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Internal Audit of the City's Code Enforcement Program

REPORT

March 2022

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Report 2022-02

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INTRODUCTION

Scope & objectives

The period covered by the code enforcement program audit included fiscal years 2018-19, 2019-20 and 2020-21. The audit had three objectives:

- To assess whether the division has reliable policies and procedures to support effective code enforcement
- To evaluate whether a selection of cases from the most recent three-year period adhered to applicable guidelines
- To assess whether the city uses case data and metrics to provide meaningful information to management

Methodology

- Interviewed city staff from the Community Development and the Information Technology departments
- Analyzed three fiscal years of code enforcement case file data
- Performed direct observations via a ride-a-long with a code enforcement officer
- Researched city policies, guidelines and the municipal code
- Researched programs from comparable cities in San Diego County
- Received demonstrations of new technologies, one hosted by the city and another by a third party, both of which are expected to support code enforcement activities

Summary of Results

The audit procedures resulted in the identification of audit recommendations for management's consideration. The first area evaluated was the city's policies and procedures on code enforcement activities. Code enforcement staff rely heavily on the municipal code and the city's Case Prioritization and Process Guide when carrying out their duties. While these resources provide the program foundation and framework within which code enforcement staff operate, it's recommended the city publish a set of core procedures to serve as a training resource for the city's code enforcement officers.

The second objective called for the evaluation of the prior three years of documented code enforcement case files. The auditor evaluated case files for the degree to which code enforcement personnel adhered to existing guidelines. This objective was achieved by selecting samples of case files from the three-year period. Samples were selected using varying procedures to ensure a representative sample.

The final objective called for an evaluation of how well the city leverages its case file data to track and report on key metrics. To evaluate the city's use of data, the city's internal auditor examined the code enforcement program's reporting activities and the enterprise system that maintains the case files. This was achieved primarily by interviewing code enforcement

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and information technology personnel and reviewing reports available in EnerGov, the enterprise system that maintains code enforcement data.

Background

The Code Enforcement Division administers education and enforcement activities to promote compliance with local code sections and maintain a safe living and working environment, while also seeking to maintain the quality of life Carlsbad residents have come to enjoy. The division achieves these goals by evaluating and enforcing code compliance on a wide range of issues. The issues range from construction without a permit, unsafe buildings, junk and debris on private properties, inoperative vehicles in front yards, sign standards, property maintenance and construction noise, among others.

The Code Enforcement Division is comprised of five full-time code enforcement officers: a division manager, a senior code enforcement officer and three part-time code technicians, one of which assigned to the weekend shift. There are two part-time positions assigned to support compliance with the short term vacation rental regulations. There are also one to three part-time administrative assistants who support the code enforcement program by receiving incoming calls, assigning reports of possible code violations and by mailing the notices generated by the different enforcement actions.

Code enforcement officers receive complaints of possible violations through several intake points. This includes calls made to a dedicated code enforcement phone line, a dedicated email account, complaints relayed from city staff or through direct observation by code enforcement officers.

The goals of the code enforcement program include ensuring compliance with established state and local regulations to protect public health, safety, and general welfare and to maintain the high quality of life enjoyed by the City of Carlsbad. Experience has shown that non-compliance in large part stems from a lack of knowledge of the city's building and municipal codes. To account for this lack of familiarity, code enforcement officers follow progressive citation protocols (as detailed in the Case Prioritization and Process Guide, on pages 19-20). The protocols are designed to resolve issues of non-compliance at the lowest level possible, and begin with educating the property or business owner about the relevant code section(s).

OBJECTIVE 1: POLICIES AND PROCEDURES

To assess whether the division has reliable policies and procedures to support effective code enforcement.

The process of evaluating the city's policies and procedures to determine the degree to which they support the code enforcement program began with identifying the specific policies or procedures intended to support the code enforcement program. This was achieved by interviewing management, reviewing program resources, such as the city's code enforcement website and through the auditor's observations during the course of the audit engagement. The auditor determined the relevant policies and procedures were comprised

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of the Carlsbad Municipal Code and the Case Prioritization and Process Guide. While other documents were identified, such as guidelines for the placement of political signs, or street and sidewalk vendor guidelines. Those guidelines all originate in the municipal code.

