AUDIT TEAM
Jim Williamson, CPA, CIA, City Auditor
Janet McWilliams, CPA, Audit Manager

DEVELOPMENT SERVICES DEPARTMENT
FOLLOW–UP AUDIT

OCTOBER 25, 2016

MAYOR AND CITY COUNCIL

Mick Cornett	*Audit Committee, Mayor*
James Greiner	*Ward 1*
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Larry McAtee	*Audit Committee, Ward 3*
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Mark K. Stonecipher	*Ward 8*

October 25, 2016

The Mayor and City Council:

The Office of the City Auditor has completed an audit to evaluate the status of recommendations and related management responses included in the following reports on previous audits of Development Services Department operations:

- Development Center Revenue Collections audit report dated February 28, 2012, in which we concluded that adequate controls had not been established to ensure the completeness of revenues collected in the Development Center.

- Development Services Department Follow-Up Audit report dated July 5, 2011, in which we concluded that recommendations included in previous audit reports had not been adequately addressed.
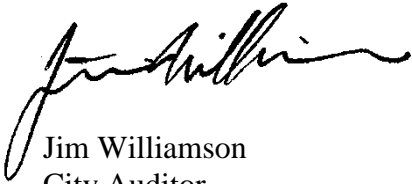
Based upon the results of our audit, we believe that, as of May 31, 2016, previous recommendations to strengthen revenue collection, gain operational efficiencies through consolidating inspections, and improve management oversight of the permits and licensing program have been adequately addressed except for recommendations to:

- Refund credit permit balances. (Status 4)
- Refund inactive contractor prepaid account balances. (Status 5)
- Process business license renewal payments more efficiently. (Status 7)
- Manage the elevator permitting and inspection process. (Status 15 and new Recommendations 16 and 17)
- Identify potentially unlicensed businesses. (Status 20)
- Address delinquent business license renewals. (Status 23)
- Follow-up on inactive construction permits. (Status 24)

Significant progress has been made in oversight of the permits and licensing program. Except for elevator permits, procedures have been established to ensure fundamental, day-to-day activities are carried out effectively. Opportunities for improvement continue to exist in managing the daily elevator permitting and inspection process and in the other activities listed above that would be carried out on a periodic basis.

The content and emphasis of items included in this report have been discussed with appropriate management representatives to assure a complete understanding of the observations arising from our audit. Management responses are attached to this report in their entirety.

Jim Williamson
City Auditor

Janet McWilliams
Audit Manager

DEVELOPMENT SERVICES DEPARTMENT
FOLLOW-UP AUDIT

AUDIT OBJECTIVES, SCOPE, METHODOLOGY AND BACKGROUND

The objective of this audit was to evaluate the status, as of May 31, 2016, of comments, recommendations and related management responses included in reports on our previous audits of certain Development Services Department operations.

The following reports were included in the scope of this follow-up audit:

- #12-01 Development Center Revenue Collections audit report dated February 28, 2012. We concluded that adequate controls had not been established to ensure the completeness of revenues collected in the Development Center. The report included recommendations to address significant control weaknesses, including reconciling sales records to revenue collections; managing prepaid contractor accounts; consistently carrying out control procedures; and performing supervisory oversight and review.

- #11-01 Development Services Department Follow-Up Audit report dated July 5, 2011. We concluded that recommendations included in previous audit reports had not been adequately addressed. Nuisance and construction inspections had been consolidated but inspectors had not been cross-trained to achieve intended operating efficiencies; procedures to identify potentially unlicensed businesses had not been implemented; and a process to address long-outstanding construction permits and inspector conflict of interest had not been developed. These recommendations were originally included in audit reports dated 2006, 2007 and 2009, respectively. These reports were issued prior to creation of and reassignment of related operations to the Development Services Department on July 1, 2009.

Procedures performed during this audit included interviewing management; analyzing data, reports and financial information from Accela, the automated system used to manage licenses, permits and construction inspections; reviewing documentation supporting control procedures; observing work processes; and examining other financial and operational records.

We conducted this audit in accordance with generally accepted government auditing standards, which require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our audit findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The following sections of this report present the status of prior audit recommendations, which is immediately followed by management's response. Responses from management are attached to this report in their entirety.

