their work must include their license number on advertising documents.
- Section 122-1. – *“Identification of commercial vehicles.”* dictates that commercial vehicles must be marked as such, with the name and telephone number of the contractor on both sides of the commercial vehicle.

In addition, F.S. 489.119 requires the following:

- (5)(a) states:

“Each registered or certified contractor shall affix the number of his or her registration or certification to each application for a building permit and on each building permit issued and recorded...”

- (5)(b) states:

“The registration or certification number of each contractor shall appear in each offer of services, business proposal, bid, contract, or advertisement, regardless of medium, as defined by board rule, used by that contractor or business organization in the practice of contracting.”

(5)(c) states:

“If a vehicle bears the name of a contractor or business organization, or any text or artwork which would lead a reasonable person to believe that the vehicle is used for contracting, the registration or certification number of the contractor must be conspicuously and legibly displayed with the name, text, or artwork. Local governments may also require that locally licensed contractors must also display their certificate of competency or license numbers.”

We Recommended Management:

- A. Implement a policy that requires PCCLB Investigators to cite all violations.
- B. Train PCCLB Investigators on the policy of citing all violations.

Status:

- A. **Implemented.** Management stated Investigators are trained to equally enforce all violations.

B. **Implemented.** Management stated all Investigators have been trained on the citation process and procedures. Investigators are trained by the Investigations Manager who has over 20 years of experience in enforcement work in the County. Initial training is provided in both classroom and field settings.

50. Opportunities For Collaborating With Law Enforcement To Identify Unlicensed Construction Activity Are Not Utilized.

In the past, the PCCLB has worked with the PCSO and the St. Petersburg Police Department in sting operations, where law enforcement worked undercover to bring unlicensed contractors to a location to request a bid. Upon providing an estimate of a certain dollar amount, law enforcement charged the unlicensed contractor criminally, and the PCCLB issued citations. However, the last sting operation that the PCCLB participated in took place in 2015, and Management stated they did not seek out further opportunities to collaborate, and had not been invited to cooperate in enforcement efforts with other agencies.



During our audit, the PCCLB entered into a memorandum of understanding with the PCSO for a six month pilot program. The program will consist of PCSO Deputies tracking all incoming complaints and issuing citations both in response to complaints and proactively in the field. The PCSO's Construction License Unit will receive complaints via the following methods:

- SeeClickFix Application
- Hotline
- Complaint Form (available at the PCCLB or the PCSO)

If the PCCLB receives complaints at its office, they are routed to the PCSO for intake. All complaints will be assigned a PCSO case number. Those that are against licensed contractors which would potentially result in an administrative complaint, will be referred to the PCCLB for processing. Those that are against unlicensed contractors, which would potentially result in citations, will be processed by the PCSO. Any complaints against licensed or unlicensed contractors that involve consumer harm will be referred to Consumer Protection. The PCSO will track all complaints through resolution.

PCSO Deputies will patrol the County looking for unlicensed activity, and issuing citations as needed. After citation issuance, the process remains unchanged. Respondents have the option to either pay the fine or appear before a Special Magistrate to dispute the citation. PCSO will enhance the enforcement process by referring citation cases to the SAO if they do not pay the citation or request a hearing to dispute it within established timeframes.

We Recommended Management:

- A. Continue to collaborate with law enforcement whenever possible to identify unlicensed contractors.
- B. Revise all policies, procedures, and corresponding forms that are used in the citation and administrative complaint intake process to agree to new procedures. Coordinate with the PCSO as necessary.

Status:

- A. **Implemented.** The current CLD Director met immediately with the PCSO Economic Crimes supervisors to agree on a cooperative relationship going forward. Information on major offenders has been shared on an informal basis, and case information has been shared, as required, on a case-by case basis.
- B. **Partially Implemented.** Management is reviewing and refining the investigative process. Once this is complete, a meeting will be set to formalize the cooperative efforts which might be undertaken. We continue to encourage Management to implement our recommendation fully, as it runs the risk of inconsistent application of citation and complaint intake responsibilities and missed collaboration opportunities.

51. There Is No Citation Management System.

Citations issued by the PCCLB are not pre-numbered or tracked. In addition, there are two types of citations (hard copy and electronic copy), and three different versions of a citation. Furthermore, not all County Code violations are included on the three versions used. Investigators issue hard copy (with carbon copy) citations in the field and electronic citations (generated in Microsoft Office Word) from the PCCLB office.

When an Investigator issues a citation in the field, they hand deliver a hard copy citation, selecting one of two versions that applies to the County Code violated. When the Investigator returns to the office, they log the citation information on the case log to obtain the next chronological case number. Then they enter the case number and case information into the Oracle application.

When an Investigator issues a citation from the office, the Investigator enters information about the Respondent and citation on the case log in order to obtain the case number. Subsequently, the Investigator enters the case information into another spreadsheet, which merges with a Microsoft Office Word citation template to create the electronic citation, selecting one of three versions that applies to the County Code violated. The citation is mailed via certified mail to the Respondent, and the case information is entered in the Oracle application.

We reviewed the three versions of the PCCLB citation. The first two are used in the field and all three are used in the office:

1. Vehicle Citation, which pertains to operating a commercial vehicle without being properly marked (name and telephone number on right and left side of vehicle). This is governed by County Code 122-1. – *“Identification of commercial vehicles.”*
2. Field Citation, which pertains to unlicensed activity of various types, and is governed by County Code 22-14. – *“Acts prohibited.”* There are eight prohibited acts, ranging from performing unlicensed activity to advertising work not qualified to perform.
3. Citation, which pertains to advertising work, requires a competency license governed by County Code 22-14. – *“Acts prohibited.”* This citation identifies prohibited acts six and seven from the total of eight prohibited acts, which duplicates the Field Citation that encompasses all eight prohibited acts.

It should also be noted that County Code Section 26-81. – *“Publication of advertisements for construction contractors.”* governs the requirement that licensed contractors include their license numbers on advertising materials. This Code section is not documented on any citation form currently being used.

Management has not implemented a system of tracking and keeping inventory of citations. PCCLB staff indicated that the third version of the citation indicated above was created to be used in the office for advertising citations only (prohibited acts six and seven mentioned above), and it is not used in the field.

Without utilizing a system for tracking citations, it is not possible to ensure that all issued citations are logged and tracked for payment receipt. Having multiple versions of the citation form creates unnecessary paperwork and may create confusion about which citation to use, especially since two forms contain duplicate violations. The citation document should be concise and list all violations to allow Investigators to quickly select the applicable County Code violation.

It is considered a best practice to keep inventory of hard copy citations that are pre-numbered. Sets of citations should be distributed and tracked by their numbers. In the event that a citation is missing, it would be discovered quickly.

Given the job duties involved, ideally, field Investigators would initially enter the citation information into the Oracle application in order to obtain a case number that is generated from Oracle. Then the Investigators could print and issue the citation containing the case number. Management indicated that the Oracle application does not contain this functionality, but they are working with BTS to find a solution.

If Management is able to get the Oracle application’s functionality improved to generate a case number, it would be best for Investigators to have MDTs in their vehicles. They could enter cases directly into the Oracle application and print citations while out in the field, eliminating the hard

copy element. If it is not feasible to obtain MDTs, and hard copy citations are necessary, they should be tracked, pre-numbered, and consolidated to one form. The information noted on the hard copy citation can be subsequently entered into the Oracle application. In this scenario, the electronic citations should not be used; however, the carbon copy of the citation issued can be scanned to reduce the need to retain hard copy documents.

We Recommended Management:

- A. Work with BTS to obtain functionality in the Oracle application that allows case numbers to be generated.
- B. Install MDTs in the PCCLB Investigators' vehicles and implement a process to produce citations electronically in the field.
- C. If recommendation B is not feasible, develop an inventory system for hard copy citations, which includes pre-numbering citations.
- D. Consolidate citation forms to one form, which lists all applicable County Code sections.
- E. Train PCCLB Investigators on any updated procedures.

Status:

- A. **Acceptable Alternative.** SharePoint is now used to assign sequential case numbers.
- B. **Partially Implemented.** Management stated field units have arrived, and one unit has been fully installed. The other installations were interrupted due to the COVID-19 pandemic but will be accomplished as soon as possible. We continue to encourage Management to implement our recommendation fully, as it runs the risk of missing an opportunity to improve efficiency in the investigative process by producing citations electronically in the field.
- C. **No Longer Applicable.** Management is in the process of obtaining field units as recommended in 51B. Therefore, this recommendation is no longer applicable.
- D. **Implemented.** The SharePoint case report provides for the listing of all applicable County Codes on a case record.
- E. **Implemented.** Management stated Investigators are incorporated in the development of new procedures and are trained in any of the technical aspects of those procedures. SharePoint was introduced to the investigative team in the summer of 2018 immediately upon their hire to the department. Investigators were provided with workflows, team training meetings, memo recaps, and documentation from the onset. Management developed SharePoint resources for the investigative team to assist in managing case files, workflows, citation logs, payment tracking, proof-of-service notifications and

communications. A team meeting on January 2, 2020, discussed the new and improved processes for managing contractor complaints and use of the citation log.

52. Investigators Do Not Always Verify Information Provided By Complainants.

PCCLB Investigators do not always provide the necessary information to Board members and Special Magistrates for decision-making. During an observation of the PCCLB Board meeting on May 23, 2017, during the discussion of a case, one of the PCCLB Board members asked if a PCCLB employee had visited the Complainant's residence to inspect; a PCCLB employee had not. The case was tabled until the PCCLB could provide more information to the Board. The Board member expressed frustration that they are not provided the necessary information to make a decision; they are left to rely on the comments of the contractor and homeowner. The Board Chair formally asked the PCCLB to visit the site prior to the next meeting.

During an observation of a Special Magistrate hearing on May 9, 2017, a case referred by a homeowner and Consumer Protection was presented. The PCCLB Investigator did not visit the site where the alleged violations occurred. The alleged violations were confirmed by research away from the site, but there were questions about the events that took place. It is not clear why the Investigator did not visit the location where the violation took place. Visiting the location may have helped in that discussion. PCCLB Management confirmed that Investigators do not always visit the case location.

Per the Investigators' job description:

"...an employee in this classification investigates complaints against licensed and unlicensed contractors, and makes inspections at construction sites to determine compliance with County and state licensing requirements."

Illustrative tasks include the following:

"Investigates complaints of consumers against licensed and unlicensed contractors; writes violation notices and citations."

Makes a complete investigation of violations; files for prosecution with the State Attorney's Office. Works closely with Department of Justice & Consumer Services to coordinate case loads and share investigational data."

Prepares evidence against licensed contractors for presentation at licensing board hearings."

Management has not updated the Investigator policies and procedures to require Investigators to perform a site visit as part of the investigation process (see OFI No. 47). Policies and procedures should exist for each position that clearly identify the responsibilities of each staff

member. The procedures should include detailed steps to be taken to perform duties. That way, in the event that any staff member is unable to perform his/her duties, another staff member could refer to the procedures and accomplish the agency's goals.

Without performing a site visit, the Investigator does not have first-hand independent information for an administrative complaint case, which leaves the Board to rely on contractor and homeowner statements. Without visiting the location related to a complaint that resulted in a citation, it is difficult to defend the case, which puts the PCCLB in an undesirable position. In order to successfully research a case and issue citations, it is advisable to visit the location related to a complaint (alleged violation) before issuing a citation.

We Recommended Management:

- A. Require Investigators to perform site visits to obtain pertinent information when investigating administrative complaints that are heard by the Board.
- B. Implement written procedures for citation issuance, including site visits, in response to consumer complaints, and train PCCLB Investigators on procedures.

Status:

- A. **Implemented.** Management stated Investigators now visit sites to confirm information, as required, and provide pictures for the case file which is electronically provided to the Board or magistrate for the hearing.
- B. **Partially Implemented.** Management stated the investigative process is currently under a secondary review, and written documentation will be included in the CLD Team Member Handbook. Management is currently reviewing and mapping the investigative process with the County Attorney providing input as requested. Revamped and revised procedures will be completed in the coming FY with updates incorporated upon activation of the Accela case management database. We continue to encourage Management to implement our recommendation fully, as it runs the risk of insufficient information being available for decision making purposes.

53. LexisNexis | Accurint For Government Searches Are Not Cross-Referenced To Cases.

PCCLB Investigators have access to LexisNexis | Accurint for Government (LN). LN enables authorized government agencies to locate people, detect fraud, uncover assets, verify identity, perform due diligence, and visualize complex relationships using public records and non-public information. It allows agencies to verify such essential personal information as name, address, and Social Security Number or Federal Identification number, and confirms the identities of businesses and their authorized agents. It also verifies the identities and validates professional licenses, Drug Enforcement Administration licensing, legal standing, and criminal records.

Accurint does not constitute a "consumer report" as that term is defined in the Federal Fair Credit Reporting Act, 15 USC 1681 et seq.

Accordingly, LN is used to investigate contractors; however, the Investigators do not track and reference the cases to the searches they correspond to or identify that no case resulted from the search. They search on an "as needed" basis, and either use the information obtained for their case, or if no relevant information is obtained, move on to other research methods.

Management has not implemented a procedure for tracking LN searches. Failing to cross-reference LN searches to case research could allow the tool to be used for non-business purposes, without Management's knowledge.

As part of an investigation into a PCCLB Investigator, which is discussed in a separate report, the IG's PIU determined that the Investigator was accessing LN for personal reasons. When accessing an individual's personal information, it is important to ensure that it is only for PCCLB investigative/business purposes and when absolutely necessary. LN Master Terms & Conditions state:

"Customer represents and warrants that all of Customer's use of the LN Services shall be for only legitimate business purposes, including those specified by Customer in connection with a specific information request, relating to its business and as otherwise governed by the Master Terms. Customer shall not use the LN Services for marketing purposes or resell or broker the LN Services to any third party, and shall not use the LN Services for personal (non-business) purposes."

Cross-referencing the search to case research ensures that searches being performed can be easily traced to valid investigative/business purposes.

We Recommended Management:

- A. Develop a system for cross-referencing LexisNexis | Accurint for Government searches to case research.
- B. Regularly reconcile searches performed with cross-reference documentation to ensure all searches are for business purposes.

Status:

- A. **Implemented.** The CLD Team Member Handbook restricts the use of LexisNexis to the necessary research required under the Special Act and limits access to the Investigations Manager and one Office Specialist 2 assigned to Investigations Support. The CLD Team Member Handbook also requires each inquiry to be linked to a specific case number or complaint name and noted in an access log.

- B. **Partially Implemented.** The CLD Team Member Handbook requires the Investigations Manager to monitor the use of LexisNexis monthly to ensure compliance. Management stated this work is currently underway. We continue to encourage Management to implement our recommendation fully by instituting the monthly LexisNexis reviews in accordance with its procedures, as it runs the risk of inappropriate system use.

54. Citation Respondents Are Not Provided Clear Instructions For Special Magistrate Hearings.

Special Magistrate (also referred to as Special Master) hearing information provided to Respondents is not clear. When a "Notice of Hearing" is sent to the Respondent, it states:

"Persons are advised that if they decide to appeal any decision made at this hearing, they will need a record of the proceedings and for such purpose they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based."