Both the municipal code and the Case Prioritization and Process Guide house key policies and procedures that support the city's Code Enforcement Program.

The auditor then evaluated these policies and procedures identified by interviewing code enforcement officers regarding their use of the noted policies and procedures, and by testing documented case files from fiscal years 2018-19 through 2020-21.

The auditor tested the case files for evidence that the documented procedures were followed, and that the policies were adhered to. Collectively, these procedures permitted the auditor to determine the degree to which these policies and procedures are utilized and if there are any gaps in existing measures that require addressing.

During the testing of audit samples (Objective 2) and throughout this audit, the policies and procedures were evaluated for their collective coverage and impact on the city's code enforcement program. The auditor found the Case Prioritization and Process Guide provided more than just a broad framework for code enforcement staff to operate within, but also a detailed set code enforcement processes and guidelines.

One such guideline is known as the Progressive Citation Protocols, which identify a hierarchy of progressively stronger enforcement actions that code enforcement officers are to follow. The idea behind progressive enforcement actions is that a bulk of the code enforcement violations stem from a lack of familiarity with the code requirements on the part of the city's property and business owners. Therefore, the city has chosen to progress through a set of warnings and notifications, giving its community members ample opportunity to correct the identified violation without the application of any administrative citations or fines.

The following outlines the different steps found in the Progressive Citation Protocol (Case Prioritization and Process Guide, pages 19-20).

- Verbal Warning - Allows 24 hours for the property owners to correct an error. This is typically reserved for very minor violations such as trash cans left on the street for too long. Larger or more significant issues of non-compliance often begin with a courtesy notice.
- Courtesy Notice (CN) – A written warning, for violations that aren't as minor in nature, which typically includes a 14-day compliance period to permit the property or business owner time to resolve the issue.
- Notice of Violation (NOV) – A notice of violation is sent to the property or business owner if they fail to comply with the previously referenced notices or verbal warnings. The notice will also come with a compliance period, typically 14-days as with the courtesy notice. It isn't unusual for a code enforcement officer to issue a second notice and compliance period before escalating a matter to a citation.

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- Administrative Citations (AC) – The escalation of the issues to administrative citations is reserved for cases of non-compliance where the responsible party fails to timely comply and generally fails to put forth a good faith effort to resolve the matter. Administrative citations start at $100 per violation, then increase to $200 and then $500 per violation.
- Referral to City Attorney's Office – If administrative citations do not gain the attention of the property or business owner, code enforcement officers have the ability to refer matters to the City Attorney's Office for additional escalation.

There was a clear pattern observed during the testing of case file selections for the prior three fiscal years. Across each of the years, despite notable amounts of staff turnover, code enforcement performance was very consistent with respect to the application of the progressive citations protocols. The protocols had resulted in a standardized approach to managing code violations, or at a minimum, based on the sample of case files examined. In case file after case file selected and reviewed during the audit test work, it was noted that officers consistently issued warnings, either a verbal or a written courtesy notice – or two. Then only after sending a notice of violation and providing generous compliance periods, typically lasting 14 days, did officers issue administrative citation(s).

An example of the progressive citation protocols being followed was noted in case file 2020-1, which involved a boat being stored on a home's front lawn, in violation of city regulations. This case was opened in Oct. 2020 and resolved in Sept. 2021. The case started with a courtesy notice and eventually progressed on to one administrative citation and then a second. The property owner appealed the citations. The first citation was upheld and the second was set aside for 30 days to give the property owner time to comply. The property owner was unable to do so, so the second administrative citation was reinstated. The property owner had to pay $300 in fines and eventually moved the boat to an off-site storage location. While the case results in fines, the code enforcement officer and also the administrative hearing official, provided opportunities to avoid fines.

