



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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14-32 Development Review Enterprise Audit

December 2014

Purpose

The objective of this audit was to review the current Development Review Enterprise commercial fee allocation for reasonableness as requested by City Administration. Additionally, we will determine if the staff time related to planning and development activities is accurately allocated and classified.

Highlights

We conclude that the commercial Development Review Enterprise revenue allocation between the Land Use Review Department and the Development Review Enterprise should be adjusted to reflect time spent by each group performing Development Review Enterprise planning activities. Also, the reimbursement from the general fund to the Development Review Enterprise should be adjusted to reflect time spent by each group.

Planning and development activities were performed by employees in two groups that were budgeted in two separate funds. The Land Use Review department, included in the City's Planning Division, was responsible for reviewing zoning and compliance with the City's comprehensive master plan. Employees in the Development Review Enterprise were responsible for the final implementation of land use regulations and fire codes.

Beginning in 2012, one assigned employee coordinated projects from Land Use Review through the development permit and inspection process to increase customer service and efficiency. Before this change, a customer would work with a different employee in each department. Development Review employees also provided support to Land Use Review. For the 2014 budget year, transfers were made for the estimated effort by each group to support the other department.

To determine the accuracy of these estimates, employees in both work groups logged their time for a four week period in 2014. Time log results indicated reimbursement to the Development Review Enterprise should be increased for Land Use Review activities and Fire Code related activities. Ongoing logging and transfers between funds should ensure employee time is accurately classified between funds.

Standards

The audit was conducted in a manner that conforms with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.

Recommendations

Development Review Enterprise and Land Use Review employees should log their time as either Enterprise related or General Fund related.

Based upon time logs, appropriate transfers should be made monthly or quarterly between departments.

Management Response

We agree with the City Auditor's recommendations. Development Review and Land Use Review personnel will track their time as recommended and, based on this data, the City will make appropriate adjustments to the 2016 budget and actual 2016 transfers between Development Review Enterprise and the General Fund.

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