Also, included with the "Notice of Hearing" is a document titled, "PCCLB Rule 04-03 - Pinellas County Construction Licensing Board Rules Relating to Enforcement by the Board of Special Masters," which states in Section 6. Conduct of Hearing by Special Masters that:

"4. All testimony shall be under oath and shall be recorded. The formal rules of evidence shall not apply but fundamental due process shall be observed and shall govern the proceedings. Upon determination of the Special Master, irrelevant, immaterial or unduly repetitious evidence may be excluded, but all other evidence of a type commonly relied upon by reasonably prudent persons in the conduct of their affairs shall be admissible, whether or not such evidence would be admissible in a trial in the courts of Florida...."

"6. At the conclusion of the hearing, the Special Master shall render his or her decision (order) based on evidence entered into the record. The decision shall then be transmitted to the respondent in the form of a written order including findings of fact, and conclusions of law consistent with the record..."

During our observation of a Special Magistrate hearing, all Respondents were unclear on the process, and when they presented evidence, it was not entered "officially" into the record. All parties reviewed the Respondents' evidence, but the Respondents took their evidence with them upon leaving.

After discussions with Management, it was noted that if Respondents appealed the decision, their evidence would not be included as part of the record. In addition, the County Attorney representing the PCCLB stated he would request evidence be formally entered if he wanted to appeal for the County. However, the Respondent does not always have counsel advising his/her

of this requirement. The instructions provided could lead a Respondent to believe that by presenting his/her evidence, it has been formally submitted.

PCCLB has provided some information to Respondents in advance of the Special Magistrate hearing, but the information is not sufficient. Without providing clear and complete instructions to Respondents for the Special Magistrate hearing process, the Respondent is in a vulnerable position as he/she presents the case. The Respondents are not receiving a fair opportunity to defend themselves.

As noted above, PCCLB Rule 04-03 indicates that all evidence related to the case should be admissible, and at the end of the hearing, the Special Magistrate shall render a decision based on evidence entered into the record. In addition, the Florida Rules for Appellate Procedure states that the record shall consist of all documents filed in the lower tribunal. It is necessary for Respondents to understand this process and their responsibilities.



We Recommended Management:

- A. Revise the “Notice of Hearing” or include a fact sheet to incorporate more clear and complete instructions for evidence admittance, as well as general procedures for the Special Magistrate hearings. Include instructions for admitting different types of evidence (hard copy, soft copy, etc.).
- B. Implement a written procedure to notify the Respondent at the beginning of the Special Magistrate hearing about how and when they may admit evidence during the proceeding.

Status:

- A. **Partially Implemented.** Management stated the "Notice of Hearing" letters have been revised. Management provided copies of those revised letters. As the processes continue to be revised and updated, an instruction sheet will be developed. We continue to encourage Management to implement our recommendation fully, as it runs the risk of confusion on the process to admit evidence.
- B. **Partially Implemented.** Those attending the Special Magistrate hearings are invited to ask questions and are provided information in response to their questions. The Magistrate on duty provides instructions to the respondents. Written procedures are currently being developed. We continue to encourage Management to implement our recommendation fully, as it runs the risk of confusion on the process to admit evidence.

55. *Payment Plans For Citations Are Not Tracked And Enforced Consistently.*

PCCLB staff has not maintained a system for consistently tracking and enforcing payment plans. Payment plans are entered into either before or after the Special Magistrate hearing. The Respondent comes into the PCCLB and signs an agreement, which is notarized. The PCCLB Investigator then receives that agreement from the front office, and attaches it to the case in his/her active case files.



As payments are made in the front office, receipts are sent to the Investigators, which they use to manually track payments in their active case file.

The Investigators indicated they do not send the cases for liens after missing one payment. One Investigator IG interviewed checks the file before the Special Magistrate hearing, which occurs every two months. Another Investigator checks the case each month, and if needed, will make a call to remind the Respondent payment is due, but will not send the case for a lien based on one missed payment. Consequently, the process is not enforced consistently.

Failing to consistently enforce payment plans may give the appearance of unfair treatment of some Respondents, as they have additional time to pay fines. F.S. 489.127(5)(h) states:

"A certified copy of an order imposing a civil penalty against an uncertified contractor may be recorded in the public records and thereafter shall constitute a lien against any real or personal property owned by the violator."

The payment plans reference the statute and state that if payments are not made as agreed upon, and become 30 days or more in arrears, the PCCLB will impose additional fees and take legal action, which could include a lien.

We Recommended Management:

Develop a system for consistently tracking and enforcing payment plans as they become past due.

Status:

Implemented. Each Investigator is responsible for tracking payments for those on a payment plan where the Investigator worked the case. Reminder phone calls are also made to the respondents if payments are not made timely.

Administrative Complaints

56. Administrative Complaint Cases Were Dismissed Without Documentation Or Board Approval.

During our review, we noted certain cases were dismissed without explanation. PCCLB staff stated that it was common practice for the contractor to meet with the former Executive Director and an Investigator, resulting in the former Executive Director dismissing the case. The Investigator would note the dismissal in the Oracle application, but not always indicate the reason for the dismissal. The Board was not involved in these decisions.

Management had not implemented procedures to document the reasoning behind particular cases being dismissed. There is a risk of inequitable treatment of contractors if the complaint resolution process is not transparent and cases are not adequately documented. As a result, citizens may lose confidence in the way the PCCLB handles homeowners' complaints. Any process that affects the public should be as transparent as possible, with equitable treatment for all parties involved.

We Recommended Management:

Develop a transparent process for administrative case reviews and document the outcome and justification for case resolutions or dismissals.

Status:

Implemented. Management stated only the Board or Special Magistrate are empowered to dismiss administrative complaints. The authority of the PCCLB is set forth in the Special Act. Any administrative complaint or citation is written on behalf of the PCCLB, which in turn authorized the Special Magistrate process as a more convenient alternative to administrative hearings. Therefore, only the PCCLB or the Special Magistrate, under the Board's authority, may change or dismiss an order.

57. Respondents Were Held Liable For All Fines When The Reported Expired Permit Was A Building Department Error.

When a Building Department sends an expired permits' listing to the PCCLB, all entries are processed as administrative complaints. In the past, when a Building Department was found to have sent a permit in error, the PCCLB would acknowledge this fact, but the Respondent was still responsible for paying the fine due.

Management had an informal policy to process expired permits in a way that was not fair to the Respondent. This treatment is unfair to a Respondent that had performed his/her work appropriately. Policies and procedures should ensure fair processes for those participating.

We Recommended Management:

Update policies and procedures to ensure that when the Building Department has made an error, the Respondent is not penalized.

Status:

Implemented. Section 11.08 of the Board Rules provides for the rescinding of fines and refunding of payments when a Building Department has erred.

58. Fines For Administrative Complaints For Expired Permits Are Not Consistently Assessed.

Management's process for administrative complaints related to expired permits is that the fine amount of \$300 will be increased to \$526 after being reviewed by the Board (\$226 for additional fees and costs). Board meeting minutes reviewed stated that the expired permit cases on the consent agenda have a fine of \$500 plus administrative fees and costs, which is based on the agenda created by Management. Management has indicated that fees and costs are always \$226. Based on this information, the Board is approving expired permit cases with a total fine due of \$726 in some cases. A review of a sample of expired permit cases showed Final Orders assessing both \$526 and \$726 when the Board minutes indicated the fine amounts should have been \$726.

There is disparity in the way Management is processing expired permit cases, which results in the Board inconsistently disciplining contractors through Final Orders. Management does not consistently apply fines for expired permit cases brought to the Board, which is misleading and unfair to the Respondents.

We Recommended Management:

- A. Ensure the correct fines are applied to expired permit cases.
- B. Ensure the Board's decisions are carried out consistently on Final Orders.

Status:

- A. **Implemented.** Management stated, in accordance with the newly instituted procedures, fines are applied as provided in the fine schedule. The department administers expired violations on behalf of County Building Services and select municipalities to contractors who do not resolve building permits by published deadlines as set by those departments.

The fine for the expired permit violation is \$300.00. Management has streamlined a previously onerous manual process in order to manage expired permit violations in a timely manner. Management created an expired permit workflow chart. The workflow is supported by training of the expired permits Subject Matter Expert as well as a series of spreadsheets, reports, and training documentation retained in SharePoint. After the implementation of Accela, together with other continuous improvements, the CLD will ensure the process is easier to manage to meet expected deadlines.

- B. **Implemented.** The CLD Team Member Handbook addresses the process to ensure the accuracy of Final Orders. The Director or designee compares draft minutes of the Board meeting to the Final Order to ensure accuracy. Staff supporting the hearings are tasked with assuring Final Orders are properly recorded and appropriate notice is provided to the respondent.

59. The Complaint Form Has Not Been Updated.

The current PCCLB complaint form refers to the outdated process for complaint processing, as well as the probable cause process for administrative complaints. Management has redesigned a part of the process and has not updated the complaint form to reflect those changes. In addition, the current form does not contain a description of the complaint resolution process to educate Complainants about the process that follows filing the complaint, including an expected time frame for complaint processing.

Complainants often have to attach additional pages when filling out the complaint form because of the lack of space provided. It is important that the public clearly understands the process when filing a complaint so their expectations are realistic. The complaint form should be updated to reflect current procedures involving the PCSO's role and enforcement changes to establish timeframes for complaint processing and to allow sufficient space for complaint details.

We Recommended Management:

Update the complaint form to include current processes and detailed information regarding the complaint resolution process.

Status:

Implemented. The complaint form in SharePoint assures complete information is recorded. The resolution process is described in the notice of violation.

60. Administrative Complaint Forms Do Not Reflect New Procedures.

Historically, as administrative complaints were received by the PCCLB, they were heard by the Probable Cause Panel, and if probable cause was found, some options were available to the contractor to rectify the complaint. Depending on numerous factors, the PCCLB sent various forms to contractors notifying them of the outcome and the remaining options available to them.

During the review period, Management replaced the Probable Cause Panel with a Case Review Committee meeting, which is less formal and can be scheduled as needed to expedite the process. Management indicated they will be removing some options, such as stipulation agreements.

Management has not recently reviewed the administrative complaint forms, which are confusing and duplicative. As a result of changes, forms used for processing administrative complaints need to be updated to streamline the process and prevent confusion. The administrative complaint forms should agree with the new procedures and be revised for simplicity wherever possible.

We Recommended Management:

Review all forms used in the administrative complaint process and determine which forms should still be used, with a focus on equitable treatment of all contractors, transparency in the process, and simplicity in the processing of forms.

Status:

Partially Implemented. Staff recently undertook a forms review with the County Attorney and will incorporate any necessary changes. Forms are being adapted to be compliant with the Americans with Disabilities Act and will be posted appropriately. We continue to encourage Management to implement our recommendation fully, as it runs the risk of inconsistent form use and processing inefficiency.

61. Administrative Complaints Are Not Processed Timely.

During our review, we noted that there was a backlog of administrative complaints where probable cause had been found, but the formal “Administrative Complaint” and “Election of Rights” forms had not been mailed out. The backlog started accumulating in August 2016, and was finally cleared in June 2017.

Management indicated that, due to numerous public records’ requests that were submitted to the PCCLB, starting in August 2016, the backlog accumulated. Not processing administrative complaints for a prolonged period of time leaves the homeowner with no resolution and also increases the chances that fines will not be paid due to the delay in notifying the contractor. Administrative complaints should be processed timely to ensure consumer satisfaction.



We Recommended Management:

- A. Develop a system to ensure administrative complaints are processed timely.
- B. Implement a system for processing public records requests, which does not interfere with or cause substantial delays to productivity.

Status:

- A. **Partially Implemented.** The process to review, revamp, and revise is underway, and Management will apply time standards to the process map and directions. We continue to encourage Management to implement our recommendation fully, as it runs the risk of untimely administrative complaint processing.
- B. **Implemented.** The CLD Team Member Handbook requires staff to inform a supervisor immediately prior to taking action on a public records request. Management further stated public records requests are handled as directed by the County Administrator. A public records liaison and backup has been appointed. Response is timely as provided in procedures.

PCCLB Licensing Of Contractors And Journeymen

A contractor is a qualified person responsible for the project contracted and by means of compensation, undertakes to, submits a bid to, or does himself or herself or by others construct, repair, alter, remodel, add to, demolish, subtract from, or improve any building or structure, including related improvements to real estate, for others or for resale to others.

PCCLB requires local specialty contractors, local contractors, licensed state contractors, and journeymen be licensed and registered with the PCCLB before conducting business within the County. Prior to obtaining a license through the PCCLB, local contractors and journeymen must apply and undergo an approval review. The PCCLB Examination Committee ensures applicants have met educational requirements, obtained adequate work experience, and maintained an appropriate credit history. The PCCLB Examination Committee also reviews character reference letters and checks with Consumer Protection for any prior complaints.

All contractors applying for certification must demonstrate appropriate experience in the relevant category of licensure. Contractor applicants must demonstrate supervisory or independent construction performance experience in the trade or category for which application is made.

Upon consent from the PCCLB Examination Committee, applicants are registered with one of three independent testing facilities to administer the appropriate contractor or journeyman examination. Journeyman applicants are required to pass a trade examination with a 70% score or higher, while contractor applicants are required to pass both a trade and the business and law examination with a 70% score or higher.

A journeyman is a skilled worker who has successfully completed an official apprenticeship qualification in a building trade or craft. He or she is considered competent and authorized to work in that field as a fully qualified employee. A journeyman earns his/her license through education, supervised experience, and examination.

While the PCCLB requires local contractors and journeymen to complete the application and examination process, licensed State contractors are only required to register with the PCCLB, as they have already completed an application and examination process through the State. State contractors are required to provide the PCCLB a copy of their active State contractor's license and verification of appropriate insurance upon registration.

PCCLB Contractor Composition As Of June 6, 2017	
State Contractors	7,291
Local Contractors	1,627
Journeymen	895

All licenses are required to be renewed annually by September 30th. In addition to renewing annually, both contractors and journeymen are required to complete 14 hours of continuing

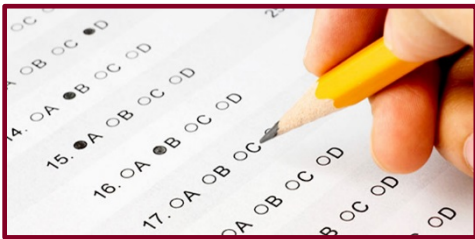
professional education (CPE) in their related trade every two years. Verification of the completion of CPE is required prior to license renewal.

Failure of contractors or journeymen to renew their license by September 30th will result in their license being suspended with the PCCLB. Suspended licenses create issues for contractors attempting to pull permits as most building departments in the County verify that the contractor maintains an active status with the PCCLB prior to issuing permits. In addition to the inability to obtain permits, contractors and journeymen will incur late fees, as well as possible reinstatement fees.

The following pages present in detail issues identified during our review of PCCLB contractors.

62. The Board Does Not Review Or Approve Testing Examinations.

Pursuant to the PCCLB Special Act, the Board is not reviewing or approving examinations created by third party testing agencies prior to being administered to contractors and journeymen. Discussions with PCCLB office staff and the former Chair of the Board confirmed there is no review or approval of the examinations.