Previous recommendations to strengthen revenue collection, gain operational efficiencies through consolidating inspections, and improve management oversight of the permits and licensing program have been adequately addressed except for recommendations to:

- *Refund credit permit and inactive contractor prepaid account balances;*
- *Process business license renewal payments more efficiently;*
- *Manage the elevator permitting and inspection process;*
- *Identify potentially unlicensed businesses;*
- *Address delinquent business license renewals; and*
- *Follow-up on inactive construction permits.*

Revenue Collection and Cash Handling Procedures

During FY 2016, the Development Center issued approximately 54,600 construction permits and 27,000 license/residential sale permits and collected a total of over $12 million in revenue. Although the Permit Section primarily collects the Development Center's revenue, a significant amount of revenue is also collected for permits, fees and services offered by other City departments.

Permits issued by the Development Center are generated by the Accela automated permit system. The Development Center records revenue and other cash receipts on an automated cash register system. Total receipts on the cash register system are reconciled to cash collections and uploaded to the City's accounting system on a daily basis. After completion of the reconciliation, cash collections are submitted to the City Treasurer and subsequently deposited in the bank.

Status 1 – #012-01 Recommendation 1

Implemented – To ensure the accuracy and completeness of revenue collections; sales from the permit system as well as sales and deposits in prepaid customer accounts are reconciled to the cash register system on a daily basis. Additionally, cash drawer overages and shortages are recorded through the cash register system.

Management Response 1

Agree with status as reported.

Status 2 - #12-01 Recommendations 2, 3, and 4

Implemented – To reduce risk of undetected revenue loss or misappropriation of customer funds, incompatible duties have been segregated; reasons for void transactions are documented; supervisors approve void transactions and transfers between customer accounts; and reports of voided fees, voided payments and customer account transfers are reviewed daily for validity and accuracy.

Management Response 2

Agree with status as reported.

Status 3 - #12-01 Recommendations 5 and 6

Implemented – To decrease risk of undetected misappropriation of funds, refunds are documented, processed in accordance with the governing City Council Resolution and recorded in the permitting system; incompatible refund responsibilities have been segregated; and ownership records for customer accounts are maintained.

Management Response 3

Agree with status as reported.

Status 4 - #12-01 Recommendation 7

Not Implemented – When customers submit plans for a permit they are required to pay a submittal fee, which includes a portion of the estimated building permit fee. Occasionally, a credit balance remains on a permit after final payment. Although Development Center policies have been updated to include a weekly review for permits with credit balances, these procedures are not consistently performed. As of June 30, 2016 we identified 114 permits with approximately $29,000 in credit balances.

Procedures to identify permits with credit balances should be consistently carried out. Customers should be notified when an overpayment has been received. If the customer does not respond, management should work with the Accounting Services Division to process long-outstanding credit balances as unclaimed property.

Management Response 4

Agree with recommendation. By March 31, 2017, procedures to identify permits with credit balances will be consistently carried out. Customers will be notified when an overpayment has been received. If the customer does not respond, management will work with Accounting Services to process long-outstanding credit balances as unclaimed property.

Status 5 - #12-01 Recommendation 8

Implemented – To reduce risk of undetected revenue loss or misappropriation of funds, supervisors review no fee permits, transfers between permits and licenses, and transfers between contractor prepaid accounts as part of the daily balancing activity.

Management Response 5

Agree with status as reported.

Status 6 - #12-01 Recommendation 9
Implemented – The Development Center has developed and distributed written policies and procedures to provide employees with clear, practical and essential guidance in performing responsibilities.

Management Response 6

Agree with status as reported.

Status 7 - #12-01 Recommendation 10

Not Implemented – Management has not worked with the Information Technology Department to reduce data entry by using system capabilities for group processing of license renewals. And, business owners with multiple licenses are not advised in the renewal mailing that a single check can be submitted. Many of these business owners still submit separate checks for each license.

In order to process checks more timely, management should work with the Information Technology Department to implement group processing of license renewals; reducing data entry time and opportunity for errors. Additionally, business owners should be advised in the renewal mailing that a single check can be submitted for multiple license renewals.