Case file 2020-2 provides a second example of the use of the progressive citation protocols. In this instance, the code enforcement officer was assigned to address violations at a house with severely overgrown vegetation and accumulated junk throughout the yard. The officer worked closely with the property owner as was evidenced in the 41 different activities recorded in the case files. Those activities included 19 site visits and five phone calls, which culminated in a positive result for the property owner, the reporting party and the city, with no administrative citations applied because the property owner saw the project through to completion. The code enforcement officer followed the established process and the property owner ultimately complied voluntarily. The code enforcement officer had opportunities to progress to administrative citations. While that may have led to a quicker resolution, the officer exercised discretion, which is permitted in the guidelines. By the time the yard was cleared of storage and severe overgrowth, the reporting party was aiding the property owner with the clean-up.

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The Case Prioritization and Process Guide also includes a system through which complaints or reports of non-compliance are categorized and prioritized. With those steps, comes a standard timeline for when certain categories of case files are expected to be addressed (see Case Prioritization and Process Guide, pages 23-24). The purpose of this process is to prioritize cases and to assign code enforcement staff to the cases (complaints) known to cause the greatest impact to either the condition of a property, to a business or posing a threat to the residents of the city. The city developed and published categories 1-4 in the Case Prioritization and Process Guide and assigned target response dates, referred to as goals, by when each category of complaint is expected to be remedied.

Prioritizations and timelines				
Violation category (priority)	Description of conditions	Types of violations	City's initial response	City's target for resolution
1	Immediate threat, unsafe and hazardous conditions	Severely damaged structure, unsecured and/or abandoned structures	Within one business day of complaint	Within 3 business days of complaint.
2	Nuisance and blight-causing	Inoperable or abandoned vehicles, outdoor storage, trash and debris	Within three business days	Within 30 business days
3	Miscellaneous	Vegetation/yard, lighting, business license	Within five business days	Within 50 business days
4	Permit requiring	Permanent encroachments on right-of-way, construction, grading	Within ten business days	Within 90-180 business days

In addition to the Case Prioritization and Process Guide, the city's municipal code provides the underlying authority for the enforcement activities undertaken by code enforcement officers.

Collectively the city's municipal code and the Case Prioritization and Process Guide provide considerable policy and procedure support for code enforcement activities. The only area where the auditor was unable to identify any support is in the area of training. It's recommended that the division create a code enforcement procedure manual to serve as both a resource for day-to-day activities and as a training document for new staff.

Recommendation 1: The Code Enforcement Division should immediately develop and implement a code enforcement procedure manual to serve as both a training and operations resource for staff.

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OBJECTIVE 2: ADHERENCE TO GUIDELINES

To evaluate whether a selection of case files from the most recent three-year period adheres to applicable guidelines

The procedures the auditor performed to test whether code enforcement activities adhered to program guidelines involved examining selected case files from fiscal years 2018-19, 2019-20 and 2020-21. The selections, case files stored within EnerGov, the system the city uses to track code enforcement activities, were evaluated for adherence to code enforcement guidelines such as those in the Case Prioritization and Process Guide.

The initial audit selections were made using a statistically random sample. Using that process, a sample size of 15 was made from each of the three fiscal years. During the course of testing the randomly selected case files it was noted that the random sample was not representative of the population of case files in that it lacked differentiation in the types, known as sub-groups in EnerGov. Below are a number of the common categories cited in code enforcement case types:

Examples of categories found in EnerGov
- Unpermitted construction
- Illegal construction
- Short term vacation rentals
- Trash/debris
- Noise (Construction times)
- Outdoor storage
- Right-of-way encroachments
- Vegetation (overgrowth)
- Zoning violations

To ensure the audit tested a representative sample of case files from EnerGov, a batch of 15 haphazard sample selections was made from each fiscal year. A haphazard selection is a non-statistical sample that is influenced by auditor judgment. In this case, it enabled the auditor to make a representative sample selection without making an excessive amount of selections that would have been required if solely relying on random statistical sampling.

The chart below that shows, by fiscal year, the total number of case files subject to audit procedures. It also shows the two types of samples that were made, and the number of selections made using each sampling technique. Audit sample sizes are a factor of the number of data entries being tested, the goals of testing and the assessed level of risk that the selected samples will not be in compliance with stated standards. In the case of testing code enforcement case files, while there were a moderate number of data entries, the initial test results of the random samples resulted in a very low assessed risk level, resulting in the sample sizes noted below.

