



CITY OF RICHMOND
CITY AUDITOR

DATE: June 28, 2021

TO: Lincoln Saunders
Acting Chief Administrative Officer

FROM: Louis Lassiter *LL*
City Auditor

SUBJECT: Department of Planning and Development Review:
Property Maintenance Code Enforcement Division

The City Auditor's Office has completed the PDR Property Maintenance Code Enforcement Division audit and the final report is attached.

We would like to thank the PMCE staff for their cooperation and assistance during this audit.

Attachment

cc: The Richmond Audit Committee
The Richmond City Council
Jason Carangelo - Commissioner of Buildings, P&DR
Dr. Kevin Vonck - Acting Director P&DR

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City of
RICHMOND
Office of the City Auditor

Audit Report# 2021-17

**Department of Planning and Development Review:
Property Maintenance Code Enforcement Division**

June 28, 2021



Audit Report Staff

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Highlights

Audit Report to the Audit Committee,
City Council, and the Administration

Why We Did This Audit

The Office of the City Auditor conducted this audit as part of the FY2021 audit plan approved by the Audit Committee. The objective for this audit was to evaluate the efficiency, effectiveness and compliance of the Property Maintenance Code Enforcement Division.

What We Recommend:

The Property Maintenance Code Enforcement Operations Manager:

- Develop Policies and Procedures for the administration of the Vacant Building program to include:
 - Ensure Civil Penalties and Vacant Building Registry fees are assessed according to City Code.
 - An automated process for maintaining documentation.
 - Updating the vacant building listing on the Department's Webpage every six months.
 - Ensure staff record the receivables for the Vacant Building Registry fees in the City's Revenue System.
- Develop Policies and Procedures for the Vacant Building Registry to include and automated process for maintaining documentation.
- Develop and track formal performance measures for expectations of vacant building site visits.
- Work with the Procurement Management Analyst within the Procurement Services Department to explore other viable procurement options to reduce the backlog of environmental cases.

Additional recommendations were made to improve operations.



Department of Planning and Development Review: Property Maintenance Code Enforcement Division

Background - The Property Maintenance Code Enforcement (PMCE) Division is responsible for the enforcement of the Virginia Maintenance Code to protect the health, safety, and welfare of the City residents and the City Environmental Code to improve the quality of life issues. These standards are applicable to all structures and properties throughout the City regardless of use, occupancy, or location. The mission of the PMCE Division is "to protect all citizens and visitor's health and safety and to enrich and assist in the support of vibrant, economically strong neighborhoods and communities through education and enforcement of property maintenance regulations and city ordinances."

What Works Well

Subsequent to the audit scope and before starting the audit, management had taken corrective actions that addressed some of the observations noted during the scope of the audit. These are addressed throughout the report.

Needs Improvement

Finding #1 – Vacant Building Fees - PMCE staff maintain a listing of all Vacant Properties in the City. Property owners are charged fees if the properties are derelict. PMCE relied on a manual process to record the vacant properties' activities. Staff destroy the documentation once the property is either compliant or demolished. VBR fees of **\$6,400** were not collected.

Finding #2 – Access to the Utilities Accounts - The Vacant Building Coordinator within PMCE is responsible for inspecting vacant properties regularly to determine if they qualify for the Vacant Building Registry (VBR). PMCE staff physically visit the DPU Customer Service Office instead of having computerized read access.

Finding #3 – Update Vacant Properties Webpage - The Auditors compared 40 vacant properties from EnerGov to the listing on PDR's Webpage and noted the Webpage listing was incomplete. The Webpage was last updated in December 2019. PMCE management did not have a formal process in place to guide the activities for vacant properties.

Finding #4 – Record Retention - The Auditors tested 40 environmental cases and noted 10 did not have all the required documentation. Per General Schedule GS-06, Code Enforcement supporting documentation is to be maintained for three years after the event.

Finding #5 – Timeliness of Abatements – For 24 of 40 cases tested, it took an average of 37 work days to assign work to a contractor. Also, 16 cases were not assigned to a contractor.

Finding #6 – Tracking Certifications and Training – Two of 29 inspectors within PMCE were not certified with DHCD. Also, one inspector did not submit his Continuing Education Units to DHCD to renew his certification. PMCE management did not have a process in place to ensure staff were aware of the DHCD reporting requirements.

Finding #7 – Automate Process of Transferring RVA 311 Complaints - The Auditors analyzed all complaints received from RVA311 during FY2020. 99% of complaints were manually tracked by PMCE staff and 99.9% requiring a case were created in EnerGov. PMCE created cases for 80% of complaints within seven work days which is 10% below their goal of 90%.

Additional Findings - #8 - #12 – Additional Findings related to: Documentation of case files, Performance Measures and Calculations, Formal Training Standard Operating Procedures and the Integrity of data files transferred for general billing as thirty two bills totaling **\$4,700** were not collected since these were not attached to the real estate bills.

Management concurred with 12 of 12 recommendations. We appreciate the cooperation received from management and staff while conducting this audit.

BACKGROUND, OBJECTIVES, SCOPE, METHODOLOGY, MANAGEMENT RESPONSIBILITY and INTERNAL CONTROLS

This audit was conducted in accordance with the Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objective.

BACKGROUND

The Department of Planning and Development Review (PDR) is responsible for planning and protecting the City's physical, social and natural environment in order to enhance the quality of life for our citizens, businesses, and visitors. The Department is comprised of six divisions as follows:

- Land Use
- Permits & Inspections
- Administration
- ***Property Maintenance Code Enforcement***
- Planning and Preservation
- Zoning & Administration

This audit focused on the PMCE Division, which is responsible for the following:

- Enforcement of the Virginia Maintenance Code to protect the health, safety, and welfare of City residents.
- Enforcement of the City Environmental Code to improve the quality of life issues.

These standards are applicable to all structures and properties throughout the City regardless of use, occupancy, or location.

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Virginia Maintenance Code

The Virginia Uniform Statewide Building Code (USBC) was created by the State Board of Housing and Community Development and was adopted by the City of Richmond as its Property Maintenance Code. The City Code gives the Commissioner of Buildings the authority to periodically inspect buildings and structures within the City. If a property does not adhere to safety standards, the City has the authority to abate or fix the violations either with City staff or through a contractor and have a lien placed on the property until the owner pays for the abatement and an administrative fee.