The lack of review and approval by the Board on all examinations prior to being administered, as well as non-adherence to the PCCLB Special Act, is a result of poor management and lack of oversight.

Additionally, the absence of a review creates the inability for the Board to be confident in the knowledge of the contractors and journeymen it licenses. It could also create a negative view in the public eye as the agency tasked with ensuring contractors and journeymen are adequately trained and skilled are unaware of what contractors and journeymen are being tested on prior to being issued a contractor's or journeyman's license.

As outlined in the PCCLB Special Act, updated July 14, 2004, Section 17(2)(a):

"All examinations shall be prepared by an independent testing agency, subject to approval of the board."

All exams for all trades should be reviewed and approved by the Board prior to being administered. The Board is responsible for ensuring individuals have adequate knowledge and skills prior to becoming licensed contractors or journeymen. Part of that responsibility is to review the exams administered by third party testing agencies to ensure contractors and journeymen are tested on required knowledge of basic principles of contracting and construction applicable to the category in which a certificate is requested.

We Recommended the Board:

- A. Review and approve all examinations administered by the independent testing agencies currently used by the PCCLB.
- B. Create written policies and procedures regarding examination review to ensure newly created or modified exams are timely reviewed and approved.

Status:

- A. **Acceptable Alternative.** All tests are proprietary, so the Board cannot review their contents. However, the private testing agencies that are currently being used are reviewed and approved by the various contractor licensing entities. There are two approved testing agencies. The Board has approved both agencies through Board action, the most recent of which was Gainesville Independent Testing Service (GITS), LLC approved on January 23, 2018. The representative of the company appeared before the Board and discussed its testing process including the fact that GITS had been approved by the Department of Business and Professional Regulation.
- B. **No Longer Applicable.** According to Section 2.05 of the PCCLB Board Rules, all examinations are developed, proctored, graded, stored, and controlled by independent testing agencies that are approved by the PCCLB. As noted in recommendation 62A, examination contents are proprietary. Therefore, written policies and procedures regarding examination review are no longer applicable.

63. PCCLB Staff Did Not Efficiently Process Renewals And Late Fee Payments.

A review of local contractor and journeyman license renewals after the September 30, 2016 deadline identified at least 15 license renewals that were not charged the appropriate \$100 late fee.

Contractors and journeymen are required to renew their license annually on or before September 30th. Any renewal submitted after the deadline is subject to a \$100 late fee as outlined in the PCCLB Fee Schedule updated in 2002. License renewals can be processed in person, online, or by mail. Many license renewals are received by mail and processed by PCCLB staff. During the final week in September, when license renewals are due, PCCLB staff can become inundated with mail-in renewals. If renewals are received by mail after September 30th, but postmarked by September 30th, the contractor or journeyman is not assessed a late fee.



Our review found 211 local contractor and journeyman license renewals were processed between October 1, 2016 and April 1, 2017; however, only 98 were assessed a late fee. Office staff confirmed that much of the first week in October is dedicated to processing license renewals that were mailed in and postmarked September 30th or earlier. During the week of October 1, 2016, a total of 95 renewals were processed with only 16 assessed a late fee. Many of these were attributed to being mailed in with a postmark of September 30th or earlier, and therefore, would not be assessed a late fee.

Using October 7, 2016 as a cutoff date to assess the effectiveness of the late fees charged, 116 renewals reviewed were processed after October 7, 2016. Fifteen of the 116 renewals, or 13%, were not charged a late renewal fee.

The 15 identified license renewals were not processed with an applicable late fee due to one of the following reasons:

- Office staff were not timely processing renewals that had been mailed prior to September 30th, in which case they would not have been assessed a late fee.
- Office staff were not consistently applying the late fee to each renewal mailed after the September 30th renewal deadline.

As PCCLB does not maintain copies of the envelopes confirming the postmarks, we were unable to accurately determine which scenario is the cause.

It is important for PCCLB staff to process license renewals in an efficient and timely manner to avoid a backlog of renewals that takes several days or weeks to process, which results in delayed renewals and delayed processing of corresponding renewal payments.

Additionally, by not consistently charging a late fee for license renewals processed after the deadline, this resulted in a potential loss of at least \$1,500 in revenue for PCCLB for the 2016 renewal cycle.

We Recommended Management:

- A. Ensure staff is processing contractor and journeyman renewals in a timely manner.
- B. Ensure office staff is consistently enforcing late fees for renewals processed after the September 30th deadline.

Status:

- A. **Implemented.** Management stated that, due to staffing issues, applications are reviewed as timely as possible. Management has employed overtime and temporary staff to handle the workload. The renewal process in the fall of 2019 was hectic; however, the use of off-duty PCSO deputies helped control the walk-in traffic. Three temporary staff were already on board to assist with the backlog, and overtime was accorded to two CLD employees

to process insurance and applications. Two additional CLD staff came into the front office to assist when crowds were heavy. Kiosks were outfitted to assist contractors in the lobby; however, most had issues which needed to be addressed inside the office.

- B. **Implemented.** Management stated late fees are now applied to all renewals after the deadline, and any waiver request for extenuating circumstances requires Board approval. Renewal season for 2020 licenses closed on September 30, 2019. Any license renewals processed after that date are subject to late fees. A summary of the late fees collected was provided. The fee summary showed back fees, late fees, and six-month late fees were collected consistently from October 2019 through June 2020.

64. There Is A Lack Of Written Policies And Procedures For Specialty Contractor And Journeyman Licensing.

Currently, there are no written policies and procedures for the issuance and renewal of contractor or journeyman licenses. Only a checklist is completed upon accepting the application from contractors, and the checklist is used in gathering additional information needed by the PCCLB Examination Committee.

The licensing process, performed by the Senior Office Specialists, includes:

- Accepting applications from contractors and journeymen
- Preparing applications for review and approval by the PCCLB Examination Committee
- Scheduling of applicants for exams
- Verification of appropriate insurance and CPEs
- Initial issuance of licenses
- Annual renewals



Written policies and procedures provide guidance that is necessary to properly and consistently carry out departmental activities at a required level of quality. The establishment of policies and procedures provides the opportunity for Management to ensure that adequate processes and internal controls have been established. The development of policies and procedures also supports the cross-training and backup for key staff functions. It is Management's responsibility to establish written policies and procedures covering key department processes. The policies and procedures should be in sufficient detail to provide standard performance criteria and reduce the risk of misunderstanding.

The lack of written policies and procedures could result in deviations from the licensing process that may cause processing errors and unaccountability for unauthorized contractor licensing.

We Recommended Management:

Develop and approve written policies and procedures for the issuance and renewal of contractor and journeymen licenses. The policies and procedures should be available electronically for all appropriate staff to access.

Status:

Partially Implemented. Management stated the process has been set forth in the Board Rules and Special Act, and the procedures have been improved. Management created workflow documentation for new license applications and application renewals. With the move to Accela, these workflows will be supported by a procedure manual and staff validations of submitted documents, all of which are consistent with the Special Act and Board Rules. We continue to encourage Management to implement our recommendation fully, as it runs the risk of processing errors and accountability for unauthorized contractor licensing.

65. There Is A Lack Of Signed Contractor Acknowledgment Letters.

During testing of contractor files, we noted 12 of 50 sampled files did not have a signed “Contractor Acknowledgement of License” form on file. In addition, some files contained a signed form that was 20 or more years old, with no evidence of review or a recent acknowledgment by the contractor.

Although each contractor is given the form during initial registration, the PCCLB is not filing the signed form in the contractors’ files in a timely manner. Observations of the PCCLB file room confirmed a backlog of more than 100 signed “Contractor Acknowledgement of License” forms that remain unfiled, which could potentially be lost or misplaced.

Currently, PCCLB only requires contractors to review and sign the form when they are initially issued their license. The form is then added to their file and never reviewed or acknowledged again. While local contractors have been completing the form for over 30 years, State contractors have only been required to review and sign the form within the last five years. Any State contractor that registered with the PCCLB prior to that time period would have neither seen, nor signed the document.



The one page “Contractor Acknowledgement of License” form outlines several responsibilities licensed contractors must adhere to including items, such as:

- Notification to the PCCLB of changes to their business or liability insurance
- Compliance with applicable Building Codes
- Proper identification on commercial vehicles

In addition, the form states contractors are subject to disciplinary actions for violations of the laws of Florida. By not requiring licensed contractors to review and acknowledge the form on an annual basis, contractors may be unaware of their responsibilities and obligations to the PCCLB, potentially causing issues for PCCLB when trying to enforce them.

All licensed contractors conducting business within the County should be aware of their responsibilities and obligations to the PCCLB as licensed contractors. PCCLB should, on an annual basis, require that all contractors, both State and local, review and acknowledge their responsibilities as licensed contractors operating within the County through signing the “Contractor Acknowledgement of License” form. By requiring annual acknowledgement, PCCLB ensures contractors have read, understand, and accept the policies outlined when obtaining or renewing their licenses.

We Recommended Management:

- A. Require all contractors, both State and local, to review and sign the “Contractor Acknowledgement of License” form prior to processing their annual license renewal. The signed form should be kept on file either digitally or in hard copy format.
- B. Require all signed “Contractor Acknowledgement of License” forms be filed in the contractors’ files or stored electronically in a timely manner.

Status:

- A. **Implemented.** The CLD revised the "Contractor Acknowledgement of License" form to add repercussions for failure to update business information and renew the County license. Management stated all contractors are required to sign their letter prior to processing their annual license renewal. The forms are currently stored in paper files until a record conversion project is complete.
- B. **Partially Implemented.** Management stated that all signed "Contractor Acknowledgement of License" forms will be filed in paper until the record conversion project is complete. The CLD is currently unable to monitor whether all forms have been filed because there is no electronic method for recording whether they were received. However, Accela will resolve this issue when contractors will have access to a self-service system and acknowledgement will be an integrated part of the renewal process. Accela will eliminate the need to store that information because it will be integrated into the

paperless electronic file. We encourage Management to implement our recommendation fully, as it runs the risk of forms potentially being lost or misplaced.

66. The PCCLB Lacks Appropriate Controls And Monitoring Over Suspended Licenses.



The monitoring and processing of suspended licenses is a manual process that lacks documented procedures and appropriate controls. In the event a contractor is subject to an administrative complaint and his/her license is suspended by the Board, contractors are typically given a 30-day grace period to address the issue(s) and any other items requested by the Board prior to the license actually receiving a suspended status. The 30-day grace period is manually monitored by a single PCCLB employee through the notes' field in the PCCLB Oracle application. If the contractor rectifies the issue(s) during the grace period, the case is closed and no change is made to his/her license status.

After the 30-day grace period, if the issue(s) have not been resolved, a PCCLB employee will manually change the license status to "Suspended" in the PCCLB Oracle application. PCCLB staff then sends weekly notifications to building and permit departments in local municipalities and the County identifying which contractors currently have a suspended license. The contractor's license will remain in a suspended status until the original issue(s) have been rectified, any additional Board requirements have been met, and a reinstatement fee of \$125 is paid.

Once the Board votes to suspend a contractor's license, the entire process, including updating case logs, monitoring grace periods, updating suspended statuses, verification of corrected issues, and close out of cases, are manual processes completed with limited functionality within the current PCCLB Oracle application, and are performed by one employee.

Relying on one person to maintain a multi-step manual process in an application with limited functionality creates opportunities for suspended licenses to be missed, licenses to not be suspended timely, and suspended licenses to be reactivated prior to approval by the Board. Additionally, the lack of a case management system prevents efficient cross-referencing of contractors to administrative complaints.

The use of automated controls and active monitoring in conjunction with written policies and procedures is necessary to help ensure that once a contractor's license has been suspended by the Board, the license is updated efficiently and effectively, and appropriately monitored during the suspension period.

We Recommended Management:

- A. Create written policies and procedures for the processing and monitoring of suspended licenses.
- B. Assign two employees to process, verify, and monitor suspended licenses to reduce the risk of errors occurring.
- C. Request from BTS a customization of the Enforcement/Fertilizer application in the Environmental Management Division as an immediate software solution.

Status:

- A. **Partially Implemented.** Management stated it attempted to document its current practice for suspensions, which are still done manually. Almost all of the insurance monitoring processes are manual. One staff member has trained one backup staff member in the process. The CLD notifies the building departments of suspensions as a matter of practice. Contractors with suspended licenses are reviewed monthly as part of the License Status Report. The CLD has also mapped the insurance expiry or cancellation process. Management is working with the Accela team to automate all of the processes including applying fees and penalties to meet conditions. We continue to encourage Management to implement our recommendation fully by creating written policies and procedures, as it runs the risk of missed or untimely license suspensions and unapproved license reactivation.
- B. **Acceptable Alternative.** Management stated it is unable to assign two staff to cross-check suspensions due to limited staff. However, Management said the CLD internal manual monitoring process has improved. The Deputy Director conducts a monthly review of cases by status and reviews that information with the Director and Investigations Manager.
- C. **Acceptable Alternative.** The CLD is converting to the Accela application, which satisfies the recommendation to request a new software solution.

67. The Former PCCLB Executive Director Was Not Required To File Proof Of Insurance To Renew His Contractor's License.

The PCCLB Special Act identifies the requirements for contractors to renew their license each year. Contractors are required to annually provide proof of insurance to the PCCLB to renew their license.

The PCCLB Special Act 75-489, Section 17(5), states:

"As a prerequisite to issuance of contractor's certificate, the board shall require the applicant to submit satisfactory evidence that he has obtained public liability and property damage insurance for the safety and welfare of the public in amounts to be determined by the board. Thereupon, the certificate shall be issued forthwith, but this subsection does not apply to inactive certificates."

The PCCLB Special Act 75-489, Section 12(9), states:

"The board is authorized to waive any examination requirements for certification or registration of a contractor or journeyman, except that all required insurance coverage shall not be waived."

The former PCCLB Executive Director maintained his contractor's license during his tenure at the PCCLB. A review of his contractor file and conversations with PCCLB staff revealed that the former Executive Director received preferential treatment by not being required to submit proof of insurance. PCCLB did not comply with the aforementioned legal requirements and gave preference to the former Executive Director based on his position. The last proof of insurance the former Executive Director filed with the PCCLB was for a policy that expired in 1994; therefore, his contractor's license has not been valid for over 20 years.

We Recommended Management:

- A. Apply requirements in the PCCLB Special Act and Florida Statutes to all contractors without any exemptions.
- B. Suspend the former Executive Director's license until proof of insurance is provided and all fines and costs, if applicable, are paid.

Status:

- A. **Implemented.** Management stated that all requirements of the Florida Statutes and Special Act are adhered to without exception. Based on the action taken in recommendation 67B, as well as throughout this follow-up, Management has shown its commitment in adherence to applicable laws and regulations.
- B. **Implemented.** The former Executive Director's license is inactive as confirmed on the CLD website.

PCCLB Administration

The Board employs ten PCCLB staff to assist with day to day operations. These ten staff consist of an Executive Director, Administrative Manager, Investigators, Senior Office Specialists, and Office Specialists who are tasked with handling the daily operations of the PCCLB. Daily operations include items, such as collecting license and citation fees, processing new contractor applications, and handling contractor disputes or issues. Additionally, PCCLB staff is to provide the Board with support through various means, such as agenda and documentation preparation, assistance with inquiries the Board may have during meetings, and associated records management.