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Code enforcement cases			
Fiscal year	Total case files	Random sample	Haphazard sample
2018-19	941	15	15
2019-20	738	15	15
2020-21	855	15	15

Testing the selected case files found consistent results: staff consistently used the progressive citation protocols in how they managed cases and followed the standard guidelines in carrying out their duties. The auditor found consistency in how they progressed through the different notifications, with a warning, then a courtesy notice, a first notice of violation, a second and, finally, and only when needed, administrative citations. A designated training officer would provide for greater consistency.

Recommendation 2: Management should identify a code enforcement officer to serve as a training coordinator for the division. Identifying such a role will help ensure the code enforcement officers continue to maintain their uniform approach to addressing complaints and serving the city's residents and businesses. The uniformity will result in part from having a single point of contact for training and from the implementation of a code enforcement procedure manual, as noted in Recommendation 1.

OBJECTIVE 3: METRICS & REPORTING

To assess whether the city uses case data and metrics to provide meaningful information to management.

The primary methods the auditor used to assess how the city uses its case file data in EnerGov were interviews of staff and a review of EnerGov's reporting functionality. Initially, interviews were focused on the code enforcement program staff but were expanded to IT Department personnel to assess EnerGov's functionality and the process the city uses to manage the enterprise system.

On Aug. 20, 2021 the city's internal auditor met with Code Enforcement Program Manager Dave Thielker, to discuss the use of data and the tracking of metrics. During the meeting Mr. Thielker said code enforcement data was not being routinely supplied to different levels of management. He attributed that in part to the limitations of the reporting features of the EnerGov system. Mr. Thielker noted that EnerGov does have a number of ready-made reports that can be generated. However, their use and impact are limited in part because the data requires heavy formatting once it is exported, and, in some cases, needs to be merged with other reports to enable effective analysis. This is in part because the standard system-generated reports provide very segmented data. Ideally, code enforcement staff would have access to comprehensive reports that are ready made and do not require labor-intensive filtering or formatting before they can be shared with decision makers.

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When questions then focused on the EnerGov system and its functionality, Mr. Thielker indicated he was actively working with the Information Technology Department to improve upon the reports in EnerGov. The goal is to develop improved performance management tools and reports to track code enforcement trends that would provide actionable data to management.

These steps address the focal point of the third audit objective directly. The city has significant amounts of data at its disposal. Seeing certain improvements through to completion would enable management to regularly obtain reliable and actionable data, maximize existing staffing resources and enable the program manager to further develop those staff, all significant benefits for the city.

At the time of the audit fieldwork, the Code Enforcement Division had several open requests to the Information Technology Department for improvements to EnerGov, as shown in the table below:

Open and active ServiceNow tickets as of Oct. 2021		
Priority	**Filed**	**Request**
2-High	1/21/2021	Report for a time period on: cases opened / closed, number of inspections completed, number of re-inspections completed, number of notices issued, number of citations issued.
3-Moderate	1/21/2021	Create report showing which sections of code are currently in the database, their violation descriptions, the corrective courses of action,
3-Moderate	1/26/2021	Create a report by code officer assigned on cases due for re-inspection and their dates. Prefer to be able to list the case number, case category, sub type, last action completed and re-inspection date

The auditor met with Paul Waldron, Information Technology Project Manager, to gain insight into how these requests for improvements were managed. This included who received and was assigned to address the service tickets, how the priorities were managed within IT, barriers, or delays that a ticket may encounter and communications with the requestor. Service requests are filed by staff from the Code Enforcement Division with an initial priority rating and tracked by IT Department staff in a system called ServiceNow.

These inquiries revealed opportunities for improvement in how the Information Technology Department and Community Development Division communicate about such requests for improvements in software applications.

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Mr. Thielker said he met with business systems specialist staff in Information Technology on a bi-monthly basis to discuss code enforcement tickets. During the recurring meetings, they would discuss pertinent details of any open tickets including their current status, any challenges encountered and their prioritization. Paul Waldron confirmed this process but emphasized that the business systems specialists also must balance competing priorities from different work groups with the available resources that serve the entire city, including significant IT projects.