Management Response 7

Agree with recommendation. By March 31, 2017, management will work with the Information Technology Department to implement group processing of license renewals. Additionally, business owners will be advised in the renewal mailing that a single check can be submitted for multiple license renewals.

Status 8 - #12-01 Recommendation 11

Implemented – To ensure checks are processed completely and timely, checks received for permits and licenses that are not processed on the day received are stored in the Development Center safe and processed the next day. Plan Review checks are stored in the safe for up to ten days and monitored weekly via a check log. Plan Review checks that are not processed within ten days are returned to the customer.

Management Response 8

Agree with status as reported.

Status 9 - #12-01 Recommendation 18

Substantially Implemented – Management has verified the accuracy and completeness of system generated reports used to reconcile total cash register system receipts to cash collections and the City's accounting system on a daily basis. Use of these reports is ensured through the Daily Balancing Report Checklist. However, the checklist is not dated or initialed to document that all reports have been run and reviewed.

The Daily Balancing Report Checklist should be dated and initialed to document that all reports have been generated and reviewed.

Management Response 9

Agree with recommendation. By October 31, 2016, management will initial and date the Daily Balancing Report Checklist to document that all reports have been generated and reviewed.

Prepaid Customer Accounts

Customer names, addresses, license numbers, permit sales and other information are recorded in permit system customer accounts. As an optional convenience, customers may also deposit funds to their accounts for use in obtaining future permits. The Development Center deposits these prepaid funds with the City Treasurer's Office where the funds are recorded in a restricted agency fund until the customer obtains a permit or requests a refund. As of May 31, 2016, the permit system contained 3,048 open prepaid customer accounts with balances totaling $532,146.

Status 10 - #12-01 Recommendation 12

Implemented – In September 2012, management confirmed the amount held in the restricted agency fund exceeded customer account balances recorded on the permit system by $474,112. This amount was subsequently processed as unclaimed property and ultimately transferred to the General Fund. The amount held in the restricted agency fund is reconciled to customer account balances recorded on the permit system as part of the daily balancing activities. As of May 31,

2016, the variance between the restricted agency fund and permit system prepaid account balances was less than $1,000.

Management Response 10

Agree with status as reported.

Status 11 - #12-01 Recommendation 13

Not Implemented – During the 2012 audit, we identified 1,152 prepaid customer accounts totaling over $134,000 with no activity in at least nine months.

Although Development Center policies have been updated to include quarterly review of prepaid customer accounts for those with no activity in at least one year, established procedures are not consistently performed. As shown in Exhibit 1, as of May 31, 2016, the permitting system includes 1,431 accounts totaling more than $179,000 with no activity in more than 17 months.

Exhibit 1- Prepaid Customer Accounts as of May 31, 2016

Calendar Year of Last Account Activity	Amount	# of Accounts
2007-2014	179,120	1,431
2015	52,257	413
2016	300,769	797
Open Accounts with Balance	$ 532,146	2,641
Open Accounts with Zero Balance		407
Total Open Accounts in Permit System	**$ 532,146**	**3,048**

Prepaid customer account activity should be regularly reviewed for inactive accounts. Management should work with customers to determine whether inactive accounts should be closed. If the customer does not respond, management should work with the Accounting Services Division to process inactive account balances as unclaimed property.

Management Response 11

Agree with recommendation. By March 31, 2017, prepaid customer account activity will be regularly reviewed for inactive accounts. Management will work with customers to determine whether inactive accounts should be closed. If the customer does not respond, management will work with Accounting Services to process inactive account balances as unclaimed property.

Status 12 - #12-01 Recommendation 14

Substantially Implemented – In our 2012 audit, we recommended that management mail monthly account statements to customers to aid in ensuring that customer accounts are accurate. Instead, management provided customers with access to their accounts via the City's website. However, customers are not adequately informed of their ability to access prepaid account information online and navigating to the accounts via the website is not user friendly.

Customers should be better informed of their ability to access prepaid account information online and the website should be more user friendly in navigating to the accounts.