Mission

The mission of the PMCE Division is “to protect all citizens and visitor's health and safety and to enrich and assist in the support of vibrant, economically strong neighborhoods and communities through education and enforcement of property maintenance regulations and city ordinances.”

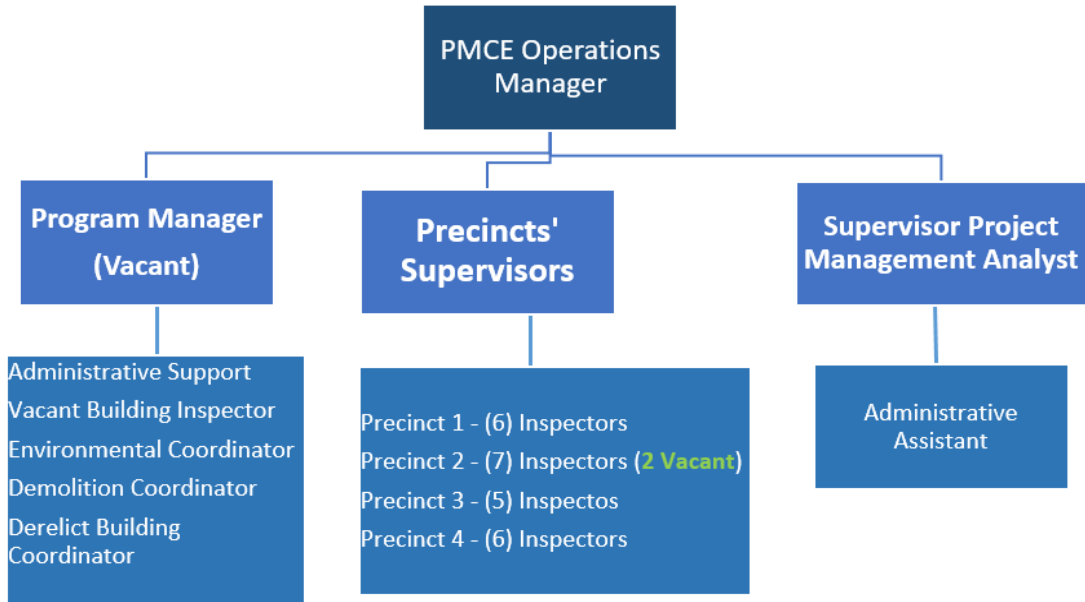
Budget

PDR's adopted budget for FY2020 included \$3,879,881 for PMCE as follows:

Service/Subprogram	FY2020 Adopted
Customer Service	\$914,325
CAPS (Community Assisted Public Safety) Program	\$231,789
Code Enforcement	\$2,733,767
Total	\$3,879,881

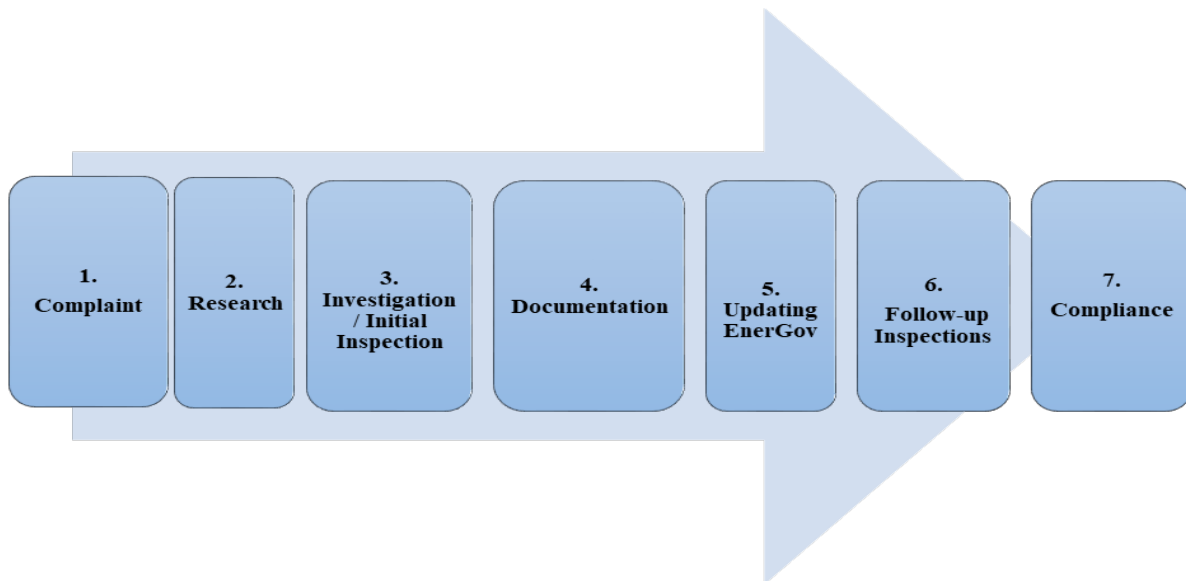
Staffing

PMCE had 37 FTE's (which included three vacant positions) as of January 1, 2021 as follows:



Inspection Process

Property Maintenance or code enforcement cases have a seven step process as follows:



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1. PMCE receives complaints through phone calls via RVA311 or PDR, letter, walk-ins, and proactive inspections.
2. Once the inspectors receive a complaint, they research it to determine the best course of action to move the case forward. Research involves reviewing existing cases, permit status, utilities, taxes and ownership information.
3. The inspectors conduct the investigation to determine if a violation exists on the property. Violations can fall under five categories:
 - o *Environmental Violations* - Properties with improper storage and garbage, overgrown grass and tall weeds, and standing water.
 - o *Housing Violations* - Defective maintenance interior and exterior.
 - o *Unsafe Structures and Unfit Structures* - Unsafe, unhealthy or unsanitary conditions for human habitation.
 - o *Vacant Structures*.
4. Once a case is initiated, documentation must be completed to support a potential violation and closure.
5. Everything is keyed and uploaded in EnerGov to capture all aspects of the inspection process from start to finish.
6. Follow-up inspections are conducted to determine if the violations have been corrected or to discuss actions to get them in compliance.
7. Bringing a property into compliance is the final step in the process to close out a case. All required information should be uploaded in EnerGov.