So, while the staff member making the request may have indicated a certain priority level – in this case, the above referenced improvements to EnerGov were of a high or moderate priority to the Code Enforcement Division – the requests were then reassessed from a city-wide perspective by the business systems specialists and the IT Department.

Mr. Waldron noted that in addition to Code Enforcement and other divisions in Community Development each meeting with the business systems specialists, the Community Development Department overall had a management representative that he met with routinely to discuss department-wide priorities.

Ultimately there were three priority setting steps in this process. The first instance was upon entry of the service ticket into the system used to track such requests, then when it was adjusted, at times, as the result of meetings between the Code Enforcement Division and business systems specialist staff due to any of several reasons. Those reasons included the available resources or the feasibility of a request. Then, the third instance was when the department overall communicated to the IT staff any departmental priorities that tied into city initiatives.

The communication among stakeholders and the IT Department is critical and the city had at least three points where priorities were evaluated. That is a healthy level of communication for such a process. However, a common risk with business communications is ensuring they are coordinated and well communicated to all stakeholder groups.

The auditor discovered through discussions with Mr. Thielker that he was unaware of the departmental priorities being overlaid upon his division's requests. This may very well have contributed to the delay in addressing certain of the division level priorities. At a minimum, it caused uncertainty from the division's perspective.

Improvements to EnerGov's reports are needed so that case file data and metrics can help better inform management decision-making. But although requests for these improvements have been entered, they aren't moving to completion for one reason or another.

It should be noted that, along with other priority projects, there were two large scale information technology projects implemented or ongoing during the course of the year when the IT department would have been addressing the service requests listed above. Undoubtedly, this greatly impacted resources.

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Also during the course of the audit, Community Development managers coordinated with their different divisions and the IT Department to implement a streamlined process by which priorities are determined and communicated. Taking these steps has greatly improved communication and is ensuring that all stakeholders are present at least during the department's prioritization process.

Recommendation 3: To evaluate the performance of its code enforcement officers and to maximize the use of code enforcement data residing in EnerGov, the Code Enforcement Division must identify and monitor key metrics. Once specific metrics are identified, code enforcement staff should coordinate with the IT Department to determine how to best extract this information from EnerGov. If EnerGov is unable to support this activity the city should prioritize the identification (or procurement) of a software application that can.

The list below offers a sample of key metrics the code enforcement program could use to monitor the performance of staff, to identify trends of non-compliance, and assign staff to achieve the greatest impact, among other potential benefits.

Key metrics
- Total cases by all groups
- Total cases by all subgroups
- Cases opened by code officer
- Cases closed by code officer
- Reinspections completed by code officer
- Courtesy notices issued by code officer
- Notices of violation by code officer
- Administrative citations issued by code officer
- Certificates of non-compliance issued
- Stop work notices by officer

While there are numerous data points already entered in EnerGov by code enforcement staff, new data points may need to be added to enable the tracking of key metrics. If this is the case, this will require close coordination between the IT Department and code enforcement staff.

There are other potential software solutions than EnerGov. The city has the use of Tableau, a business intelligence application that is well-suited for pulling data together from multiple sources and providing detailed reports. There also is a system known as GoGov, which appears to have considerable upside in terms of the efficiency in how code cases could be managed and in the suite of standard reports that are available.

Recommendation 4: In the context of the EnerGov enterprise system, it's recommended that the IT and Community Development Departments coordinate a recurring meeting (bi-monthly, monthly, etc.) that brings together all divisions within Community Development to discuss and prioritize ServiceNow requests that originated during the period with IT representatives. Such a meeting will also serve as an opportunity for IT staff to openly discuss with the requestor, and management, any requests that require referral to Tyler Assist. Tyler-Assist is a third-party contractor that consults with the city regarding the

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functionality of EnerGov. If Tyler-Assist is unable to find a solution, then IT staff should discuss remaining options with the party that originated the service request. The goal of this process is to ensure such requests are activity worked until resolved or until all options are exhausted. A secondary goal is to ensure all parties receive the same information and stay on the same page, throughout the process

SUMMARY OF RECOMMENDATIONS

Recommendation 1: The Code Enforcement Division should immediately begin the implementation of a code enforcement procedure manual to serve as both a training and operations resource for staff. Existing policies and procedures, such as those established by the city's municipal code and the Case Prioritization and Process Guide provide the foundation for the code enforcement program and the framework within which staff operate. While there are other topical procedure documents available, they do not provide the breadth of information and detail necessary to serve as a resource or to support code enforcement operations.

Management response: The Community Development Department concurs with this recommendation and anticipates that a day-to-day operations guide will be developed and implemented within the next 12 months.

Recommendation 2: Management should Identify a code enforcement officer to serve as a training coordinator for the division. Identifying such a role will help ensure the code enforcement officers continue to maintain their uniform approach to addressing complaints and serving the city's residents. The uniformity will result in part from having a single point of contact for training and from the implementation of a code enforcement procedure manual as noted in recommendation #1.

Management response: Community Development concurs with this recommendation and anticipates that the Senior Code Enforcement Officer will act as the Code Enforcement Division training coordinator. At the time of the audit, the Senior Code Enforcement Officer position was assisting the Housing & Homeless Services Department while it fills vacancies. This position has since returned to us and we are currently in the recruitment process.

Recommendation 3: To evaluate the performance of its code enforcement officers and to maximize the use of code enforcement data residing in EnerGov the Code Enforcement Division must identify and monitor key metrics. Once specific metrics are identified, code enforcement staff should coordinate with the Information Technology Department to determine how to best extract this information from EnerGov. If EnerGov is unable to support this activity the city should prioritize the identification or procurement of a software application that can.

Management response: Community Development concurs with this recommendation with a modification. The Code Enforcement Case Prioritization and Process Guide currently establishes caseload levels and processing timeline targets, categorized by violation type as reflected in Sections 6 and 7. The case processing tasks that should be used in EnerGov to track whether the Code Enforcement Division staff are meeting the targets are listed in

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Section 10. Therefore, Community Development finds that the key metrics needed to track and manage the processing of casework have already been identified. However, Community Development agrees that there are other metrics outside of case management that would be important information to evaluate, such as number of cases per council district, areas of high concentration of code cases ("hot spots"), and code case types by geographic area. Community Development agrees to develop a list of additional metrics that help track enforcement trends, which could be used to inform the public and help the department develop programs and processes that can address identified issues.

Community Development recognizes, and agrees with the Auditor, that EnerGov is not currently structured to track all of the tasks listed in Section 10. Furthermore, while a lot of the data that could be used to track enforcement trends is currently tracked in EnerGov, the system is not configured for the department to easily extract from EnerGov the data to generate reports and maps. Community Development agrees to work with IT to either update EnerGov to modify the system to generate these metrics or to contract with an outside vendor who specializes in code enforcement tracking software (i.e., GoGov). The goal is to ultimately have a tracking system in which weekly case processing reports and maps are automatically generated so management can quickly and easily determine whether processing targets are being met and how resources can be best deployed based on enforcement trends. See response to Recommendation 4, below, for completion timeline.

Recommendation 4: The auditor recommends that the IT and Community Development Departments coordinate a recurring meeting (bi-monthly, monthly, etc.) that brings together all divisions within Community Development to discuss and prioritize ServiceNow requests that originated during the period related to the EnerGov system. Such a meeting will also serve as an opportunity for IT staff to openly discuss with the requestor, and management, any requests that require referral to Tyler-Assist. Tyler-Assist is a third-party contractor that consults with the city regarding the functionality of EnerGov. If Tyler-Assist is unable to find a solution, then IT staff should discuss remaining options with the party that originated the request. The goal of this process is to ensure ServiceNow requests are activity worked on until resolved or until all options are exhausted. A secondary goal is to ensure all parties receive the same information and stay on the same page, throughout the process.

Management response: Community Development concurs with this recommendation and will start holding combined recurring meetings with IT on a bi-monthly basis in January 2022. Timelines to complete ServiceNow ticket requests will be dependent upon coordination with Information Technology, given that department's capacity and resource constraints.

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