Management Response 12

Agree with recommendation. By March 31, 2017, management will work with Public Information and Marketing to better inform customers of their ability to access prepaid account information online and make the website more user friendly in navigating to the accounts.

Status 13 - #12-01 Recommendation 15

Addressed – Although maintaining separate accounts by trade for contractors with multiple licenses increases risk of error, management determined that creating a single prepaid account for these customers is constrained by permitting system capabilities. Additionally, management stated that feedback from customers indicates they are not interested in combined prepaid accounts for accounting reasons.

Management Response 13

Agree with status as reported.

Status 14 - #12-01 Recommendation 17

Addressed – Given the substantial amount of effort to properly administer prepaid accounts, in our 2012 audit, we recommended that management consider discontinuing this service. Management responded that improved operating procedures and encouraging contractors to utilize credit cards would allow the Development Center to effectively maintain prepaid accounts and retain this customer service. Credit card payments for deposits to prepaid accounts were accepted through January 2015, when management discontinued accepting such payments due to errors in prepaid accounts resulting from credit card transactions. Prepaid account control procedures have improved since our last audit and management is considering reinstating credit card payment for deposits to prepaid accounts.

Management Response 14

Agree with status as reported.

Elevator Permits

The Municipal Code requires that elevators be inspected annually. Inspections are administered through issuance of a permit. Property owners operating elevators have an "account" in the permitting system. Annual elevator permits are associated with an account. For the fiscal year ended June 30, 2016, we noted 1,376 active elevator accounts in the permitting system. Annual permits were issued to 590 of these accounts with related fees totaling $132,089. Fees relating to elevator installation and remodel permits totaled $90,285.

Status 15 - #12-01 Recommendation 16

Not Implemented – The permit system is not utilized to manage elevator permits and related inspections. Instead, a spreadsheet has been employed for tracking elevator inspections and billing for elevator permits. Inspectors complete manual inspection logs, which are used as source documents for data entry into the spreadsheet. Inspection and fee information is subsequently entered into the permitting system. This process is inefficient and creates increased risk of error.

Based on a review of the spreadsheet for the fiscal year ended June 30, 2016, we noted:
- 89 inspections performed and billed but not paid within 90 days,
- 96 inspections performed and not billed,
- 93 site visits with unknown dispositions, and
- 508 elevator accounts in the permitting system not included in the spreadsheet.

Estimated fees relating to the above accounts totaled at least $134,000 for the fiscal year ended June 30, 2016.

The Development Center has no written policies for the elevator permit process. Inaccurate and incomplete information included in the spreadsheet limit management's ability to ensure all elevators are inspected and permits are issued.

The permitting system should be used to manage elevator accounts, permits and inspections. Similar to other Development Center operations, this would include purchase of a permit prior to inspection, inspectors electronically entering inspection results into the permit system in the field, and follow-up on accounts that have not purchased annual permits.

Management Response 15

Agree with recommendation. By December 31, 2017, the permitting system will be used to manage elevator accounts, permits and inspections. Similar to other Development Center operations, this will include purchasing a permit prior to inspection, inspectors electronically entering inspection results into the permit system in the field, and follow-up on accounts that have not purchased annual permits.

New Recommendation 16

Statutory changes effective November 1, 2016, allow for an annual safety certification from a licensed contractor in lieu of an inspection by a government inspector. In anticipation of this change, management has worked with the Municipal Counselor's Office to draft preliminary Municipal Code revisions to allow annual contractor safety certifications in lieu of inspections by Development Center elevator inspectors.

Management should continue to pursue modifying the Municipal Code. Incorporating contractor certifications into the enforcement process could enhance the timeliness and completeness of safety inspections, while possibly creating an opportunity to reduce operating costs.

Management Response 16

Agree with modification. By December 31, 2017, management will continue to pursue modifying the Municipal Code. Incorporating contractor certifications into the enforcement process will be considered, but will be contingent on implementing best practices from other municipalities.

New Recommendation 17

Elevator permit information is not included on the City's website. To improve customer service, **the website should include elevator permit information and an application form similar to other permits issued by the Development Center.**

Management Response 17

Agree with recommendation. By March 31, 2017, the City's website will include elevator permit information and an application form similar to other permits issued by the Development Center.