FY2020 - Workload Statistics

Within EnerGov all inspections are tied to a case and each case represents a complaint. During FY2020, the PMCE Division had the following cases in EnerGov:

Number of Cases Opened and Closed	
Cases Opened During FY2020	8,734
Cases Closed During FY2020	6,904
Closure Percentage	79.05%

*NOTE: An additional 1,378 cases were closed in FY2020 that were opened in FY2019.

A total of 8,282 cases were closed in FY2020. As a part of their casework, inspectors issued 117 summonses, had 208 court cases, and performed 29,649 inspections in FY2020. A breakdown of the closure status for the FY2020 closed cases was as follows:

Closure Status of Closed FY2020 Cases	
Case Referred	12
Closed (compliant)	6,687
Closed (non-compliant)	361
In Violation	3
No Violations Observed	1,214
Vacant – Compliant	4
Vacant – In violations	1
TOTAL	8,282

OBJECTIVE

The objective for this audit was to evaluate the efficiency, effectiveness and compliance of the Property Maintenance Code Enforcement Division.

SCOPE

The scope of the audit covers code violation complaints, EnerGov cases, inspections, re-inspections, performance measures, staff training and certifications, fees paid to third party vendors to abate code violations, and subsequent billing to the property owners during FY2020.

METHODOLOGY

The Auditors performed the following procedures to complete this audit: Interviewed staff and performed ride-alongs to gain an understanding of the inspection processes;

- Evaluated and documented how PMCE used the EnerGov System for tracking and documenting inspections;
- Reviewed inspections and re-inspections for completeness as well as documentation of activities within each case;
- Analyzed performance measures;
- Evaluated certification and continuing education requirements; and

- Conducted other tests, as deemed necessary.

MANAGEMENT RESPONSIBILITY

City of Richmond management is responsible for ensuring resources are managed properly and used in compliance with laws and regulations; programs are achieving their objectives; and services are being provided efficiently, effectively, and economically.

INTERNAL CONTROLS

According to the Government Auditing Standards, internal control, in the broadest sense, encompasses the agency's plan, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It also includes systems for measuring, reporting, and monitoring program performance. An effective control structure is one that provides reasonable assurance regarding:

- Efficiency and effectiveness of operations;
- Accurate financial reporting; and
- Compliance with laws and regulations.

Based on the audit test work, the Auditors concluded internal controls need improvement for the following areas:

- Document Retention
- Billing and Collecting Fees
- Vacant Building Procedures
- Tracking Training and Certifications

These deficiencies are discussed throughout the report.

FINDINGS and RECOMMENDATIONS

What Works Well

Management Created Standard Operating Procedures

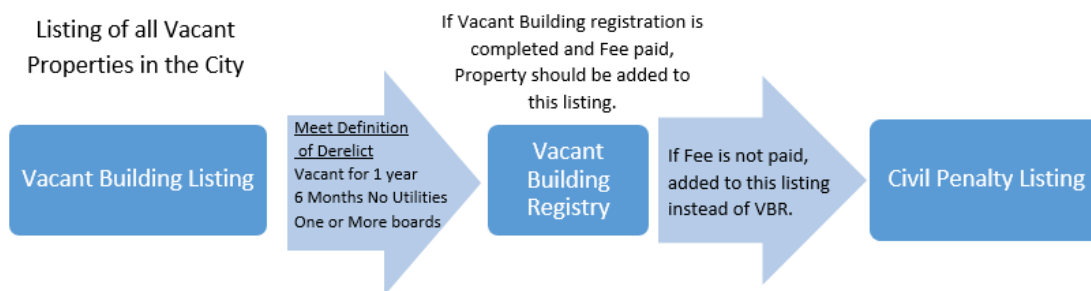
As noted throughout the report, subsequent to the audit scope and before starting the audit, management had taken corrective actions to address some of the observations noted during the scope of the audit.

What Needs Improvement

Finding #1 – Vacant Building Fees

Condition

A PMCE staff member maintains a listing of all Vacant Properties in the City. If the property meets the definition of derelict (*vacant for a year, six months with no utilities and one or more boards*) and the property owner registers and pays the fee, it is added to the Vacant Building Registry (VBR). If the owner does not pay the fee, the property is added to the Civil Penalty Listing instead of the VBR. The following diagram describes this process:



***Auditor Prepared**

Vacant Building Registry Fee and Civil Penalty

PMCE staff mail a notification letter to the owners of vacant properties that are derelict. The letter notifies the owners of the VBR fee of \$100. It further states that a civil penalty fee of \$200 will be assessed if the VBR fee payment is not submitted within 45 days.

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The Auditors reviewed 40 properties from various sources to determine whether PMCE staff billed the property owners appropriately as follows:

- *20 properties from the **Vacant Building** listing:*
 - Eighteen properties were neither in the VBR nor the Civil Penalty listings.
 - Nine properties were compliant, therefore fees were not applicable.
 - Eight properties documentation was either incomplete or missing.
 - One property the owner failed to respond to the notification letter, however, PMCE staff did not bill the owner for the Civil Penalty fee.
 - One property the VBR fee was appropriately paid.
 - One property the Civil Penalty fee was appropriately paid, however, the VBR fee was not paid.
- *10 properties from the **Vacant Building Registry** listing:*
 - Four properties were appropriately billed and paid.
 - Three properties were not appropriately billed as the payments were made after the due date and PMCE staff should have charged the Civil Penalty fee to these property owners.
 - Three of these properties documentation was either incomplete or missing.
- *10 properties from the **Civil Penalty** listing:*
 - Ten (100%) the Civil Penalty fee was paid, however, the VBR fee was not paid.
 - During FY2020, a total of 64 properties were assessed a civil penalty fee. However, the VBR was not collected for any of these properties, which totaled **\$6,400**.

The Auditors also noted PMCE staff did not key the VBR fee into MUNIS. All receivable documentation was kept manually within PMCE. The accounts only showed payments keyed in MUNIS.