Starting in 1983, as part of the Interlocal Agreement, the PCCLB adopted several policies and procedures of the County, including those of the County's UPS. The UPS was established with the duty to enforce the personnel policies and personnel actions for offices, agencies, and employees. County policies and rules include:

- Statement of Ethics
- Electronic Media Use Policy
- Required Performance Reviews
- Appropriate Use of Property and Equipment
- Outside or Non-County Employment
- Disciplinary Actions

As such, the PCCLB staff should be treated, with regards to personnel policies and procedures, as County employees.

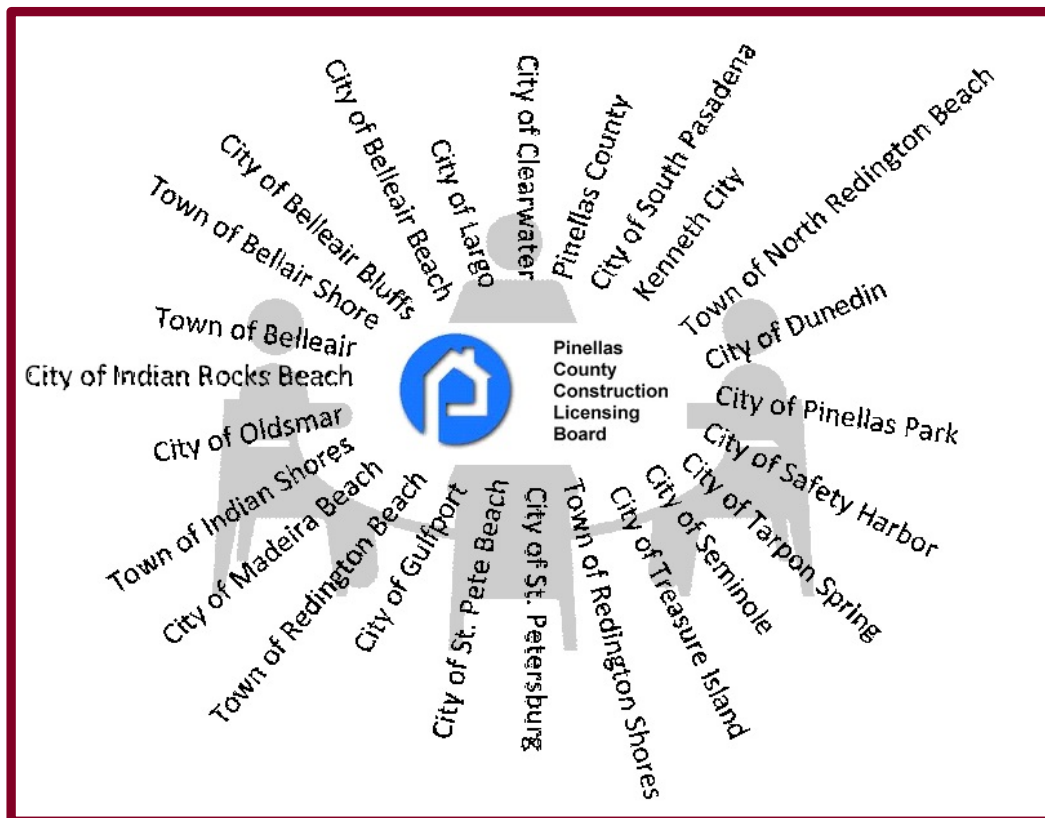
In addition to policies adopted through the Interlocal Agreement, as a State created agency, the PCCLB is subject to the Florida Sunshine Law. The Florida Sunshine Law was designed to guarantee that the public has access to public records of governmental bodies in Florida.

The PCCLB staff has been reduced to eight full time employees. The changes in staff resulted from the retirement and subsequent replacement of the Executive Director in February 2017, as well as the retirement and resignation of two Investigators as a result of investigations performed by the IG.

The following pages present in detail issues identified during our review of PCCLB administration.

68. There Are Opportunities To Improve Collaborating Efforts With Building Departments Throughout The County.

The collaboration efforts between building departments (cities and the County) and the PCCLB need improvement to be more efficient and effective. Generally speaking, building departments in Pinellas County are charged with issuing building permits, administering the Florida Building Code, and performing building inspections. Some of their end-users are contractors who must also be in good standing with the PCCLB. As the regulatory body for the construction industry in the County, the PCCLB serves as a reference guide for building departments; therefore, a partnership between the PCCLB and building departments is inevitable and necessary.



Through interviews with the PCCLB staff, we determined some administrative complaints are generated from a list of expired permits that building departments from various municipalities forward to the PCCLB. There are a total of 24 municipalities in the County, in addition to the County's Building Department; therefore, the PCCLB receives lists of expired permits in different formats since there is no standardized form for reporting. When the PCCLB receives the lists, staff converts the list to a standardized PCCLB Microsoft Excel spreadsheet with case numbers and utilizes merge functions to send letters to all Respondents.

Considering the PCCLB already has a standard format to process expired permit violations, it would be efficient and more effective if Management created an expired permits intake form mirroring the PCCLB's Microsoft Excel spreadsheet. By establishing a standard intake form across all municipalities, it would foster a more uniform and streamlined process of collecting data from the building departments.

Our interviewees for the PCCLB stakeholder outreach included Building Officials throughout the County. Some of the Building Officials interviewed stated they receive a list of expired licenses from the PCCLB. Some Building Officials indicated they seldom receive such a list, and others indicated they do not receive a list. The PCCLB is the County's regulatory body for the construction industry; therefore, it is important that it portrays efficiency and consistency. Some of the interviewees also expressed that having the capability to access the PCCLB's Oracle case management system (read-only access) would facilitate the verification process on their end as to checking on case status and/or contractor license status. Empowering the building departments in that way would save time for PCCLB staff and the building departments' staff.

We Recommended Management:

- A. Establish a standardized intake form for expired permits and distribute it to the building departments throughout the County.
- B. Provide PCCLB Oracle case management system read-only access to building departments for case status and license status verification.
- C. Establish and maintain a uniform and consistent communication method with its end-users (i.e., a list of expired licenses provided to building departments).
- D. Establish the extent of the PCCLB's role and responsibility toward the building departments and any other agencies it collaborates with in the future.

Status:

- A. **Implemented.** The CLD has developed a standardized intake form for expired permits and has distributed the form to municipalities on behalf of which it manages expired permit violations.
- B. **Partially Implemented.** The CLD provided database access to the County Building Department. The Accela application implementation will allow the CLD to grant read-only access to other building departments and communicate with them. The stated intention of Accela is to make information readily accessible to all users, on a read-only basis. We encourage Management to implement our recommendation fully, as it runs the risk of missing opportunities to collaborate with the building departments to streamline processes.

- C. **Implemented.** The CLD implemented a uniform and consistent process for reporting to the building departments licenses suspended based on the expiration or cancellation of insurance. The CLD has also recently begun communicating about department policies and practices with County and municipal building departments using Constant Contact.

- D. **Implemented.** The CLD recently began communicating about department policies and practices with County and municipal building departments using Constant Contact.

69. There Is Not Sufficient Supervisory Staff.

During our review, the PCCLB employed four Investigators and four office staff, with one Manager that was tasked with overseeing day-to-day operations. Neither the office nor the investigative function had sufficient managerial support to review and approve work because the PCCLB has not fully staffed its operations.

Our review of the processes used by the Senior Office Specialists indicated there are deficiencies in controls and segregation of duties. There is no oversight for the cashiering and administrative processes performed by the Senior Office Specialists at the PCCLB. See OFI Nos. 14 and 15 for further discussion related to the segregation of duties and inadequate controls for financial and administrative responsibilities.

A lack of oversight in the investigative function allowed two Investigators to abuse their time by not working during work hours, which led to decreased revenues for the agency. A lack of oversight for the financial and administrative responsibilities performed by the Senior Office Specialists contributed to the improper segregation of duties and inadequate internal controls.

Supervisory staff are needed to plan, direct, and support employees. Supervisors also need to review their employee's work, provide feedback, and approve certain activities.

We Recommended Management:

Ensure both the office and investigative functions are staffed with a supervisor.

Status:

Implemented. The Director and Deputy Director supervise office functions. Investigative functions are supervised by the Investigations Manager.

70. PCCLB Staff Lack Continuing Education/Training.

Not all PCCLB staff participate in annual trainings or continuing education courses. As part of their job requirements and responsibilities, field Investigators for PCCLB are required to be certified through the Construction Licensing Officials Association of Florida (CLOAF). As part of their certification/membership, they are required to attend at least one training conference annually. Two Senior Office Specialists and two Office Specialists are not required to attend annual training nor do they attend any training, either through CLOAF or through the County.



Management does not actively track or maintain records of training completed by the Investigators. Currently, this responsibility falls on the Investigator. Additionally, Management has not implemented a policy that requires or encourages staff to attend training to further their knowledge in the construction industry or to attend training, such as stress management, time management, or ethics training.

When staff attend regular training, it can improve business performance, profit, and staff morale. Other benefits include:

- Better customer service, better work safety practices, and productivity improvements
- Staff acquiring new skills, increasing their contribution to the business, and building their self-esteem
- Increasing the collective knowledge of the team
- Empowering employees investing in their skills and knowledge

Maintaining accurate records of courses and training completed by staff will help ensure all staff are completing appropriate training each year.

The PCCLB should require certifications and annual training for all staff. Such training could include those offered by CLOAF and/or the County.

Based out of Altamonte Springs, Florida, CLOAF is an organization created as a source of education and certification for Licensing Officials, Permit Clerks, Building Officials, Licensing Investigators, and all other employees of construction licensing agencies statewide. Currently, CLOAF offers a variety of training/reviews applicable to the PCCLB, including administrative, legal, and safety.

In addition to CLOAF, Pinellas County offers more than 75 in-house training courses for employees. Course topics include Microsoft Office, OPUS, career development, communication, customer service, business skills, leadership, retirement, and more.

We Recommended Management:

- A. Require all staff to become certified through CLOAF as part of their job responsibilities and attend annual trainings or continuing education courses.
- B. Implement a continuing education/training policy and encourage staff to seek out training resources, including through Pinellas County, which offers in-house trainings with topics including customer service, business skills, and leadership.
- C. Implement a centralized tracking system to maintain accurate records of staff certifications obtained, and courses or training attended.

Status:

- A. **Implemented.** The CLD sends all investigative staff to CLOAF meetings and training sessions at least once per year. All but one of the four investigative staff is CLOAF certified, and the fourth would have achieved her certification in May 2020. However, the May CLOAF conference was cancelled. CLOAF certification is only available to investigative staff. Management stated support staff received hundreds of hours of internal training in order to learn the new skills required of them as the office processes were revamped. In addition, all investigative staff has been directed to take the Dale Carnegie Course to improve interaction skills. This satisfactorily demonstrates Management's commitment to the professional development of its entire staff.
- B. **Implemented.** The CLD is now a County department under the County Administrator. As County employees, all CLD staff are encouraged to expand their job knowledge, and most of them have attended some type of training offered through the Personnel system. A key focus of the County Administrator is training for skills and career enhancement, and managers are held accountable for assuring their staff are provided the skills to excel and advance.
- C. **Implemented.** All staff training is documented and made part of staff files.

71. No Formal Records Retention Policies And Procedures.

There are no formal written policies and procedures for records management, including retention requirements and destruction processes. Management did not create complete policies and procedures for the activities, even though Florida Statutes and County policy require it.

Without properly documented policies and procedures, inconsistencies may occur. In addition, the PCCLB may not be in compliance with Florida Statutes regulating record retention and disposition. Policies and procedures should exist for records retention and destruction, including detailed steps to be taken to ensure compliance with Florida Statutes and County policy.

We Recommended Management:

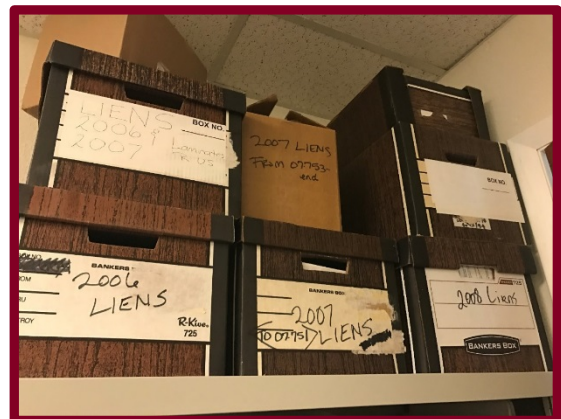
Document formal policies and procedures for records retention and destruction that are in compliance with County policy and Florida Statutes.

Status:

Implemented. The CLD is now a County department under the County Administrator. As a County Department, the CLD is required to follow County policies, which in turn require compliance with Florida Statutes. Currently underway is the scanning of all contractor files for conversion to digital format. Old files are sent to Records Management, which follows the statutory schedule for records destruction.

72. Records Are Not Stored And/Or Destroyed According To Retention Schedules.

The PCCLB file room contains files dating back to 2004. Transmittal records reviewed from 2010 and 2014 that were submitted to CCC's Records Management, were for records dating back to 1973. There is an abundance of files in the file room, with little room for new files to be stored.



Management has not made records retention and disposition a priority. Retaining records for such a long period of time is unnecessary and creates clutter in the office, making it difficult to find records and add newer records to the filing system. PCCLB is not following Florida Statutes regarding records retention and disposition.

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Follow-Up Audit of the Pinellas County Construction Licensing Board
and Grand Jury Presentment

Florida Statutes govern records retention requirements and the State issues General Record Retention Schedules. Per CCC's Records Management, Schedule GS1-SL applies to the PCCLB. The following categories and schedules are contained in the GS1-SL:

Retention Schedule GS1-SL		
Schedule Number	Record Type	Retention
GS1 4	Minutes: Official Meetings (Preliminary/Audio Recordings/Video Recordings)	2 anniversary years after adoption of the official minutes or certification of transcript
GS1 17	Correspondence and Memoranda: Administrative	3 fiscal years
GS1 88	Budget Records: Supporting Documents	3 fiscal years
GS1 94	Complaints: Citizens/Consumers/Employees	1 anniversary year after resolved
GS1 111	Insurance Records: Agency	5 fiscal years after final disposition of claim or expiration of policy
GS1 253	Licenses: Certificate of Competency Records	3 fiscal years after the file is closed due to non-renewal and/or revocation of license
GS1 254	Licenses: Certificate of Competency Records (Temporary)	1 anniversary year after expiration, revocation, or denial of license
GS1 297	Resolutions	Permanent
GS1 340	Disbursement Records: Detail	5 fiscal years after transaction completed
GS1 365	Receipt/Revenue Records: Detail	5 fiscal years after transaction completed
PC-116 1A	Failed Examinees	1 year

As noted in the table above, the longest retention period is five fiscal years, with the exception of Resolution documents, which are permanent. Resolution documents are described by Schedule GS1-SL as

“...formal expressions of opinion, intention or decision by a governing body concerning administrative matters before the governing body or relating to the governing body’s areas of responsibility...”

We Recommended Management:

- A. Inventory records on hand and submit to Records Management those that have exceeded the retention schedule time frames directed in Schedule GS1-SL.
- B. Develop a system to ensure records are maintained according to Florida Statutes and County policy on an ongoing basis.