Consolidating Inspection Services

In our 2009 audit, we noted that similar nuisance and construction inspection services were provided by multiple departments. In our 2011 follow-up audit, we noted that the Development Services Department was created effective July 1, 2009, to consolidate these inspection services. However, recommended inspector cross-training to achieve operational efficiency had not been carried out.

Status 18 – #11-01 Status 1

Implemented – Operating efficiencies from consolidating services in the Development Services Department have been fully realized through cross-training property maintenance inspectors to perform licensing related inspections.

Management Response 18

Agree with status as reported.

Status 19 – #11-01 Status 2

Implemented – Operating efficiencies from consolidating services in Development Services Department have been realized through cross-training building inspectors to perform fence inspections and cross-training electrical inspectors to perform sign inspections.

Management Response 19

Agree with status as reported.

Business License Enforcement

In our 2006 and 2009 audits, we noted that business license enforcement efforts were inefficient, lacked coherence and inadequately documented. During our 2011 follow-up audit, we noted that previous recommendations in this area were not implemented. The business licensing program was moved to the Development Services Department as part of the July 1, 2009 reorganization.

Status 20 – #11-01 Status 3

Not Implemented – We originally recommended identifying potentially unlicensed businesses by comparing the City's licensing database with business data from other sources (e.g., Oklahoma Alcoholic Beverage Laws Enforcement Commission, the Oklahoma Tax Commission, private utility companies, State licensed pawnbrokers, the Oklahoma City/County Health Department, the City's Utilities Department, certificates of occupancy issued by the Development Center, etc.). To facilitate these comparisons, we recommended including fields in the permitting system to capture data common with other City and oversight agency databases.

In our 2011 audit we verified that data fields for sales tax identification numbers and permit numbers issued by the Oklahoma Alcoholic Beverage Laws Enforcement (ABLE) Commission were added to the permitting system. However, meaningful sales tax identification numbers were not being captured.

Initial comparisons with the ABLE Commission and Oklahoma City/County Health Department data were attempted in March 2011. Efforts to match sales tax identification numbers in the permitting system with Oklahoma Tax Commission sales tax reports were attempted by the City Treasurer's Office as late as fiscal year 2013. These comparisons were not efficient due to insufficient data collection in the permitting system and have not been subsequently attempted.

The Development Center should continue efforts to collect reliable data common with Oklahoma Tax Commission, ABLE Commission and Oklahoma City/County Health Department databases. When sufficient, reliable data is gathered, attempts to identify unlicensed businesses through data analysis should be resumed.

Management Response 20

Agree with recommendation. By December 31, 2017, the Development Center will continue efforts to collect reliable data common with Oklahoma Tax Commission, ABLE Commission and Oklahoma City/County Health Department databases. When sufficient, reliable data is gathered, attempts to identify unlicensed businesses through data analysis will be resumed.

Status 21 – #11-01 Status 4

Addressed – Late fees for untimely business license renewals have not been developed. Instead management uses citations to enforce licensing requirements for those businesses that refuse to obtain and/or renew licenses. See related Status 23.

Management Response 21

Agree with status as reported.

Status 22 – #11-01 Status 5

Implemented – Procedures have been added to ensure Oklahoma City/County Health Department inspections, when required, are verified before a license is renewed.

Management Response 22

Agree with status as reported.

Status 23 – #11-01 Status 7

Partially Implemented – The Development Center has enhanced the licensing renewal process to include mailing renewal notices at least 30 days prior to expiration, issuing past due notices by certified mail the day after expiration, and verifying renewal 10 days after the certified mailing. If a business is unresponsive to these efforts, the Development Center creates a case in the permitting system, which results in a site visit by a Code Enforcement Division inspector who may issue a citation to the business owner for operating without a license. However, the Development Center does not regularly create cases in the permitting system for unresponsive businesses.

The Expired License report included 1,855 business licenses expired between January 1, 2011 and May 31, 2016, with unknown dispositions; 399 of these licenses expired during fiscal year 2016. Management indicated cases for businesses failing to renew after the certified mailing had not been created since December 2015; 229 licenses expired after this date through May 31, 2016.