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Criteria

- According to City Code §5-14, "It shall be unlawful for any owner or owners of buildings or structures which have been vacant for a continuous period of 12 months or more, and which meet the definition of the term "derelict building" under Code of Virginia, §15.2-907.1, to fail to register on an annual basis the vacant buildings or structures with the Department of Planning and Development Review. The annual fee for such registration shall be \$100. Failure to register shall result in a \$200 civil penalty or in a \$250.00 civil penalty if the property is located in a conservation or redevelopment area or in a designated blighted area."
- Per General Schedule GS-06, Code Enforcement documentation related to complaints, notices of violations, record of action taken, correspondence, departmental comments, and supporting documentation are to be maintained for three years after the event.
- Written policies and procedures provide guidance to employees to perform their duties consistently in conformance with policies. Also, they can be used as an effective staff training tool.

Causes

- Management did not have policies and procedures in place to guide staff and establish expectations. Management updated policies and procedures in October 2020, however it did not include guidance for the vacant building activities.
- PMCE staff relied on a manual process to record the vacant properties' activities. Staff destroy the documentation once the property is either compliant or demolished.
- According to PMCE management, their practice is not to charge the Civil Penalty fee if the property owners pay the VBR fee after the due date. Additionally, PMCE staff did not collect the VBR fee if the owners paid the Civil Penalty fee.

Effects

- Without formal guidance compliance with management's expectations cannot be evaluated.

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- Without proper supporting documentation, PMCE may not be able to demonstrate the actions taken for the vacant properties.
- VBR fees of **\$6,400** were not collected.
- Without setting up a receivable in MUNIS, funds may go uncollected as there's no visibility of funds due to the City for VBR fees. Additionally, VBR fee receivables would not be transferred to the real estate billing if the receivable does not exist.

Recommendations:

- 1. We recommend the Property Maintenance Code Enforcement Operations Manager develop Policies and Procedures for the administration of the Vacant Building inspections program to include an automated process for maintaining documentation.*
- 2. We recommend the Property Maintenance Code Enforcement Operations Manager develop Policies and Procedures for the Vacant Building Registry to include an automated process for maintaining documentation.*
- 3. We recommend the Property Maintenance Code Enforcement Operations Manager ensure staff record the receivables for the Vacant Building Registry fees in the City's Revenue System.*
- 4. We recommend the Property Maintenance Code Enforcement Operations Manager ensure Civil Penalties and Vacant Building Registry fees are assessed according to City Code §5-14.*

Finding #2 – Access to the Utilities Accounts

Condition:

The Vacant Building Coordinator within PMCE is responsible for inspecting vacant properties regularly to determine if they qualify for the VBR. In order to qualify for the VBR, a property must meet the definition of derelict. The vacant property inspection process includes:

- Physical visit to the property
- Taking pictures of the vacant property
- Inspecting all angles of the property
- Determine if the property has an active utilities account with the Department of Public Utilities (DPU)

- Review the internal files to determine whether there have been any changes in the properties' status.

The PMCE staff who researches the vacant properties has to physically visit the DPU Customer Service Office and wait in line along with the general public to determine whether the properties have active utilities, which at times could be a time consuming process.

Criteria:

An efficient process which provides automated solutions allows staff resources to be used elsewhere to improve customer service.

Cause:

PMCE staff use a manual and time consuming process to verify whether properties have active utilities. This process consists of a staff member taking a list of properties to the DPU Customer Service Office and stand in line to verify if a property has active utilities service.

Effect:

Standing in line creates inefficiencies for the PMCE staff as well as the DPU Customer Service staff as they have to take time from serving customers to search the properties. Due to the inefficiencies of the current process, billing for the VBR and civil penalty fees may be delayed or missed, thus resulting in lost revenues for the City.

Recommendation:

- 5. We recommend the Acting Planning and Development Review Director work with the DPU Director to determine the feasibility of getting read only access to the Customer Service System to verify if vacant properties have active utilities service accounts.***

Finding #3 – Update Vacant Properties Webpage

Condition

Vacant Building Listing

The Auditors compared 40 vacant properties from EnerGov to the listing on the Department's Webpage and noted the Webpage listing was incomplete. The report of vacant properties on the Webpage was last updated in December 2019. The comparison revealed 16 properties were not on the Webpage listing as follows:

- Five cases were opened in 2020 after the report on the Webpage was produced in 2019.
- Five cases were closed prior to December 2019. These properties should have been included on the listing.
- Three cases were opened in December 2019.
- Three cases the auditors could not conclude as their status could've changed throughout the year.

Criteria

PMCE staff track vacant buildings internally and publish a listing on the Department's webpage to keep City residents informed about the vacant properties being monitored by PMCE.

Causes

- PMCE management does not have a formal process in place to guide the activities for vacant properties. Effective October 2020, management updated their policies and procedures, however, it does not include guidance for vacant properties.
- The properties listing on the Department's Webpage had not been updated as management had other competing priorities.

Effect

Staff and citizens may rely on incomplete and outdated information. Citizens may report issues for a vacant building that is already being monitored, thus creating inefficiencies for the PMCE staff.

Recommendation:

- 6. We recommend the Property Maintenance Code Enforcement Operations Manager develop Policies and Procedures for the administration of the Vacant Building program to include updating the vacant building listing on the Department's Webpage every six months.*

Finding #4 – Record Retention

Condition

The PMCE inspectors issue environmental violations, which include high grass, abandoned vehicles, and trash. Once a violation is issued, the property owner must correct the violation. If they do not correct the violations, PMCE inspectors and their supervisors prepare a packet of information on the property and submit it to the Environmental Coordinator to have the property abated (*correct the violation*). The packet of information include:

- Notice of Violation
- Pictures of the initial violation
- Pictures of the notice of violation posted on the property
- Property search detail
- Follow up pictures showing the violation
- Parcel map
- Abatement contract request form

The Auditors tested 40 of 1,096 environmental cases and noted 10 of the 40 cases did not have all the required documentation. The documentation did not exist in either the EnerGov System

or in hard copy format. PMCE did not comply with the Virginia Records Retention and Disposition Schedule.

Criteria

Per General Schedule GS-06, Code Enforcement documentation related to complaints, notices of violations, record of action taken, correspondence, departmental comments, and supporting documentation are to be maintained for three years after the event.