Status:

- A. **Partially Implemented.** Management stated significant progress has been made through an agreement between the department and Clerk's Records Management Division. While contractor records must be maintained in perpetuity, other records follow the requisite destruction schedule, with the exception of certain very old records which will be reviewed to determine historical value before they are destroyed. A few records which were not appropriately inventoried and cataloged remain in the office and are being prepared for transfer to Records Management. We continue to encourage Management to implement our recommendation fully, as it runs the risk of being unable to locate critical records.
- B. **Implemented.** The CLD Team Member Handbook provides the current CLD records management procedures. The handbook states, "Records will be retained by the PCCLB in a format consistent with Florida Statutes and County Policy."

73. Boards Of Adjustment And Appeals Meeting Minutes Are Missing.

The recorded AA Boards' minutes stored in the audio files on the PCCLB file server were deleted in 2014. The PCCLB requested that BTS restore the files; however, the folder of restored audio files was later found to be empty. PCCLB staff performed a search of all audio files on its network. After a review of appeal case minutes from 2013 to 2017, PCCLB staff learned that three of the 11 files that should have been there were missing.

These required official public records were not preserved, which is a violation of Florida Statute 286.011, Public meetings and records; public inspection; criminal and civil penalties, which states:

"(2) The minutes of a meeting of any such board or commission of any such state agency or authority shall be promptly recorded, and such records shall be open to public inspection...."

The Board is required to record the minutes of public meetings. The PCCLB has chosen to use audio recordings for AA Boards' minutes. BTS did not restore all of the audio files in 2014 and staff of the PCCLB did not review the restored audio files to ensure that the files were successfully restored.

We Recommended Management:

- A. Inventory and review all audio files of public meetings.
- B. Develop new policies and procedures for recording and preserving minutes of public meetings.

Status:

- A. **Not Implemented.** Management stated a search for old audio records has been marginally productive. A number of binders containing minutes of meetings have been forwarded to Records Management for retention until such time as they can be scanned and cataloged. We continue to encourage Management to implement our recommendation, as it runs the risk of records not being available for public inspection.
- B. **Implemented.** Section 1.08 of the Board Rules addresses the records retention procedures for meeting minutes and audio recordings. Management stated all public meetings that have transpired since March 2017 have been recorded by Board Records, through agreement.

74. Staff Used A Shared LexisNexis Account Against Agreement Terms And Conditions.

PCCLB utilizes four login accounts for LN. Two accounts are in a suspended status as they were assigned to former Investigators while the other two are assigned to the two current Investigators. During discussions with Management, IG discovered one of the two active logins is assigned to the Administrative Manager, but is used by one of the field Investigators, and both individuals have access to the account.

The shared account was allowed due to a lack of written policies and procedures for the use of LN and non-compliance with the LN Master Terms and Conditions.

The use of shared accounts creates the inability for Management to identify who is using the account and when. In the event an inappropriate search is done using LN, all accountability is lost as multiple people have access to the same account login. Furthermore, shared accounts can present significant security and compliance risks, such as intentional, accidental, or indirect misuse. Each login associated with LN should be assigned and registered to a single user.

As outlined in the LN Terms and Conditions:

"Each registration is for a single individual only, unless specifically designated otherwise on the registration page."

We Recommended Management:

- A. Create written policies and procedures for the use of LexisNexis as well as ensure they are in compliance with the LexisNexis Master Terms and Conditions.
- B. Since the IG verified Management has removed the shared account and each login is assigned to one user, as of July 31, 2017, no management recommendation is necessary related to removing shared LN accounts.

Status:

- A. **Implemented.** Access is addressed in the CLD Team Member Handbook, which states, "The use of the Lexis Nexis database is restricted to the necessary research required under the Special Act. Only the two individuals specifically registered may access the systems, and such access may not be shared with any other employee. ... Each inquiry must be linked to a specific case number or complaint name which must be noted in the Access Log."
- B. **No Longer Applicable.** We confirmed the removal of the shared LN account during the original audit.

75. There Are No Written Policies And Procedures For Senior Office Specialist Administrative Responsibilities.

The PCCLB has not developed and implemented written policies and procedures for Senior Office Specialist administrative responsibilities. The Senior Office Specialist job description is generic for responsibilities performed. The job description does not state the job responsibilities specific to PCCLB processes performed.

Management stated that it is unclear as to what responsibilities the Senior Office Specialists are performing. Management has not been provided with a detailed list of responsibilities from the staff. As noted in OFI No. 15, part of the Senior Office Specialist's responsibilities include processing and balancing payments. These responsibilities represent only a portion of the Senior Office Specialist's overall responsibilities.

Examples of the administrative responsibilities performed by the Senior Office Specialists include the following:

- Process State registrations
- Process change of status applications, reciprocity, and contractor applications
- Process applications for committee
- Set up Exam Committees

- Prepare and mail packages to exam companies
- Assist with licensing questions
- Prepare reciprocity letters and test letters
- Records Management processing
- Answer a high volume of phone calls
- Process Print Shop work orders
- Mail reminder notices for contractor's insurance and cancelation notices

With the variety of responsibilities performed, it is imperative that staff have adequate written policies and procedures. Management has not developed and implemented written policies and procedures for the Senior Office Specialist position responsibilities. Without written policies and procedures, deviations could occur that may cause processing errors. In addition, there is no written guidance to refer to by new employees or employees cross-training on administrative responsibilities.

Written policies and procedures provide guidance that is necessary to properly and consistently carry out departmental activities at a required level of quality. The establishment of policies and procedures provides the opportunity for Management to ensure that adequate processes/internal controls have been established.

The development of policies and procedures also supports the cross-training and backup for key staff functions. It is Management's responsibility to establish written policies and procedures covering key department processes. The policies and procedures should be in sufficient detail to provide standard performance criteria and reduce the risk of misunderstanding and/or unauthorized deviations that could cause processing errors.

We Recommended Management:

Develop and implement written policies and procedures for the Senior Office Specialist administrative responsibilities.

Status:

Partially Implemented. The CLD Team Member Handbook contains written procedures implemented to date along with the large procedure notebook. As soon as practicable, the policies and procedures will be reordered and uploaded to SharePoint. The procedures included in the CLD Team Member Handbook address financial matters but not all responsibilities. We continue to encourage Management to implement our recommendation fully, as it runs the risk of misunderstandings or deviations that could lead to processing errors.

76. Expired Building Permit Violations Are Not Accurately Reflected In The Board Meeting Agenda Or Minutes.

The list of expired building permit violations by contractors is not published with the Board meeting agenda, and contractors who resolve their case prior to the Board meeting are incorrectly included in the Board minutes.

The County Building Department and other building departments send complaints to the PCCLB regarding contractors with expired building permits. PCCLB staff mails the contractors a notice of the expired permit. The notice states that prior to the next Board meeting, the contractor is required to pay a \$300 fine and resolve the permitting issue. Contractors, who do not meet these requirements prior to the Board meeting, are subject to additional fines.

Per F.S. 120.525, the PCCLB is required to publish Board agendas seven days prior to the scheduled meeting. The agenda lists the items the Board will hear and render their decisions on. The consent section is a subsection of the agenda where the Board votes on a group of items without discussion unless a Board member requests it. A review of the consent section of Board meeting agendas revealed that the list of expired building permit cases referenced in the agenda is not included with the published agendas.

The referenced list of cases is not provided to the public. Per F.S. 120.525(2), the agenda should list the items in order of presentation, as follows:

“An agenda shall be prepared by the agency in time to ensure that a copy of the agenda may be received at least 7 days before the event by any person in the state who requests a copy and who pays the reasonable cost of the copy. The agenda, along with any meeting materials available in electronic form excluding confidential and exempt information, shall be published on the agency’s website. The agenda shall contain the items to be considered in order of presentation. After the agenda has been made available, a change shall be made only for good cause, as determined by the person designated to preside, and stated in the record. Notification of such change shall be at the earliest practicable time.”

The referenced list is only provided to the Board the day of the scheduled meeting. The PCCLB allows contractors to pay fines and resolve permit issues minutes prior to the Board meeting. This practice of accepting payments just before the Board meeting results in the Board receiving a list that has been edited by staff up to the day of the Board meeting, and in some cases, minutes before the Board meeting. Staff crosses off the name of contractors on the list as the cases are paid and closed.

The public and the Board are not receiving a true and accurate copy of the agenda. F.S. 120.525(2) states the published agenda can be changed, for good cause, as determined by the person designated to preside, and stated in the record. Staff of the PCCLB are not designated

to preside over Board meetings, and thus, should not be changing the published agenda. Additionally, the changes to the referenced list are not stated in the record.

A review of 27 expired building permit cases on three different Board meeting minutes revealed that 14 cases were included in the Board minutes when contractors paid the fine and resolved the permitting issue prior to the Board meeting. After the Board has voted on the list provided to them by PCCLB staff, the list is provided to the CCC's Board Records to incorporate into the Board minutes. The entire list of expired building permit cases is included in the official Board minutes.

By including the names of contractors, who have resolved their cases prior to the Board meeting, the minutes of the Board meeting are not accurate in relation to the vote of the Board and the fines and costs assessed to each contractor. The Board minutes do not contain a record of the changes to the referenced list of contractors with expired building permit violations in the consent section of the agenda.

We Recommended Management:

- A. Publish Board agendas with a list of the names of all contractors with expired permit violation cases in the consent section of the agenda.
- B. Update PCCLB policies and procedures to include a deadline of two business days prior to the scheduled Board meeting for expired building permit fine payments.

We Recommended the Board:

- C. Pull cases of the contractors that resolved their cases after the publication of the agenda, but prior to the Board's vote.
- D. Pull individual cases from the consent section of the agenda prior to their vote for discussion of the Board and/or if an interested party is present to speak regarding an individual case.

Status:

- A. **Implemented.** The entire permit process has been mapped and revamped to gain new efficiencies and enhanced information accuracy. In the November 2019 PCCLB Board meeting minutes, the expired permits section referenced an Expired Permit Violations spreadsheet included in the agenda packet. Our review of the most recent PCCLB Board meeting agenda from January 2020 provided specific cases and contractor names in the Informal Hearings section.
- B. **Partially Implemented.** Management stated the Board approved new procedures which tightened deadlines and improved accuracy of the hearing agenda due to more time to prepare the agenda for hearing. If the fine is not paid in full and the permit re-certified, the

case goes to the Board. Board Rule 11.08 (d) addressed the deadline for administrative cost payments on expired permits where reconsideration was requested; however, there were no additional references to a payment deadline for cases in which expired permit violations were paid in full before the Board meeting. We encourage Management to implement our recommendation fully, as it runs the risk that the Board minutes will not be accurate.

- C. **Implemented.** Management stated resolved cases are pulled from the hearing agenda prior to Board vote.

- D. **Implemented.** As noted in the status for recommendation 11, the PCCLB Board meeting agendas now include an "Informal Hearings" section where parties may speak concerning expired building permit cases. Management stated the electronic agenda provides for up-to-the minute agenda amendments.

77. Staff Improperly Rescinded Final Orders Without Resubmitting The Case To The Board For A Vote.

PCCLB staff is rescinding Final Orders of the Board on their own authority. The Board votes to impose fines, costs, and conditions that are included in the Final Order issued by the Board. The definition of a Final Order, as written in F.S. 120.52(7) is:

""Final Order" means a written final decision which results from a proceeding under s. 120.56, s. 120.565, s. 120.569, s. 120.57, s. 120.573, or s. 120.574 which is not a rule, and which is not excepted from the definition of a rule, and which has been filed with the agency clerk, and includes final agency actions which are affirmative, negative, injunctive, or declaratory in form. A final order includes all materials explicitly adopted in it. The clerk shall indicate the date of filing on the order."

By definition, the Final Order of the Board is the final decision on a particular case or action.

The Final Order issued lists two parties.

1. The Petitioner (Board)

2. The Respondent (contractor)

Staff of the PCCLB are not parties to the Final Order. Only the Board (Petitioner) may rescind the Final Order by a vote. The Respondent may appeal the Final Order. Only after a successful judicial review of a Respondent's appeal can the Final Order be rescinded.



A review of a sample of administrative complaints determined that PCCLB staff rescinds Final Orders of the Board on their own authority. For example, the Board voted to assess fines of \$500 and costs for a total of \$726 on one administrative complaint during the March 17, 2015 Board meeting. The complaint was rescinded after the Final Order was issued. The hard case file only contained a handwritten note on a corner of a document that the complaint had been rescinded and the case was closed. There was no fine amount ("Fine Due" field) entered in the PCCLB Oracle application; however, there was an additional fine of \$426 recorded ("Add. Admin Fine" field). A review of the next four Board meeting minutes showed that the case was not brought back to the Board for a vote to rescind the previous Final Order.

The Board's authority to impose fines and regulate the contracting industry in the County is being bypassed by PCCLB staff. There are no written policies and procedures addressing the PCCLB staff's responsibilities regarding the processing of cases requiring additional Board action.

We Recommended Management:

Develop and implement written policies and procedures addressing PCCLB staff's responsibilities regarding processing of cases requiring additional Board action.

Status:

Partially Implemented. The Board Rules were amended to add a rescinded permit process. Due to the turnover in the position which supports the preparation of the agenda, procedures have not yet been fully documented. That position is currently occupied by a temporary staff person, so the process to build the agenda is very much a joint process between the Director and the administrative support person. Two Senior Office Specialists prepare the Examination Committee and Expired Permit reports, respectively. We encourage Management to implement our recommendation fully, as it runs the risk of the Final Orders being inaccurate and the Board's authority being bypassed.

78. A Final Order Of The Board Was Not Signed After The Vote.

The Board votes on the appropriate penalty for cases that are brought before it. The penalty is listed in the signed Final Order issued by the Board for each case. The fines and costs imposed by the Board in the Final Order are recorded in the PCCLB Oracle application.

A review of a sample of cases revealed that in one case the PCCLB staff did not issue the Final Order of the Board to the contractor. The unsigned Final Order was found in the hard copy case file. The case file did not contain any documentation as to why the Final Order was withheld. The Oracle application listed a fine of \$300 and no balance due. The Board minutes show that the correct fine and costs imposed by the Board was \$726.

We Recommended Management:

- A. Carry out all votes of the Board, and issue Final Orders to contractors, as applicable.
- B. Input accurate fines and additional costs to the information in the PCCLB Oracle application and the hard copy case files to reflect the vote of the Board.

Status:

- A. **Implemented.** The CLD Team Member Handbook addresses the Final Order process. Management stated the Director works with administrative staff to assure all Final Orders are appropriately executed and carried out.
- B. **Implemented.** The CLD Team Member Handbook addresses the Final Order process, including the assurance of recording accuracy. See discussion in the status for recommendation 78A. Management stated the Investigations Specialist prepares Final Orders on a real-time basis. They are executed by the Special Magistrate and delivered directly to the respondent on site. Section 17 of the Board Rules enables the Special Magistrate to assess fines, costs, and execute liens.