Previously recommended procedures to address delinquent business licenses should be implemented. These procedures include the following:

- Developing criteria balancing public safety with site inspection costs for unresponsive businesses (i.e., it may not be cost-effective to request inspectors visit sites with lower-fee licenses).
- Consistently carrying out established procedures.
- Completely and accurately updating the permit system to reflect results of delinquent license follow-up procedures. (Establishing Parent/Child relationships between cases in the Code Enforcement Licensing modules would aid in updating the permit system.)
- Periodically assessing the effectiveness of established procedures and evaluating whether specific aspects of the process should be modified or discontinued.

An arbitrary date for implementing the procedures described above should be selected, given the overwhelming amount of effort that would be necessary to resolve all expired licenses.

Management Response 23

Agree with recommendation. By October 31, 2017, p*reviously recommended procedures to address delinquent business licenses will be implemented.*

Construction Inspection Services

In our 2011 follow-up audit, we noted that management had not implemented recommendations included in our original 2007 report to strengthen procedures ensuring construction inspection services are complete, objective and consistently carried out. The construction inspection program was moved to the Development Services Department as part of the July 1, 2009 reorganization.

Status 24 – #11-01 Status 9

Not implemented – In 2007 we recommended that the Development Center periodically identify and follow-up on permits that have been outstanding for long periods of time. In 2011 we noted that management had developed a process whereby property owners and/or contractors were notified via letter after certain periods of time. However, these letters did not include the specific reason for the notice and we could not confirm that these procedures were carried out consistently.

In 2012, management developed policies for Chief Inspectors to investigate permits appearing on the weekly No Activity Report. Management stated that this report is not accurate and investigative efforts have not been carried out. We ran the No Activity Report as of May 31, 2016, and identified 12,909 permits issued between 2007 and 2015 with no activity.

Previously recommended procedures to address inactive permits should be implemented. These procedures include the following:

- Developing criteria balancing public safety with costs of additional follow-up efforts for unresponsive property owners/contractors (i.e., it may not be cost-effective to pursue permits or temporary authorizations where life-safety issues are not likely and/or further follow-up efforts may be more cost-effective for contractors with a higher number of long-outstanding permits).
- Consistently carrying out established procedures.
- Periodically assessing the effectiveness of established procedures and evaluating whether specific aspects of the process should be modified or discontinued.

An arbitrary date for implementing the procedures described above should be selected, given the overwhelming amount of effort that would be necessary to resolve all long-outstanding permits.

Management Response 24

Agree with recommendation. By March 31, 2017, previously recommended procedures to address inactive permits will be implemented.

Status 25 – #11-01 Status 10

Implemented – To ensure all construction inspectors are objective, in fact or appearance, to perform their work, conflict of interest forms were last updated in January 2016 and known conflicts were recorded in the permitting system to decrease the risk of assigning work where a conflict may exist.

Management Response 25

Agree with status as reported.

Status 26 – #11-01 Status 11

Partially Implemented – In 2007, while investigating alleged unfair treatment in being cited for Municipal Code violations, we noted that the Development Center did not have procedures in place to reasonably ensure consistent citation issuance. We recommended developing guidelines for issuing citations and better tracking of violation notices. Prior violations are significant in determining whether a citation is warranted. During our follow-up audit in 2011, we noted that guidelines had been developed but tracking of violation notices was incomplete.

Construction violation notices are now recorded in the permitting system; however, reports listing violation notices by contactor have not been developed. While citation issuance for construction-related violations are rare, without information regarding contractor violation history, citations my not be issued consistently.

Development Center management should work with representatives from the Information Technology Department to develop reports listing violation notices by contractor.

Management Response 26

Agree with recommendation. By March 31, 2017, management will work with representatives from the Information Technology Department to develop reports listing violation notices by contractor.

Status 27 – #11-01 Status 12

Implemented – Customer feedback efforts have been expanded to include website and mobile application reporting capabilities. Complaint reports are provided to the Development Center Manager to ensure appropriate follow-up.

Management Response 27

Agree with status as reported.