Cause

The PMCE's policies and procedures did not address management's expectations for maintaining the documentation for environmental cases in EnerGov. Staff maintained hardcopy folders containing the relevant information for each case. They did not always scan all the documents and upload them into the System.

Effect

Without proper supporting documentation, PMCE may not be able to demonstrate the actions taken to abate the code violations on the property. This could result in financial loss as the City may not be able to prove the violation and subsequent abatement.

Recommendation:

- *A recommendation will not be issued as management implemented new policies and procedures in October 2020, which require staff to scan Code Enforcement documents into the EnerGov System.*

Finding #5 – Timeliness of Abatements

Condition

The PMCE Division contracted with various vendors to abate environmental (*i.e. high grass, trash*) violations that were not corrected by the property owners. The Auditors reviewed 40 cases and noted the following:

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- Twenty-four cases were assigned to contractors. However, it took an average of **37 work days** to assign the case to a contractor. The number of days ranged from four days to 98 days. The Auditors could not conclude on the date a contractor was assigned for one of the cases.

No. of Work Days	No. of Cases
1-20	7
21-40	6
41-60	7
61-100	3
Could Not Conclude	1

Of the 24 cases,

- Sixteen properties were abated within an average of **four work days**.
 - Six properties were abated by the owners prior to the contractors conducting the work.
 - One case was closed due to extensive time passing. The case was opened during the growing season on July 12, 2019 and closed on January 31, 2020 once the growing season had ended.
 - One of the properties changed ownership prior to the contractor performing the work.
- Sixteen cases were not assigned to a contractor. It took an average of **99 work days** from the cases being forwarded to the PMCE Coordinator to the next documented actions on the accounts.

No. of Work Days	Count of Cases
1-20	3
21-70	0
71-120	7
121-170	6

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Of the 16 cases:

- Eight were abated by the property owners prior assigning the work to a contractor.
- Five cases were closed due to extensive time passing.
- Two cases were not assigned due to issues with the contractors.
- One property owner changed and a new case was opened.

Criteria

According to City Code §5.10 and §5.11, the Commissioner of Buildings has the authority to periodically inspect buildings and structures within the City. If a property does not adhere to safety standards, the City has the authority to abate or fix the violations either themselves or through a contractor and place a lien on the property until the owner pays for the abatement and the administrative fee.

Cause

PMCE management contracted various vendors to abate the violations. However, they did not have enough contractors to handle the high demand.

Effect

Properties remained in violation for months causing additional citizen complaints and increased workload for PMCE staff as they had to track the complaints and conduct follow up inspections. Properties with environmental violations, such as high grass and trash, create an eyesore for the City and the community. Additionally, the City may not be able to collect funds paid to the vendors when property ownership changes. During the scope of the audit, the City was unable to recover \$175 paid to a contractor due to change in property owner.

Recommendation:

7. *We recommend the Property Maintenance Code Enforcement Operations Manager work with the Procurement Management Analyst within the Procurement Services Department to explore other viable procurement options to reduce the backlog of environmental cases.*

Finding #6 – Tracking Certifications and Training

Condition

During FY2020, two of 29 inspectors within PMCE were not certified through DHCD. Both employees had taken the required course and passed their final exam. However, after passing the exam, they failed to apply and receive their official DHCD certification. Upon notification during the audit, the inspectors submitted the required documentation and are now certified.

The Auditors also noted one of the inspectors did not submit his Continuing Education Units (CEU's) to DHCD, as required in order to renew his certification. The Auditors could not conclude whether the inspector obtained the required CEU's or just failed to submit it to DHCD as this employee had left employment with the City.

Criteria

According to the Virginia Maintenance Code, "a technical assistant shall be certified in the appropriate subject area within 18 months after becoming a technical assistant."

Every two years inspectors are required to obtain and submit 16 hours of CEU's to DHCD to maintain their certification.

Per Virginia DHCD Continuing Education Policy, "It is highly recommended that the local building department or locality track the compliance of their certified code enforcement personnel."

Cause

PMCE management did not have a process in place to ensure staff were aware of the DHCD reporting requirements. The responsibility of tracking, reporting and maintaining CEU's were left at the discretion of each individual inspector. As a result, management was not aware these employees had not registered and renewed their certifications.

Effect

Certifications become inactive when the CEU's are not submitted to DHCD. Inspectors that are not certified do not have the authority to conduct inspections and the City may be unable to enforce violations written by uncertified inspectors.

Recommendation:

- 8. We recommend the Property Maintenance Code Enforcement Operations Manager annually track inspector training and recertification to ensure compliance with the Department of Housing and Community Development.*

Finding #7 – Automate Process of Transferring RVA 311 Complaints

Condition

The Auditors analyzed 100% of the 2,084 complaints received from RVA311 during FY2020 to ensure they were created in EnerGov and the complaints were tracked by PMCE staff on their manual spreadsheet. The analysis revealed:

- 99%** of complaints (2,060 of 2,084) were manually tracked by PMCE staff. Twenty four complaints were not included on the manual spreadsheet.
- 99.9%** of RVA311 complaints (1,943 of 1,945) that required a case were created in EnerGov.

PMCE management established a performance goal of transferring at least 90% of the RVA complaints into EnerGov within seven business days. The Auditors analyzed 100% of the cases and noted they did not achieve the **90%** goal. They created **80%** of the cases within the established timeframe, which is 10% below their goal.

Criteria

Per the Department's Budget based performance measures, the goal is to transfer at least 90% of RVA311 complaints into EnerGov within seven business days.

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Cause

Management from the departments of Planning and Development Review and Citizen Service and Response (CSR) have been working on automating the process of transferring complaints from RVA311 to EnerGov. According to management, this has been a priority for multiple years, however, it has not been completed due to continuous system upgrades and changes.

Per Management, they had staff turnover during the scope of the audit. They used temporary staffing to assist the administrative team. Additionally, COVID occurred during the scope and employees were not reporting to work as the City was closed for a period of time.

Effect

Untimely completion of complaints may cause inefficiencies for the PMCE staff and the CSR staff as citizens may submit the same complaint multiple times.