79. PCCLB Staff Does Not Always Prepare Final Orders That Coincide With The Minutes Of The Board Meeting.

After review of a sample of administrative cases, IG noted that the minutes of the March 17, 2015 Board meeting stated that the Board voted to assess a fine plus costs totaling \$726 in reference to Case A14-1615. The contractor fined in this case spoke after the vote during the "Citizens to Be Heard" section of the agenda. The Board then voted to reduce the fine to \$300, if the outstanding work was completed in 30 days. The Final Order shows the original fine of \$726 crossed through and \$300 written in above it, but the Final Order does not include the conditions set by the Board. Proof that the work was to be completed within 30 days was not included in the Final Order. A review of the PCCLB Oracle application revealed that PCCLB staff did not record the condition set by the Board. The contractor paid the \$300 fine on April 9, 2015; however, there is no documentation in the contractor's file that proves completion of the work.



Staff prepares proposed Final Orders prior to the Board meetings for the consent section of the Board agenda. According to Management, they make changes to the proposed Final Order to reflect the vote of the Board, if needed.

In this case, the Final Order was not accurate and the missing condition voted by the Board may not be enforceable. The PCCLB potentially lost \$426 since the case was closed once the payment was received without receiving proof of completion per the Board's conditions.

We Recommended Management:

- A. Prepare Final Orders for each case that includes all fines, costs, and conditions as voted by the Board.
- B. Develop written procedures to compare Final Orders and the PCCLB Oracle application data input to Board minutes for quality assurance.
- C. Develop written procedures and determine who is responsible to record information in the PCCLB Oracle application to reflect the conditions set by the Board.

Status:

- A. **Implemented.** The CLD Team Member Handbook addresses the Final Order process, including the assurance of recording accuracy. See discussion in the status for recommendations 78A and 78B.

- B. **Implemented.** The CLD Team Member Handbook addresses the Final Order process, including the cross-checking of meeting minutes to the Final Orders to ensure recording accuracy. See discussion in the status for recommendations 78A and 78B.

- C. **Implemented.** The CLD Team Member Handbook addresses the Final Order process, including the recording of information in the database. See discussion in the status for recommendations 78A and 78B.

80. Names On Notices Sent To Contractors Do Not Always Agree To Those Listed On The Final Order.

As part of the process of notifying contractors when they have a violation, PCCLB staff sends official notices to the contractor outlining their violation(s), potential fines/costs, and pending process of the Board. In a review of a sample of administrative complaints, we noted the minutes for the Board meeting listed the contractor receiving the notice and an additional identified contractor for the case not receiving the required notice. In the previous Board meeting minutes of March 17, 2015, in the “Citizens to Be Heard” section, the second contractor (who did not receive notice) was identified as a business partner of the first contractor. According to the second contractor, the business partners had split amicably. The Final Order of the Board issued on May 19, 2015 lists the name of the second contractor, who had not received notice of the violation, instead of listing the correct contractor named in the notice.

There is no oversight to ensure that the contractor's name on a PCCLB notice, the Board agenda, and Final Order coincide. In the example above, the minutes are not correct as to the name of the contractor's case that is being brought to the Board for a vote. The contractor, who was added to the agenda, did not receive notice of the violation. Consequently, the Final Order may not be enforceable due to the fact that the notice of violation was issued to the initial Respondent (the first contractor). The Final Order imposes fines and costs for the violation of the initial Respondent on the second contractor who did not receive notice. In addition, the second contractor did not have any violations pending with the Board at that time.

We Recommended Management:

- A. Develop written procedures to ensure that the name of the contractor, who was sent and receives a notice of violation, agrees with the name that appears on the Board agenda.

- B. Prepare Final Orders that list the name of the contractor, who appears on the notice of violation, also appears on the Board meeting agenda.

Status:

- A. **Partially Implemented.** Management stated the process that ensures the correct name is on the notice of violation has been implemented through the case review, which includes the Investigator, Investigations Manager, and County Attorney prior to the

hearings. This will be documented in the Procedure Manual. We continue to encourage Management to implement our recommendation fully, as it runs the risk of violations being nonenforceable.

- B. **Implemented.** The CLD Team Member Handbook addresses the review process to ensure the accuracy of Final Orders.

81. PCCLB Management Recommended A Board Member To Perform Inspection Services.

PCCLB Management committed an ethics violation by recommending a Board member to Complainants and contractors. During our review of staff email correspondence for potential conflicts of interest, we identified two cases where PCCLB staff formally recommended one Board member's inspection company to a Complainant or contractor, and two additional cases where the available documentation shows the same Board member completed an inspection for the Complainant. On two of the four occasions, the PCCLB Administrative Manager formally recommended the Board member to perform inspection services. The first instance involved a letter on July 26, 2012 to a Complainant recommending the Board member's inspection company. The letter contained the following statement:

"We have recommended the following [Board member's] company previously and you may want to contact them, however, you will incur a fee for the inspection."

The second formal recommendation involved email communication on August 31, 2012 between the Administrative Manager and a contractor, including a quotation for the Board member's inspection services. The case file documentation shows the contractor subsequently paid the Board member for inspection services by forwarding a check to the Administrative Manager, who then mailed it to the Board member.



We identified two additional cases where the documentation in the case files indicate the Board member performed an inspection for the Complainant; however, the documentation contained no formal recommendation. One case file contained the Board member's inspection report from June 6, 2013. The remaining case file had a letter from September 16, 2014 referencing the completion of an inspection by the Board member on behalf of the Complainant.

Referring business to a Board member gives him/her an unfair advantage over other contractors and allows him/her to profit from the Board position.

Per an Interlocal Agreement between the PCCLB and the County, PCCLB employees are required to abide by County policies, procedures, rules, and regulations as the employees are part of the UPS. The Pinellas County Statement of Ethics states:

“We, the employees of Pinellas County... To This End We Will... Disclose or report any actual or perceived conflicts of interest... Neither apply nor accept improper influences, favoritism and personal bias.”

The Administrative Manager stated the PCCLB never knew it was a conflict of interest to refer business to Board members, and the Board member, in the instances noted above, is very good at their profession. In addition, the former PCCLB Executive Director told Investigators to use this particular Board member’s inspection company when an independent inspection was required to provide supporting evidence for a probable cause decision. In doing so, the former Executive Director committed the following infraction found in the Pinellas County Personnel Rule #6:

D35 Violation of Pinellas County Statement of Ethics.

We Recommended Management:

- A. Based on the former Executive Director retiring on June 2, 2017, no Management recommendation is necessary with respect to Management considering disciplinary action, as appropriate, per the Pinellas County Personnel Rules.
- B. Immediately cease the practice of making contractor referrals.
- C. Develop and implement written policies and procedures prohibiting contractor referrals while citing the Pinellas County Statement of Ethics. Instead, PCCLB staff should recommend homeowners utilize other independent resources in identifying and soliciting services.

Status:

- A. **No Longer Applicable.** The former Executive Director retired on June 2, 2017.
- B. **Implemented.** Management stated no subsequent referrals were made and the Board Rules were amended. Board Rule 1.12 prohibits Board members from misusing their public positions for gain or benefit or from performing any services for or on behalf of the PCCLB Board.
- C. **Implemented.** Board Rule 1.12 prohibits Board members from misusing their public positions for gain or benefit or from performing any services for or on behalf of the PCCLB Board. The Board Rules require compliance with the Florida Code of Ethics.

82. The Former PCCLB Executive Director Violated County Rules And Ethics Requirements.

The former PCCLB Executive Director misused County computing equipment and engaged in conduct unbecoming a County employee. During our review of PCCLB staff email correspondence, we determined the former PCCLB Executive Director used County equipment to send non-work related images through County email.

Our review revealed two emails containing inappropriate images. On November 19, 2012, the former PCCLB Executive Director, during work hours and using County equipment, emailed a nude female image to a former Board member. On May 25, 2012, the former PCCLB Executive Director emailed the same former Board member another risqué photo.

When a County employee conducts himself or herself in a way that violates County ethics and performance policies, the County's image may be negatively impacted considering County emails are subject to open records under the Sunshine Law.

Per an Interlocal Agreement between the PCCLB and Pinellas County, PCCLB employees are required to abide by County policies, procedures, rules, and regulations as the employees are part of the UPS. The Pinellas County Statement of Ethics states:

"We, the employees of Pinellas County... To This End We Will... Use County funds and resources efficiently, including materials, equipment and our time."



The former Executive Director committed the following infractions found in Pinellas County Personnel Rule #6:

- D10 Misuse or destruction of property or equipment.
- D20 The Employee has engaged in conduct unbecoming an employee of the County.
- D35 Violation of Pinellas County Statement of Ethics.

Additionally, the former Executive Director violated the Pinellas County Electronic Media Use Policy, which states:

"While limited personal use of County equipment is acceptable, excessive or inappropriate personal use of County equipment is prohibited... In any case, electronic media cannot be used for knowingly transmitting, retrieving, reproducing, or storing any communication that is: Obscene, sexually explicit or pornographic."

No one monitored the former Executive Director's electronic media use to identify the activity when it occurred.

We Recommended Management:

- A. Based on the former Executive Director retiring on June 2, 2017, no Management recommendation is necessary with respect to Management considering disciplinary action, as appropriate, per the Pinellas County Personnel Rules.
- B. Educate staff on the appropriate use of County equipment and email in accordance with Pinellas County Personnel Rules, the Statement of Ethics, and the Pinellas County Electronic Media Use Policy.
- C. Educate staff on the appropriate conduct of a County employee in accordance with Pinellas County Personnel Rules.

Status:

- A. **No Longer Applicable.** The former Executive Director retired on June 2, 2017.
- B. **Implemented.** In addition to the requirement of adherence to ethical standards, the CLD Team Member Handbook requires all CLD staff to comply with the County Electronic Media Use Policy.
- C. **Implemented.** The CLD Team Member Handbook requires all CLD staff to follow the standards of conduct included in County Personnel Rules, policies, procedures, and guidelines.

83. The Former PCCLB Executive Director Violated The Unified Personnel System Policy For Outside Employment.

Per an Interlocal Agreement between the PCCLB and Pinellas County, PCCLB employees are required to abide by County policies, procedures, rules, and regulations, as the employees are part of the UPS.

UPS Policy #5 states:

"Prior to engaging in outside employment or other outside enterprises, an employee must obtain permission from his or her Appointing Authority by submitting a request to his or her Appointing Authority seeking approval for the outside employment or enterprise."

The former PCCLB Executive Director had several for-profit companies. According to a search of the Florida Department of State website, all of his companies were inactive prior to the beginning of his tenure as the PCCLB Executive Director. However, in 2006, the former PCCLB

Executive Director executed a quit claim deed and signed the deed for Rod Fischer, Inc. Rod Fischer, Inc. was a company that was owned by the former PCCLB Executive Director and was later merged into another company owned by him called R.S. Fischer Construction Co. In 2012, the former PCCLB Executive Director reinstated his previously inactive for-profit company, R.S. Construction Co., with the State of Florida. There is no documentation that the former PCCLB Executive Director ever sought approval for his outside employment/enterprise activities prior to or after the two incidents.

We Recommended Management:

- A. Based on the former Executive Director retiring on June 2, 2017, no Management recommendation is necessary with respect to Management considering disciplinary action, as appropriate, per the Pinellas County Personnel Rules.
- B. Educate PCCLB staff and Board members on the policy and procedures regarding outside employment/enterprise activities as required in UPS Policy #5.

Status:

- A. **No Longer Applicable.** The former Executive Director retired on June 2, 2017.
- B. **Implemented.** The CLD Team Member Handbook references UPS Policy #5 and requires all outside or non-County employment to be approved in advance by the Director and Assistant County Administrator and entered into OPUS for authorization.

84. Management Does Not Comply With The Unified Personnel System Board Policy.

PCCLB staff are not receiving performance evaluations in accordance with UPS Policy #3. Although the BCC does not govern the PCCLB, staff are part of the County's overall UPS. Staff also receive County benefits and participate in the Florida Retirement System.

The Interlocal Agreement between the County and the PCCLB states, in Section 2.B:

"The BOARD agrees to adopt, follow and adhere to the Unified Personnel System's policies, procedures, rules and regulations."

UPS Policy #3 states the following:

"The Director of Human Resources shall establish and administer a program for evaluating the work performance of employees in the Classified Service. An evaluation process shall be established by Human Resources with the concurrence of the Appointing Authorities for all classified employees.



The performance management program should incorporate frequent discussions and conversations between supervisors and employees on the following:

- *Setting expectations*
- *Supporting growth and development*
- *Observing and noting performance*
- *Summarizing performance conversations*

Supervisors are expected to memorialize a summary of these conversations on a quarterly basis unless the Appointing Authority adopts an alternative schedule."

Management has not conducted staff performance evaluations. In addition to non-compliance with the UPS policy, not conducting performance evaluations can leave employees uncertain about Management's expectations. Motivation and morale can also be negatively affected.

Performance evaluations benefit both the employee and the employer. Management should provide feedback, recognize quality performance, and set expectations for future job performance for PCCLB staff. Setting achievable goals during performance evaluations can help motivate employees, boost morale, and assist in training needs.

We Recommended Management:

Conduct performance evaluations in accordance with the UPS policy.

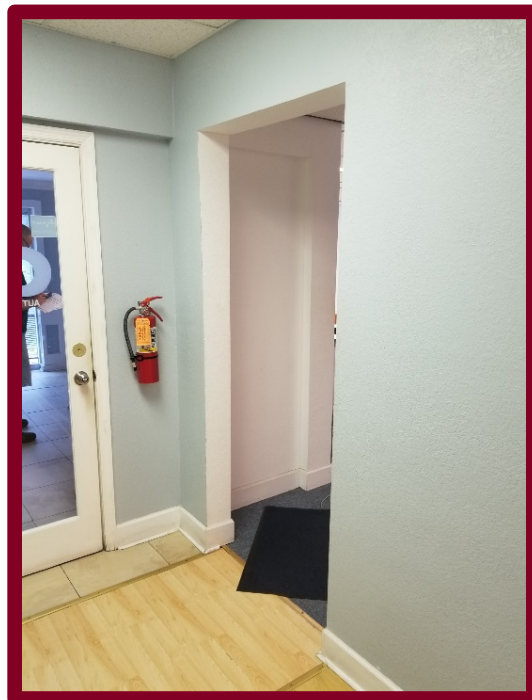
Status:

Partially Implemented. Management stated, due to the change in Management in early 2019, the Director has completed one year in the position. The Director had expected to begin the evaluations of staff after one year on board; however, that process was derailed because of the COVID-19 pandemic which made it difficult to provide a meaningful exchange with each employee. The formal reviews will take place as soon as practicable and once all staff are back working in the office. During the past year, the Director has met with each staff member at least once, and in some cases several times, to discuss progress and concerns. We continue to

encourage Management to implement our recommendation fully, as it runs the risk of non-compliance with UPS Policy #3.

85. The PCCLB Facility Is Not Adequately Secured.

Based on observations at the PCCLB facility during the performance of this audit, we have determined that PCCLB funds and hard copy files are not secure. The PCCLB safe and hard copy files are located in a file room that connects to the customer service counter. There are an additional three doorways into the file room from a hall that PCCLB employees, Board members, and citizens use when attending meetings. These doorways (except one which is blocked by a cabinet in the file room) remain open, which allows potentially unauthorized access to PCCLB files. Some PCCLB files contain sensitive information, such as credit reports. Credit reports contain confidential information, such as account numbers and social security numbers.