Permits and Licensing Program Management

Status 28 – #11-01 Recommendation 1

Significant Progress – Based upon the status of the preceding recommendations, it appears that significant progress has been made in oversight of the permits and licensing program. Except for elevator permits, procedures have been established to ensure fundamental, day-to-day activities are carried out effectively. Opportunities for improvement continue to exist in activities that would be carried out on a periodic basis (e.g., credit permit and inactive contractor prepaid account balances, identifying potentially unlicensed businesses, delinquent license renewals, and inactive construction permits).

Management Response 28

Agree with status as reported.
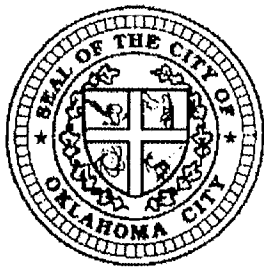
MEMORANDUM

The City of
OKLAHOMA CITY

OCT 2016
RECEIVED
CITY AUDITOR-OKC

TO: Jim Williamson, City Auditor

THROUGH: James D. Couch, City Manager

FROM: Bob Tener, Development Services Director

DATE: October 12, 2016

SUBJECT: Development Services Department Follow-up Audit

Following are management's responses to the status of recommendations outlined in the recent Development Services Department Follow-Up Audit.

1. Agree with status as reported.

2. Agree with status as reported.

3. Agree with status as reported.

4. Agree with recommendation. By March 31, 2017, procedures to identify permits with credit balances will be consistently carried out. Customers will be notified when an overpayment has been received. If the customer does not respond, management will work with Accounting Services to process long-outstanding credit balances as unclaimed property.

5. Agree with status as reported.

6. Agree with status as reported.

7. Agree with recommendation. By March 31, 2017, management will work with the Information Technology Department to implement group processing of license renewals; reducing data entry time and opportunity for errors. Additionally, business owners will be advised in the renewal mailing that a single check can be submitted for multiple license renewals.

8. Agree with status as reported.

9. Agree with recommendation. By October 31, 2016, management will initial and date the Daily Balancing Report Checklist to document that all reports have been generated and reviewed.

10. Agree with status as reported.

11. Agree with recommendation. By March 31, 2017, prepaid customer account activity will be regularly reviewed for inactive accounts. Management will work with customers to determine whether inactive accounts should be closed. If the customer does not respond, management will work with Accounting Services to process inactive account balances as unclaimed property.

12. Agree with recommendation. By March 31, 2017, management will work with Public Information Technology to better inform customers of their ability to access prepaid account information online and make the website more user friendly in navigating to the accounts.

13. Agree with status as reported.

14. Agree with status as reported.

15. Agree with recommendation. By December 31, 2017, the permitting system will be used to manage elevator accounts, permits and inspections. Similar to other Development Center operations, this will include purchase of a permit prior to inspection, inspectors electronically entering inspection results into the permit system in the field, and follow-up on accounts that have not purchased annual permits.

16. Agree with modification. By December 31, 2017, management will continue to pursue modifying the Municipal Code. Incorporating contractor certifications into the enforcement process to enhance the timeliness and completeness of safety inspections will be considered, but will be contingent on implementing best practices from other municipalities.

17. Agree with recommendation. By March 31, 2017, the City's website will include elevator permit information and an application form similar to other permits issued by the Development Center.

18. Agree with status as reported.

19. Agree with status as reported.

20. Agree with Recommendation. By December 31, 2017, the Development Center will continue efforts to collect reliable data common with Oklahoma Tax Commission, ABLE Commission and Oklahoma City/County Health Department databases. When sufficient, reliable data is gathered, attempts to identify unlicensed businesses through data analysis will be resumed.

21. Agree with status as reported.

22. Agree with status as reported.

23. Agree with Recommendation. By October 31, 2017, previously recommended procedures to address delinquent business licenses will be implemented.

24. Agree with Recommendation. March 31, 2017, previously recommended procedures to address inactive permits will be implemented

25. Agree with status as reported.

26. Agree with recommendation. By March 31, 2017, Development Center management will work with representatives from the Information Technology Department to develop reports listing violation notices by contractor.

27. Agree with status as reported.

28. Agree with status as reported.

Thank you for your professional review of this program.