Recommendation:

- We recommend the Acting Director of the Planning and Development Review Department work with the Director of Citizen Service and Response Department to finalize the automation process of transferring RVA311 complaints to EnerGov.*

Finding #8 – Documentation

Condition:

The Auditors reviewed 96 inspections (26 cases) to determine whether the inspectors complied with management’s documentation requirements. PMCE inspectors classified 52 of the 96 inspections as in compliance, meaning they did not notice any violations. The Auditors reviewed the documentation in EnerGov to determine if the compliant properties contained pictures of the properties and noted:

	Yes	No	N/A
Picture of Compliant Property	7	43*	2**

**Management identified that 20 of the inspections were incorrectly coded as being in compliance. The Auditors were able to validate documentation of the violations for only nine of the twenty properties.*

***Two inspections were not applicable as one was a duplicate inspection and the other was closed based on information received from the Department of Public Works.*

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PMCE inspectors classified 44 of the 96 inspections as non-compliant. Documentation for non-compliant properties must include:

- Picture of the violation,
- Picture of Notice of violation (NOV) on the property, and
- Scanned copy of the NOV.

The documentation must also show that re-inspections were conducted.

The Auditors reviewed the documentation in EnerGov to validate compliance and noted the following:

Documentation	Yes	No	N/A
Picture of Violation	23	18	3*
Posting of NOV	5	7	32**
NOV	12	5	27***
Re Inspection Performed	41	3	0

*No inspection, duplicate inspection, no access to property

** Defective maintenance or re-inspections

*** Re-inspections

Additionally, the Auditors reviewed the violations identified in the 26 cases to determine whether documentation existed to support closing out the cases and noted:

	Yes	No	N/A	Could not Conclude
Documentation Present to support all violations were corrected	4	18*	3**	1

* The last inspection performed for two of these cases was coded as a re-inspection without any notes to explain why further inspections were not conducted.

** The inspectors noted initial violations were not found.

Criteria:

Management required the supervisors to review a sample of inspections to ensure compliance with expected documentation.

Cause:

Although management had quality assurance processes, a formal policy and procedures was not in place to proactively address non-compliance with the documentation requirements.

Effect:

The City may not be able to enforce compliance due to lack of documentation supporting the violations.

Effective October 2020, PMCE management developed Standard Operating Procedures that delineate management expectations, including step by step inspection procedures and documentation requirements.

Recommendation:

- *A recommendation will not be issued as PMCE management has taken steps to guide their staff and establish formal management expectations.*

Finding #9 – Performance Measures

Condition

PMCE staff track and report inspection performance measures on a monthly basis. The Precinct Supervisors track their inspectors' performance and report the monthly results to the PMCE Operations Manager. During FY2020, PMCE's performance measures included the following:

- Conduct inspections within five days of the scheduled inspection date.
- Perform a minimum of seven inspections per day, averaged over a month excluding non-working days.
- No more than 30% of cases remain open for over six months.

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The Auditors analyzed the FY2020 inspections data and compared it to the performance measures and noted the following:

Conduct inspections within five days of the scheduled inspection date

- 89.3% of the inspections were performed within five days.
- 10.7% of the inspections did not meet the performance goal

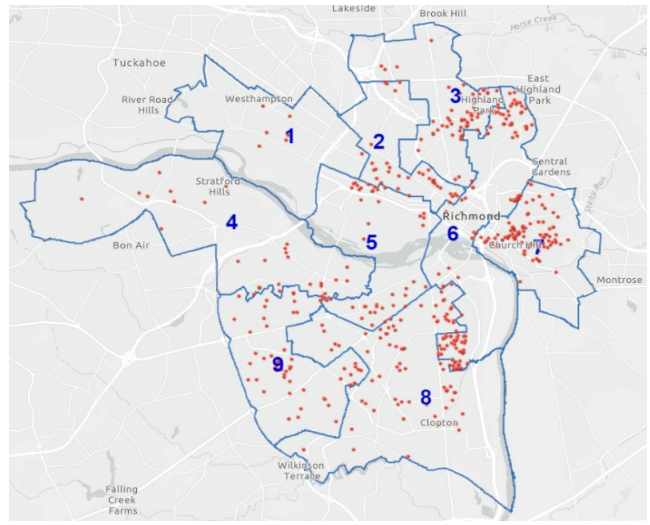
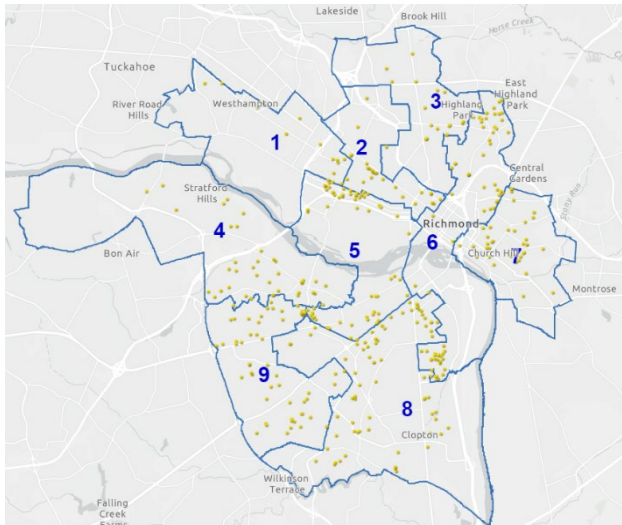
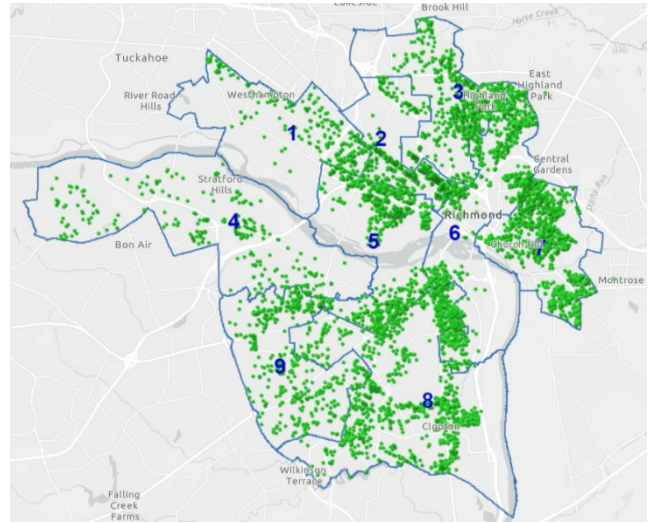
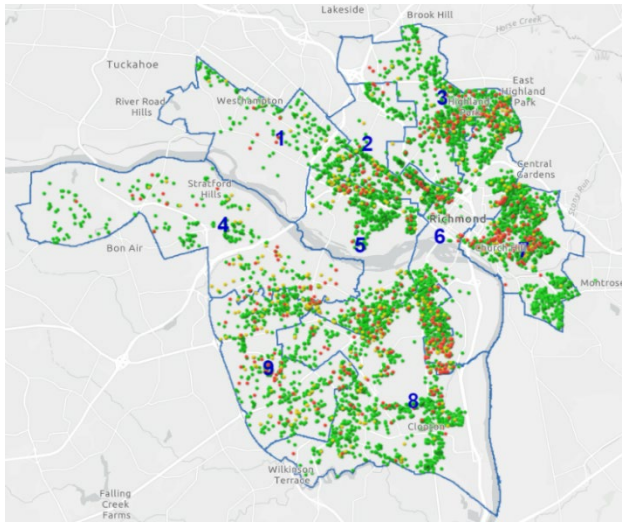
No. of Days from scheduled date to actual date	% of total FY2020 Inspections	Total FY2020 Inspections
Compliant with Performance measure (<i>within 5 days</i>)	89.3%	23,441
6-10 Days	3.8%	1,006
11-20 Days	3.5%	911
21-40 Days	1.8%	484
41-60 Days	0.4%	110
61-100 Days	0.4%	103
101-200 Days	0.4%	107
201-300 Days	0.2%	46
300 and up	0.1%	30