Currently, PCCLB files are at risk of being tampered with or stolen. There is no camera system to monitor PCCLB visitors. In addition, Management may not always be aware of who is in the PCCLB facility, as there is no log for visitors to sign-in and sign-out.

Business files, some of which may contain sensitive information, should be stored where there is controlled access. One way to both deter and identify tampering or theft is to use security cameras. When individuals are aware of security cameras, there is less potential for fraud. In the event there is a cash shortage or missing documents, video footage may detect the responsible individual(s). PCCLB Management should also know who is in the facility at all times. A record of all visitors to the PCCLB facility can be vital in case of emergency or an investigation.

We Recommended Management:

- A. Secure PCCLB files by restricting access to the file room during meetings in which there are visitors to the PCCLB facility. The accessible doorways from the hall to the file room should be closed and locked during meetings and when the files are not supervised or in use.
- B. Install security cameras at the entrance of the PCCLB facility and in the customer service area where cashiering functions are performed.
- C. Implement the use of a visitor log to record information, such as:
 - Name of visitor
 - Date of visit
 - Reason for visit

- Visitor arrival time
- Visitor departure time

Status:

- A. **Implemented.** The CLD changed the location of its office. As a result, files are maintained in the secure confines of the CLD office and are not accessible to the public.
- B. **Not Implemented.** Management stated an internal review of procurement card purchasing records revealed security cameras were purchased; however, Management has been unable to locate the equipment. We continue to encourage Management to implement our recommendation, as it runs the risk of insufficient information being available should it be needed in the case of an emergency or an investigation of missing documents or funds.
- C. **Acceptable Alternative.** Management stated a visitor log is no longer needed due to the CLD's relocation and lease of a separate conference room in order to accommodate meetings with outside individuals. Only visitors who require access to the CLD back offices are permitted and are accompanied by a staff person.

86. Building Code Appeals Are Not Case Connected.

Case numbers are not assigned for Building Code appeals. Contractors, engineers, architects, and others with a vested interest have the option to appeal a Building Code for alternative material, design, or method of construction, equipment, or a modification to the strict interpretation of the Building Code if they have been ruled against by a building official for an appeal fee of \$100.

The current process entails the Senior Office Specialists accepting and entering the appeal payment in the Cash Register application. There is no history in the Cash Register application that identifies the contractor's name or subsequent activity.

The PCCLB assigns case numbers for citations and administrative fines to document payments and track activity. The Oracle case management system tracks the activity of contractors and payments due. However, Management has not set up case numbers for Building Code appeals. Subsequent appeal activity by the appellant or PCCLB cannot be documented and/or monitored. The process is not efficient or effective.

We Recommended Management:

- A. Assign case numbers prior to the acceptance of Building Code appeals' payments.
- B. Add the appeals process to the Senior Office Specialist policies and procedures (see OFI No. 75).

Status:

- A. **Partially Implemented.** Management stated there was one appeal in 2019, to which a retroactive number will be applied (2019-1). We continue to encourage Management to implement our recommendation fully, as it runs the risk of being unable to track and monitor subsequent appeal activity.

- B. **Partially Implemented.** The CLD Team Member Handbook contains appeal case number assignment and BOAA hearing procedures. These procedures address the Office Manager and Director responsibilities primarily without discussing Senior Office Specialist responsibilities. The Office Manager is responsible for case number assignment and hearing scheduling. We continue to encourage Management to implement our recommendation fully, as it runs the risk of Senior Office Specialists not providing appeals to the Office Manager for timely case number assignment.

87. Interlocal Agreement Language Regarding Contracts Is Ambiguous.

Currently, no representative of the County is assigned the responsibility to review and approve contracts that are entered into with the PCCLB. The only contract reviewed and approved by the County was the former PCCLB Executive Director's employment contract, which was "approved as to form" by the County Attorney's Office staff. The former PCCLB Executive Director has signed all other contracts for PCCLB.

The Interlocal Agreement between the PCCLB and the BCC, dated May 17, 1994, contains a clause in section 2(D) Contracts, that states:

"The BOARD agrees to permit the County as a third party, to review and approve all written contracts."

The word "County" is very broad and ambiguous, consequently, it is not clearly defined who within the County should review and approve all written contracts that PCCLB enters into.

According to the Pinellas County Purchasing Policy Manual, Section 9.3 Contracting Policy:

"A contract is an agreement to do something, or refrain from doing something. A contract represents a legal obligation on the part of each party to the contract, which results from the parties' agreement, plus some additional obligations imposed by law. The mutual promises exchanged by the parties to a contract represent the consideration, which entitles each party to rely on the promise of the other. Various legal requirements must be satisfied in order to create a legally binding contract. The parties to an agreement must have the legal capacity to enter into a contract. There must be mutual assent to the terms of the contract. Certain

formal requisites to a contract are also necessary, such as proper signing of the agreement, which is called execution of the contract."

The contracts of the PCCLB are not being reviewed and approved by the County as required by the Interlocal Agreement. Consequently, PCCLB is not in compliance with the Interlocal Agreement. There is no independent, third party review and approval of PCCLB contracts. Without an independent third party review of all contracts, there are risks that contracts may not be legally binding, contracts may not be in the best interest of the PCCLB, or formal requisites, such as proper execution of the contract, are not fulfilled.

We Recommended Management:

- A. Amend the Interlocal Agreement to clearly state who within the County will be responsible for review and approval of PCCLB contracts.
- B. Develop written policies and procedures for reviewing and approving contracts, including specifying all responsible County departments that should perform an independent, third party review and approval.

Status:

- A. **Acceptable Alternative.** Due to the agency now being operated as a County department, the County Attorney has the responsibility to review and approve all contracts.
- B. **Acceptable Alternative.** County procedures for contract review and approval are followed.

88. PCCLB Budget Website Information Does Not Comply With Legal Requirements.

The PCCLB website does not reflect the budget information required by law. Per F.S. 189.016(4), the PCCLB is required to post the final adopted budgets for the past two fiscal years on its website. The PCCLB website, Special District Information, as of July 21, 2017, displays the budget information for FY 2014 and FY 2015; furthermore, the budget information does not state that these are adopted budgets. The referenced date on the budget data worksheet is April 1, 2014.

In addition, FY 2016 and FY 2017 adopted budgets and the tentative FY 2018 budget have not been posted. It is uncertain as to how long the PCCLB has been out of compliance with legal requirements due to the limited information posted on the website. Based on the current information posted on the website, the PCCLB has not complied with F.S. 189.016(4) since FY 2015.

Management has not updated the website to reflect current adopted PCCLB budgets. Providing non-current budget information on the PCCLB website is non-compliant with legal requirements. In addition, non-current budget information limits financial transparency.

The PCCLB website states the following above the budget link on the Special District Information page:

"The budget for the special district, in addition to amendments in accordance with s.189.016."

F.S. 189.016(4), Uniform Special District Accountability Act, states the following requirements regarding the posting of budget information on the District's website:

"(4) The tentative budget must be posted on the special district's official website at least 2 days before the budget hearing, held pursuant to s. 200.065 or other law, to consider such budget and must remain on the website for at least 45 days. The final adopted budget must be posted on the special district's official website within 30 days after adoption and must remain on the website for at least 2 years. This subsection and subsection (3) do not apply to water management districts as defined in s. 373.019."

We Recommended Management:

- A. Update the PCCLB website to include adopted budgets for FY 2016 and FY 2017.
- B. Post the FY 2018 tentative budget and adopted budget in accordance with the legal requirements of F.S. 189.016(4).

Status:

- A. **Implemented.** The FY 2020 Budget Resolution is posted on the website along with the budgets for the two prior FYs.
- B. **Partially Implemented.** Management stated it will post the tentative FY 2021 budget on the website once it has been finalized. We continue to encourage Management to implement our recommendation fully, as it runs the risk of non-compliance with F.S. 189.016(4).

89. The PCCLB Website Lists Incorrect Testing Agencies.

The PCCLB website lists incorrect testing agencies utilized for contractor and journeyman examinations. Under “Education Requirements,” the website should list the independent testing agencies the PCCLB utilizes. The current listing inaccurately lists Experioronline as a valid testing agency. Experioronline was a former testing agency that merged with and eventually became Prometric. The correct testing agencies used are:

- Gainesville Independent Testing Services
- Prometric
- Prov

The inaccurate listing was a result of PCCLB not regularly reviewing posted information for inaccuracies and/or not working with the County marketing and communication departments, or its website administrator, to maintain accurate posted information.

By providing inaccurate or incomplete information about the current testing agencies on the PCCLB website, contractors and journeymen may not be aware of all the testing agencies available, and as a result, may miss out on possible testing options, materials, and study centers.

When providing information to the public on its website, the PCCLB should ensure accurate and complete information is provided. An accurate listing of current testing agencies used by the PCCLB should be posted and available for all contractors and journeymen to reference.

We Recommended Management:

Work with BTS or the website administrator to update the listing of independent testing agencies on the website to reflect all three current testing agencies.

Status:

Implemented. The website has been updated to reflect the following two approved testing agencies: Gainesville Testing Service and Prov. Management stated Prometric did not respond to its request to submit credentials, so it was not included in the CLD's approved listing.

90. Marketing Material Is Not Comprehensive Or Effective.

Currently, the PCCLB has some marketing information on its website, such as an educational video, to inform the public about unlicensed construction activity. However, the video is not positioned in an area on the website that grabs the viewer's attention, since it is at the bottom of the homepage.

In addition, there is a Consumer Information section of the website that is accessible from the menu on the left side of the homepage. This section provides a great deal of helpful information, such as links to Consumer Protection information on home improvement scams, and advice on how to choose a contractor and check a business for past issues. However, this information should be highlighted on the home page.

In addition to the website, PCCLB does not have any marketing efforts in place, such as brochures or partnerships with home improvement companies that may extend the PCCLB outreach to consumers.

Management has not developed a robust marketing plan. Without properly marketing to consumers, there is a greater chance that uninformed consumers will hire unlicensed contractors and be taken advantage of. The public is at greater risk without being properly informed about ways to approach the construction industry.

Education-based marketing aims to build trust with consumers by empowering them with knowledge. Using the PCCLB website to inform consumers is a great starting point for helping them to avoid making imprudent decisions when hiring a contractor. Other avenues are available to supplement the PCCLB website, such as developing a marketing plan with the County's Marketing & Communications Department and broadcasting PCCLB proceedings on the Pinellas County Connection Television network.

We Recommended Management:

- A. Ensure educational information is clearly promoted on the PCCLB homepage, including data about recently suspended/revoked contractor licenses.
- B. Consider creating posters and/or brochures that can be placed in home improvement centers, permitting offices, and other relevant locations.
- C. Develop a marketing plan with the County's Marketing & Communications Department.
- D. Consider using Pinellas County Connection Television to broadcast PCCLB proceedings.

Status:

- A. **Not Implemented.** Management stated, until the implementation of Accela, the accuracy and timeliness of the website cannot be guaranteed. We continue to encourage Management to implement our recommendation, as it runs the risk of the public being insufficiently informed about current contractor licensing issues.
- B. **Not Implemented.** Management stated, once staff determines what informational pieces are most important, it will then work with Marketing and Communications to produce materials to meet customer needs. We continue to encourage Management to implement our recommendation, as it runs the risk of the public being insufficiently informed about the CLD's mission and services provided.
- C. **Partially Implemented.** Management stated work is underway to develop a comprehensive marketing plan. We continue to encourage Management to implement our recommendation fully, as it runs the risk of the public being insufficiently informed about the CLD's mission and services provided.
- D. **Not Implemented.** Management stated broadcasting would require that meetings be moved to the Courthouse unless funds are approved for off-site broadcasting. We continue to encourage Management to implement our recommendation, as it runs the risk of the public being insufficiently informed about the CLD's mission and services provided.

91. Website Does Not Reflect Updated Processes.

As noted in OFI Nos. 50 and 59, the complaint form needs to be updated to reflect current procedures, including PCSO involvement in the complaint process, as well as the recent replacement of the Probable Cause Committee with the Case Review Committee. The PCCLB website should also outline these updated processes. In addition, there are currently numerous changes occurring within the PCCLB, and in response to this report, additional changes may follow. Management has not updated the website to correspond with current processes, and having outdated information on the website will not serve the public well. The website should accurately reflect current agency processes.

We Recommended Management:

Update the PCCLB website to include current processes and forms.

Status:

Partially Implemented. Management stated current forms are being posted on the website and processes will be described; however, additional refinements are in process. We continue to encourage Management to implement our recommendation fully, as it runs the risk of the public being insufficiently informed about the CLD's mission and services provided.

92. Website Contractor Search Function Is Inadequate.

The PCCLB website has a contractor search function that allows consumers to identify if a contractor's or journeyman's license is active. Generally, the contractor search function is easy to follow, with the option to narrow down the search by discipline, contractors, journeymen, active licenses only, or all licenses.

One can search for the contractor by contact name or business. However, the instructions are misleading because they state, "Type the whole or partial Contact Name in the entry field below, then click on the Search button." We noted during our review that if a search is performed using a contractor's full name, sometimes the user receives an error. For example, if a user searched "First Name Last Name" or "Last Name First Name," the user received an error message that there were no results to match the search, even though the contractor was registered with the PCCLB. The only way to yield the correct result was to search either, "Last Name, First Name," "Last Name," or "First Name."

This section of the website should be updated to either allow the search to work against any variation of the name, or to instruct the user on exactly how to use the search function (e.g., "Enter name in the following format: Last Name, First Name."). A user may incorrectly think a contractor is not registered with the PCCLB, and therefore, potentially unlicensed, if they search in either of the ways mentioned that yields an incorrect error message. The contractor search functionality should be clearly described and easy for the user to understand and use.

We Recommended Management:

Ensure the contractor search function on the PCCLB website is accurately described and the functionality is improved.

Status:

Not Implemented. Management stated full reliance on contractor records cannot be achieved until Accela is implemented in 2021. We continue to encourage Management to implement our recommendation, as it runs the risk of the public being insufficiently informed about current contractor licensing issues.

93. Website Is Not Updated Timely With Board Meeting Minutes.

We reviewed the PCCLB website and noted that the two most recent Board meeting minutes were not yet posted. One meeting had occurred approximately two months prior and one had occurred ten days prior to the date we reviewed the website. After discussing the lack of timeliness of posting Board meeting minutes with Management, IG determined that the CCC's Board Records has not timely provided the minutes to the PCCLB.

Failing to timely post meeting minutes constitutes noncompliance with F.S. 286.011 Public meetings and records; public inspection; criminal and civil penalties, which states:

"(2) The minutes of a meeting of any such board or commission of any such state agency or authority shall be promptly recorded, and such records shall be open to public inspection...."

In order for minutes to be promptly available to interested parties, they should be timely posted to the PCCLB's website. The public should have open access to the minutes, and posting them online is a way for people to access them quickly and conveniently.

We Recommended Management:

Ensure Board meeting minutes are timely posted to the PCCLB website.

Status:

Implemented. Management stated Board minutes are posted as soon as they are available from the Clerk's Office of Board Records. Past minutes are accessible through the online archives.

Grand Jury Presentment – September 20, 2017

**IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT
OF THE STATE OF FLORIDA IN AND FOR PINELLAS COUNTY**

GRAND JURY PRESENTMENT

TO THE HONORABLE ANTHONY RONDOLINO JUDGE OF SAID COURT:

We, the Grand Jury, impaneled and sworn to inquire and true presentment make in and for the body of the County of Pinellas, Florida, having been convened on Wednesday, September 20, 2017 beg to report as follows on this, the 20th day of September, 2017.

We have considered all criminal matters brought to our attention and known to the members of our body.

During the course of these investigations, we have caused to come before us today a total of 3 witnesses. We have returned 4 True Bill(s) and 0 No True Bill(s).

In addition, the State Attorney requested and we agreed to pursue an investigation into the operation of the Pinellas County Construction Licensing Board. We received testimony from 9 witnesses and conducted our investigation on July 28th, August 30th, August 31st and September 20th, 2017.

It became quickly apparent that we were faced with two viable options with regard to this Board. The first option was to repeal or amend the Special Act creating the Board in such a way as to make the Board a county department. The other option would be to amend the Act to allow the Board to remain independent but with increased transparency, accountability and professionalism.

The obvious advantage in making the Board a dependent part of the county government would be that the transparency, accountability and professionalism would be overseen by the county administrator and ultimately the Pinellas County Board of County Commissioners. However, in our view, there are disadvantages to making the Board a dependent part of county government. The most significant disadvantage is that we believe, in time, the inevitable tension between city governments and county government could lead to fragmentation and confusion in construction licensing and building code enforcement in Pinellas County. We have also been advised that if the Board became a dependent part of county government, pre-existing

agreements entered into by the Board could be rendered void. An example of such an agreement is the Coastal Construction Line Agreement entered into between the Board and the Florida Department of Environmental Protection dated December 10, 2001. Some county officials have stated that they believe it is important that this Agreement remain intact.

While there are valid public policy reasons for each of the above options, it is our view that the public interest is best served by the Board retaining its independence but with significant changes in its structure and operation.

During our investigation, we became aware that Hector Collazo, the Pinellas County Inspector General, was conducting an exhaustive performance and financial audit of the Board and its operation. It is anticipated that the results of this audit will be released shortly after this Presentment. The Inspector General and his staff are to be congratulated for their comprehensive review. We have received testimony from Mr. Collazo and been made aware of the significant findings. We also would like to thank the Board's interim Executive Director, Gay Lancaster, for her efforts to reform the Board's operations as deficiencies were brought to light during the audit. We believe that the professional management that is currently being provided is an example of the leadership needed in the future and that the most important requirement for the position of Executive Director is that the Executive Director possesses organizational skills as exemplified by Ms. Lancaster.

The Inspector General's report identifies many instances of inappropriate conduct that have occurred in the past. The details of those instances are contained within his report. We have concluded that none of those instances rise to the level of actionable criminal offenses. However, it is clear that the prior executive leadership of the Board failed, at times, to follow the policies, procedures, rules and regulations as they apply to government employees. Examples of these are outlined in the Inspector General's report.

Should the Legislative Delegation choose to follow our recommendation to amend the Special Act rather than repeal and replace the board, we make the following recommendations for the future structure and operation of the Board:

- 1) The current Board consists of 21 members. The selection and appointment process appears cumbersome and inefficient. Therefore, it is our recommendation that the size of the Board be reduced to 15 members. It is further our recommendation that the current

three permanent members be retained. Those members are the Pinellas County Building Director, the City of St. Petersburg Building Director and the City of Clearwater Building Director. It is recommended that the remaining 12 members be appointed by the Pinellas County Board of County Commissioners as follows:

- a) A South County Building Director as described in the Act
- b) A North County Building Director as described in the Act
- c) A Gulf Beaches Building Director as described in the Act
- d) Two consumer representatives not affiliated with the construction industry
- e) Eight properly licensed members from the following categories:
 - 1) General Contractor
 - 2) Registered Architect
 - 3) Building Contractor
 - 4) Residential Building Contractor
 - 5) Electrical Contractor
 - 6) HVAC/Mechanical Contractor
 - 7) Plumbing Contractor
 - 8) Roofing Contractor
 - 9) Sheet Metal Contractor
 - 10) Swimming Pool Contractor
 - 11) Aluminum Contractor
 - 12) Fire Marshal

It is recommended that the members appointed by the County Commission be appointed for a four year term with a provision that a Board member cannot serve more than two consecutive terms but may be reappointed after a three year hiatus.

- 2) It has been brought to our attention that under the current law members of the Board are not required to file Financial Disclosures as provided in Chapter 112.3145, Florida Statutes. It is recommended that any amendment to the Act contain a requirement that Board members file what is commonly referred to as Form 1 on an annual basis.

- 3) It is readily apparent to us that providing the opportunity for a periodic audit, as necessary, by the Office of the Inspector General, would provide appropriate accountability and transparency in the Board's operation. Therefore, we recommend that the Act be amended to provide specifically that the Pinellas County Construction Licensing Board be subject to audit by the Division of the Inspector General contained within the Office of the Clerk of Circuit Court of Pinellas County, Florida.

- 4) In order to provide further oversight and public awareness, it is recommended that the Act be amended to require the Board to provide a written report on an annual basis of its activities and finances to the County Commission and to each city government.

- 5) The current Act in Section 21 requires that any funds received by the Board from fees which remain uncommitted and unexpended at the end of the biennium shall be paid into the Pinellas County General Revenue Fund. Since 1994, those fees paid to the County have totaled approximately \$487,000.00. We find no need to require the transfer of funds to the Pinellas County General Revenue Fund. These monies can be used by the Board for future financial needs and budget shortfalls. We therefore recommend that the provision be removed from the Act.

It is further recommended that the current Board and Staff and future Board members thoroughly review the recommendations contained within the Inspector General's report and take appropriate steps to insure that the Board is operated in a transparent and accountable manner.

In addition, it is recommended that the Board consider appointing advisory panels, as necessary, to receive input from representatives of construction specialties or sub-specialties who are not represented on the Board. These subject matter experts can help the Board with decisions that protect the citizens and the industry.

We are advised that the Board currently has an inter-local agreement with Pinellas County where the Board receives certain services from county government for which the Board reimburses Pinellas County. Among these services is legal representation by the County Attorney's Office. We believe that it is imperative that such legal representation should be

**Status of Recommendations
Follow-Up Audit of the Pinellas County Construction Licensing Board
and Grand Jury Presentment**

proactive with regard to making the Board aware of the requirements of Florida law as it pertains to the Government in the Sunshine Law, Public Records laws, and the Code of Ethics for Public Officials.

We have been made aware that because of the recent controversies surrounding the operation of the Board and questions raised regarding its future operation, there exists a current funding "crisis". Therefore, it is our recommendation that the Pinellas County Commission work with the Board and its current Executive Director to resolve the crisis. Among the possible resolutions would be the provision of a bridge loan and/or and abatement or deferral of the inter-governmental service fee required by the current inter-local agreement.

It is further recommended that the current fee structure be reviewed by the Board and consideration should be given in making sure the existing fee schedules are competitive with the fees charged by other licensing boards throughout the State of Florida. In addition, we have been advised that in the past there has not been an effective collection process to recover delinquent fines and fees. The Board is encouraged to establish such a process which can help provide financial stability in the future.

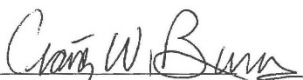
In conclusion, it is our belief that should the recommendations in this Presentment be adopted, the Pinellas County Construction Licensing Board can provide a valuable service to the citizens of Pinellas County, Florida in a manner that is transparent, accountable and professional.

We direct that the State Attorney provide a copy of this Presentment to each member of the Pinellas County Legislative Delegation as soon as possible.

Having finished our labors and investigations to this point at this time, we desire to be recessed until further Order of the Court.

Respectfully submitted,

THE GRAND JURY

By: 
Foreperson

ATTEST:


CLERK

Recommendation 1:

It is our recommendation that the size of the Board be reduced to 15 members.

Status:

Implemented. The amended Special Act revised Board membership to reduce the number of members to fifteen.

Recommendation 2:

It is further our recommendation that the current three permanent members be retained.

Status:

Implemented. At the time of the Grand Jury Presentment, the Special Act listed the building directors from the City of Clearwater, the City of St. Petersburg, and the County as permanent members. The amended Special Act listed, among the Board members, the County building official and building official representatives from North County and South County. In addition, it exempted the building officials from term limits.

Recommendation 3:

It is recommended that the remaining 12 members be appointed by the Pinellas County Board of County Commissioners as follows:

- a. A South County Building Director as described in the Act
- b. A North County Building Director as described in the Act
- c. A Gulf Beaches Building Director as described in the Act
- d. Two consumer representatives not affiliated with the construction industry
- e. Eight properly licensed members from the following categories:
 1. General Contractor
 2. Registered Architect
 3. Building Contractor
 4. Residential Building Contractor
 5. Electrical Contractor
 6. HVAC/Mechanical Contractor
 7. Plumbing Contractor
 8. Roofing Contractor
 9. Sheet Metal Contractor
 10. Swimming Pool Contractor
 11. Aluminum Contractor
 12. Fire Marshall

Status:

Implemented. The amended Special Act revised Board membership to include building directors from North County, South County, and the Beach Community; two consumer representatives; and eight licensed representatives from the categories prescribed in the Grand Jury Presentment.

Recommendation 4:

It is recommended that the members appointed by the County Commission be appointed for a four year term with a provision that a Board member cannot serve more than two consecutive terms but may be reappointed after a three year hiatus.

Status:

Implemented. The amended Special Act instituted a limit of two consecutive four-year terms for all Board members except the building official and fire official appointees. In addition, it required a two-year hiatus prior to reappointment consideration.

Recommendation 5:

It is recommended that any amendment to the Act contain a requirement that Board members file what is commonly referred to as Form 1 on an annual basis.

Status:

Implemented. The amended Special Act requires all PCCLB Board members to file an annual disclosure of financial interests pursuant to F.S. 112.3145. All PCCLB Board members file annual financial disclosure statements with the Florida Commission on Ethics. They receive reminders in June to complete by July 1st of each year.

Recommendation 6:

We recommend that the Act be amended to provide specifically that the Pinellas County Construction Licensing Board be subject to audit by the Division of Inspector General contained within the Office of the Clerk of Circuit Court of Pinellas County, Florida.

Status:

Acceptable Alternative. The amended Special Act enacted several major structural changes to the PCCLB. The PCCLB is now a dependent special district, and the CLD, under the BCC and County Administrator, performs the operational function of the PCCLB. Moreover, the amended Special Act codified the BCC's ability to obtain periodic audits of the Board by a

certified auditor. Although not specifically codified by name, the IG now has audit and investigative jurisdiction over both the PCCLB and CLD.

Recommendation 7:

It is recommended that the Act be amended to require the Board to provide a written report on an annual basis of its activities and finances to the County Commission and to each city government.

Status:

Implemented. The amended Special Act requires the PCCLB Board to provide an annual report of finances and administrative activities to all local governments in the County and to make the information available to the public.

Recommendation 8:

The current Act in Section 21 requires that any funds received by the Board from fees which remain uncommitted and unexpended at the end of the biennium shall be paid into the Pinellas County General Revenue Fund.... We find no need to require the transfer of funds to the Pinellas County General Revenue Fund. These monies can be used by the Board for future financial needs and budget shortfalls. We therefore recommend that the provision be removed from the Act.

Status:

No Longer Applicable. PCCLB operations became a responsibility of the CLD, under the County Administrator, as of July 1, 2018. The fund continues to be supported by revenue from licensing fees, fines, and citations.

Recommendation 9:

It is further recommended that the current Board and Staff and future Board members thoroughly review the recommendations contained within the Inspector General's report and take appropriate steps to insure that the Board is operated in a transparent and accountable manner.

Status:

Implemented. As displayed throughout the audit follow-up report, CLD Management and the PCCLB Board have diligently addressed the majority of our recommendations, which highlights their commitment to improve the transparency and accountability in PCCLB Board operations.

Recommendation 10:

It is recommended that the Board consider appointing advisory panels, as necessary, to receive input from representatives of construction specialties or sub-specialties who are not represented on the Board.

Status:

Implemented. The amended Special Act revised Board membership to reduce the number of members from 21 to 15, add a second consumer representative, and assure broad representation among the trades and professions related to construction.

Recommendation 11:

We are advised that the Board currently has an inter-local agreement with Pinellas County where the Board receives certain services from County government for which the Board reimburses Pinellas County. Among these services is legal representation by the County Attorney's Office. We believe that it is imperative that such legal representation should be proactive with regard to making the Board aware of the requirements of Florida law as it pertains to the Government in the Sunshine Law, Public Records laws, and the Code of Ethics for Public Officials.

Status:

Implemented. PCCLB Board members are governed by Board Rule 1.12, which requires all Board members to adhere to the Florida Code of Ethics for Public Officers and Employees. Board members are also governed by the Special Act and the laws of Florida for special districts. Moreover, Board members receive orientation from the department Director and the County Attorney, which emphasizes the ethical standards and all laws that apply. A Senior Assistant County Attorney attends PCCLB Board meetings to provide guidance.

Recommendation 12:

We have been made aware that because of the recent controversies surrounding the operation of the Board and questions raised regarding its future operation, there exists a current funding "crisis". Therefore, it is our recommendation that the Pinellas County Commission work with the Board and its current Executive Director to resolve the crisis. Among the possible resolutions would be the provision of a bridge loan and/or and [sic] abatement or deferral of the inter-governmental service fee required by the current inter-local agreement.

Status:

Implemented. Austerity measures were immediately undertaken in 2017, and the Sheriff's Enforcement Pilot Project provided for cases moving through the system and fine revenue

increases. A bridge loan from the county was budgeted but was not required when revenues increased. Once the County took over the operation and investigative staff were hired, revenues increased dramatically, bringing in over \$900,000 in excess revenues by the end of FY 2019.

Recommendation 13:

It is further recommended that the current fee structure be reviewed by the Board and consideration should be given in making sure the existing fee schedules are competitive with the fees charged by other licensing boards throughout the State of Florida.

Status:

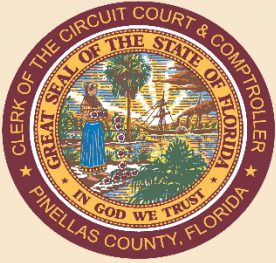
Implemented. The Board adopted a new fee schedule, Board Rule 6.02, which became effective on September 19, 2017. The new fee schedule aligns with average fees charged by comparable operations throughout the State of Florida.

Recommendation 14:

We have been advised that in the past there has not been an effective collection process to recover delinquent fines and fees. The Board is encouraged to establish such a process which can help provide financial stability in the future.

Status:

Partially Implemented. Investigators are reminding those who owe fines and fees to make their payments when due. The Board is considering policies for a fine payment plan process that includes both licensed and unlicensed contractors. The vote was scheduled for March 2020; however, that Board meeting was canceled due to the COVID-19 pandemic. We continue to encourage Management to implement our recommendation fully, as it runs the risk of lost revenue due to inconsistent collection efforts.



DIVISION OF INSPECTOR GENERAL

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CLERK OF THE CIRCUIT COURT
AND COMPTROLLER
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