The Auditors summarized the number of inspections by Council District as follows:

26,228 Total Inspections	Total Inspections per District	Within 5 Days	Past 5 Days
Council District 1	914	88%	12%
Council District 2	2,423	93%	7%
Council District 3	2,642	91%	9%
Council District 4	975	79%	21%
Council District 5	3,549	89%	11%
Council District 6	4,056	87%	13%
Council District 7	5,032	94%	6%
Council District 8	4,527	90%	10%
Council District 9	2,110	78%	22%

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The following maps depict the average inspection timeframes for each property by Council District:



Note:
Green dots denote average inspection of 5 days or less.
Yellow dots denote average inspection of 6 to 10 days.
Red dots denote average inspection greater than 10 days.

Perform a minimum of seven inspections per day, averaged over a month excluding non-working days

The Auditors analyzed the inspections conducted during the months of October 2019 and February 2020 for the 24 inspectors to determine whether they achieved the goal of seven inspections per day and noted:

October 2019

- 5 of 24 inspectors achieved the goal of seven inspections per day.
- 19 of 24 inspectors did **not** achieve the goal of seven inspections per day.

February 2020

- 16 of 24 inspectors achieved the goal of seven inspections per day
- 8 of 24 inspectors did **not** achieve the goal of seven inspections per day.

No more than 30% of cases remain open for over six months

The Auditors analyzed the closure rates for all cases received during FY2020, and noted 88% of the cases were closed within six months. One inspector had 31% of his cases open for more than six months and this was addressed by management.

Criteria

Performance measures are established to assist management in improving their operations, identify strengths and weaknesses and recognize top performers. PMCE tracks and reports inspection results on a monthly basis. Their performance measures include:

- Conduct inspections within five days of the scheduled inspection date.
- Perform a minimum of seven inspections per day, averaged over a month excluding non-working days.
- No more than 30% of cases remain open for more than six months.

Causes

- The COVID pandemic affected the completion of inspections in a timely manner.
- Staff turnover during FY2020, which increased the workload per inspector.

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- New employees that were still in training during FY2020.

Effect

If staff within PMCE do not achieve their performance goals, the Division may not be able to perform to its standards and properties that are non-compliant remain in violation for longer periods of time.

Recommendation:

- *A recommendation will not be issued as PMCE management tracks and reports performance measures. Management has a process in place to document the results, hold employees accountable for not meeting their goals, take corrective actions, and provide training.*

Finding #11 – Performance Measures Calculation

Condition

PMCE management track and report performance measures for their staff. One of the performance measures requires calculating the average daily inspections per inspector (*seven*) on a monthly basis. The Auditors noted the calculation used by PMCE management differed with the calculation performed by the Auditors as PMCE staff used the scheduled date instead of the actual start date of the inspections. The Auditors analyzed the inspections conducted in October 2019 and February 2020 and noted the following variances:

October 2019

- Two inspectors met their performance goal based on the PMCE staff calculation, however based on the actual dates they did not meet their goal.
- One inspector did not meet his performance goal based on the PMCE staff calculation, however based on the actual dates he met his goal.

February 2020

- Two inspectors met their performance goals based on the PMCE staff calculation, however based on the actual dates, they did **not** meet their goal.

Criteria

PMCE management track and report inspection results on a monthly basis. One of their performance measures is, "Perform a minimum of seven (7) inspections per day, averaged over a month excluding non-working days."

Cause

The Supervisor in charge of preparing the monthly report was unaware that the data could be extracted from the EnerGov System based on actual inspection dates.

Effects

- Management may unknowingly report inaccurate performance achievements as a scheduled inspection may be unknowingly missed and not conducted.
- An analysis on the Division's productivity may not produce accurate results.
- Evaluations of staff performance may be based on faulty data.

Recommendation:

- 10. We recommend the Property Maintenance Code Enforcement Operations Manager ensure staff use the actual inspection dates for tracking and reporting their performance measure for average daily inspections.***

Finding #11 – Establish Formal Training SOP's

Condition:

PMCE has operating procedures to guide their staff in performing their duties. However, the procedures do not include training guidance for new inspectors. In practice, new inspectors obtain on the job training by riding along with other inspectors and supervisors until they are certified. Training methods and coverage are left at the discretion of the trainer.

Criteria:

Written policies and procedures provide guidance to employees to perform their duties consistently in conformance with management expectations. They can also be used as an effective training tool for new inspectors.

Cause:

The current Operations Manager is new in the position and has been addressing other priorities.

Effect:

Without formal guidance, compliance cannot be evaluated. Additionally, the treatment of similar code violations may vary amongst the inspectors. The process for handling violations and interactions with customers may also vary.

Recommendation:

- 11. We recommend the Property Maintenance Code Enforcement Operations Manager update the policies and procedures to include formal training guidance for new inspectors.*

Finding #12 – Integrity of Files Transferred

Condition:

PMCE staff pay contractors to abate environmental violations, such as high grass and trash if the property owners do not correct the violations. The PMCE staff key Civil Penalty fees for property owners who fail to register their vacant properties with PDR. The funds due for these fees are keyed in MUNIS for Finance general billing and staff execute a command within MUNIS to transfer unpaid amounts to the real estate tax bills.

The Auditors noted in November 2020, Finance staff executed a transfer that contained 803 records, which only produced 775 records. The difference was mainly due to consolidation of multiple bills for a single property. However, 32 bills unrelated to the consolidation did not transfer to the real estate billings. Finance staff became aware of the differences upon discussions with the Auditors.

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Criteria:

A quality assurance process, such as a control total must be in place when transferring data to a different location to ensure the integrity of the files transferred. Without an integrity check, staff do not have any assurance that the files transferred correctly.

Cause:

The Department of Finance did not have a process in place to ensure the outstanding general bills transferred to the real estate tax bills.

Effect:

Thirty two bills totaling **\$4,700** were not collected as these were not attached to the real estate bills.

Recommendation:

- 12. We recommend the Finance Deputy Director develop and implement a quality assurance process to ensure general bills transfer correctly to the real estate tax bills.*

APPENDIX A: MANAGEMENT RESPONSE FORM

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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
1	We recommend the Property Maintenance Code Enforcement Operations Manager develop Policies and Procedures for the administration of the Vacant Building inspections program to include an automated process for maintaining documentation.	Y	The Department will develop an SOP for conducting and documenting inspections under the Vacant Building Inspections Program using land records tracking software (EnerGov).
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program and Operations Manager		30-Sep-21
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
2	We recommend the Property Maintenance Code Enforcement Operations Manager develop Policies and Procedures for the administration of the Vacant Building Registry to include an automated process for maintaining documentation.	Y	The Department will develop an SOP for processing properties under the Vacant Building Inspections Registry.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program and Operations Manager		31-Dec-21
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
3	We recommend the Property Maintenance Code Enforcement Operations Manager ensure staff record the receivables for the Vacant Building Registry fees in the City's Revenue System.	Y	The Department will work with the Finance Director to have a City financial management system generate invoices and document payments for Vacant Building Fees.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program and Operations Manager		31-Mar-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
4	We recommend the Property Maintenance Code Enforcement Operations Manager ensure Civil Penalties and Vacant Building Registry fees are assessed according to City Code §5-14.	Y	The Department will develop an SOP for Vacant Building Registry to include requirements of City Code §5-14 to bill for both the Vacant Building Registry fee and the Civil Penalty Fee when property owners do not register.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program and Operations Manager		31-Mar-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
5	We recommend the Acting Planning and Development Review Director work with the DPU Director to determine the feasibility of getting read only access to the Customer Service System to verify if vacant properties have active utilities service accounts.	Y	The Department will work with the DPU Director to grant administrative staff in PMCE read-only authorization to records management system to identify status of water and gas services.
			TARGET DATE
	Director of Planning and Development Review		30-Sep-21
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
6	We recommend the Property Maintenance Code Enforcement Operations Manager develop Policies and Procedures for the administration of the Vacant Building program to include updating the vacant building listing on the Department's Webpage every six months.	Y	The Department will develop an SOP for the Vacant Building Inspections Program that will include a requirement to run reports from Energov in October and April of each year to publish on the Departments webpage.
			TARGET DATE
	Program and Operations Manager		31-Oct-21
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
7	We recommend the Property Maintenance Code Enforcement Operations Manager work with the Procurement Management Analyst within the Procurement Services Department to explore other viable procurement options to reduce the backlog of environmental cases.	Y	The Department will work with Procurement department to solicit additional invitations to bid to increase the number of potential contactors.
			TARGET DATE
	Program and Operations Manager		31-Mar-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
			Started working with Procurement to establish a protocol to use outside contractors to help with existing backlog.

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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
8	We recommend the Property Maintenance Code Enforcement Operations Manager annually track inspector training and recertification to ensure compliance with the Department of Housing and Community Development.	Y	The Department requires all Inspectors to provide status of continuing education hours semi-annually (once at annual performance review) to Field Inspector Supervisors, and will require supervisors to collect and maintain database for all inspectors assigned to them.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Field Inspector Supervisors		31-Jan-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
9	We recommend the Acting Director of the Planning and Development Review Department work with the Director of Citizen Service and Response Department to finalize the automation process of transferring RVA311 complaints to EnerGov.	Y	The Department will continue to work with DIT and CSR on automating process of transferring RVA311 complaints into EnerGov.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of Planning and Development Review		30-Jun-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
			Difficulties finding software that can communicate with EnerGov.
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
10	We recommend the Property Maintenance Code Enforcement Operations Manager ensure staff use the actual inspection dates for tracking and reporting their performance measure for average daily inspections.	Y	The Department will run reports using both the current method and a method recommended by the Auditor to determine which produces the information in a manner that is most beneficial to the agency and the inspector.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program and Operations Manager		31-Dec-21
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
11	We recommend the Property Maintenance Code Enforcement Operations Manager update the policies and procedures to include formal training guidance for new inspectors.	Y	The Department will create a Training Manual for new inspectors.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program and Operations Manager		30-Mar-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

APPENDIX A: MANAGEMENT RESPONSE FORM

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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
12	We recommend the Finance Deputy Director develop and implement a quality assurance process to ensure general bills transfer correctly to the real estate tax bills.	Y	The Finance Deputy Director will work with the Real Estate Cost Center Manager to develop and implement a PMCE Standard Operating Procedure to ensure general bills transfer correctly to the real estate tax bills.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Finance Deputy Director		1-Feb-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION