



# CITY OF ORLANDO

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## Office of Audit Services and Management Support

### MEMORANDUM

To: Lelia Allen, Director  
Housing and Community Development Department

From: Beryl H. Davis, CPA, CGFM, Director  
Office of Audit Services and Management Support

Date: September 8, 2008

Re: Follow-Up of Housing Rehabilitation Management Study  
(Report No. 08-05M)

Attached is a summary of the status of recommendations as determined from our follow-up review of the Housing Rehabilitation Management Study (Report No. 07-01M), issued August 30, 2007. Our review procedures consisted of staff inquiries, examination of certain documents and a review of the status of the recommendations provided by the Housing and Community Development Department.

**Twenty-eight of the 37 recommendations in the original report were implemented, six were partially implemented and the remaining three are planned for implementation.**

Most of the six partially implemented recommendations are related to the Department's efforts to develop and improve their internal operating procedures. According to the Department's management, the operating procedures have been drafted and are in the process of being reviewed by senior management. The Housing and Community Development Department indicated that all partially implemented recommendations and two out of the three recommendations planned for implementation are expected to be fully implemented by December 2008.

We commend the Housing and Community Development Department for reengineering its work processes to significantly reduce the timeline for completing rehabilitation projects and for eliminating the waiting list's backlog. We encourage Department management to finalize its review of the remaining operating procedures.

Ion Luchin, Management Analyst II, performed this follow-up review.

BHD/il

Attachment

c: Honorable Buddy Dyer, Mayor  
Mayanne Downs, City Attorney  
Brie Turek, Chief of Staff  
Byron W. Brooks, Chief Administrative Officer  
Rebecca W. Sutton, Chief Financial Officer

**REPLY AND IMPLEMENTATION SUMMARY**  
**FOLLOW-UP REVIEW OF HOUSING REHABILITATION MANAGEMENT STUDY**

#	RECOMMENDATIONS	RESPONSE	CURRENT STATUS	IMPLEMENTATION DATE	CLIENT COMMENTS
1.	Formalize and enhance the system for reporting the most important project information (i.e., status, accomplishments to date). (HIGH)	Concur	Implemented	4/2008	Documents and procedures have been reviewed and in the process of being revised
2.	Consider setting performance goals for each employee based on workload analysis and other information. (MEDIUM)	Concur	Implemented	9/2007	Performance goals have been established by each staff member
3.	Work with Human Resources to improve present Position Descriptions. (LOW)	Concur	Planned for Implementation	2/2009	All positions within the Housing Rehabilitation section will be submitted for reclassification as part of the 2009/2010 budget process
4.	Regularly communicate departmental goals at meetings and through individual interactions with employees. (LOW)	Concur	Implemented	9/2007	This is accomplished at regularly scheduled section and department meetings
5.	Collaborate with employees on a professional development policy. (LOW)	Concur	Implemented	9/2007	Staff receives on-going training and development opportunities
6.	Adopt cross-training practices. (LOW)	Concur	Implemented	9/2007	The Housing Rehabilitation staff has adopted a cross training practice
7.	Develop Operational Procedures (i.e., internal procedures) for all critical steps of the Housing Rehab process. (HIGH)	Concur with Reservations	Partially Implemented	12/2008	In process of formalizing standard operating procedures and incorporating them in City Policies and Procedures by 12/2008
8.	Review all self-developed forms and incorporate the most appropriate in the Operating Procedures. (MEDIUM).	Concur	Partially Implemented	12/2008	Forms have been reviewed and in the process of being incorporated in the standard operating procedures

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9.	Inform employees that all future document improvement suggestions should be presented to management for review and approval. (LOW)	Concur	Implemented	12/2007	Staff has been made aware of the procedure for changing documents and procedures
10.	Improve the record sheet that is included in every work file. (MEDIUM)	Concur	Implemented	4/2008	The record sheet was improved. A new accountability checksheet was developed.
11.	Revise the file system so that the Housing Financial Specialist and the Housing Rehab Specialist can each process the file independent of the other. (MEDIUM)	Concur	Implemented	9/2007	A project tracking system was developed to monitor projects without interfering with the main file. Both financial specialist and rehab specialist have access to the tracking system
12.	Document in Operating Procedures the inspections process, including the required documentation for a complete inspection. (HIGH)	Concur	Planned for Implementation	12/2008	A draft of the process has been developed for review and additional input
13.	Incorporate checklists in the inspection process. (HIGH)	Concur	Implemented	10/2007	A formal checklist has been developed and incorporated in the inspection process
14.	Explore the possibility of automating the inspection process through the use of laptop computers. (MEDIUM)	Concur	Implemented	10/2007	The possibility of automating the inspection process was explored and found not feasible due to budget restraints.
15.	Revise Operating Procedures to incorporate the use and maintenance of the Contractor's Register. (HIGH)	Concur	Partially Implemented	12/2008	Forms and a process for maintaining the CR have been reviewed and in the process of being incorporated in the standard operating procedures
16.	Evaluate the performance of contractors at the close of each project and add this information to the contractor's file. (MEDIUM)	Concur	Implemented	4/2008	All current contractors are being evaluated at the end of each project

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17.	Document in Operating Procedures the processing of mortgages/liens including when and how adjustments to mortgages/liens should take place. (MEDIUM)	Concur	Partially Implemented	12/2008	This is a part of the draft of the new operating procedures
18.	Develop system to prevent backlogs and the need to re-qualify applicants by restricting the processing of applications until the Housing Rehab Specialists are available to work on a new project. (HIGH)	Concur with Reservations	Implemented	4/2008	A new process called Open Enrollment has been implemented. It eliminates the need to re-qualify applicants.
19.	Monitor and control the development of each project through a regular projects-in-progress review. (MEDIUM)	Concur with Reservations	Implemented	4/2008	A project tracking system which was in place at the time of the audit study has been reviewed and revised
20.	Revise the application intake process away from "first-come first-served" to a priority system. (HIGH)	Concur	Implemented	10/2007	The Open Enrollment Process has eliminated the "first-come first-served" process
21.	Sort the applications received according to the urgency of the rehab problem. (HIGH)	Concur	Implemented	10/2007	The Open Enrollment Process has been implemented and the sorting of applications will be incorporated
22.	Inform all applicants of the current backlogs to avoid raising expectations and making commitments that cannot be satisfied within reasonable timeframes. (HIGH)	Concur	Implemented	10/2007	An Open Enrollment Process has been implemented which eliminates expectations of service by residents not enrolled
23.	Reorganize the waiting list so that it only contains applications that can be completed within one year. (MEDIUM)	Concur	Implemented	10/2007	An Open Enrollment Process has been implemented to address this recommendation
24.	Review the possibility of extending the time which clients' qualification status is considered valid from present 60 days to 90 days. (HIGH)	Concur	Implemented	10/2007	The Open Enrollment Process has eliminated the need to re-qualify clients

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25.	Improve the “completion and return of application” process step by revising application forms to make them more customer-friendly and easier to fill out. (MEDIUM)	Concur	Planned for Implementation	12/2008	In process of revising the forms
26.	Improve the “bid” process step by reducing the time between the project walk-through and bid opening from 2 weeks to 7 business days. (HIGH)	Concur	Implemented	4/2008	The Housing Rehabilitation Program Manager has developed a bid procedure that reduced the time from inspection to bid
27.	Continue efforts to assist the client with their responsibility to vacate the house in advance of construction. (MEDIUM)	Concur	Implemented	1/2008	A relocation process is in place to assist each client vacate their property
28.	Improve the “contractor’s mobilization” process step by enforcing the current mobilization time of 5 business days and considering reducing the time to 3 business days for smaller projects. (HIGH)	Concur	Implemented	4/2008	A cooperative process was set with the Permitting Department to expedite the respective paperwork process. Permitting, Surveying, Engineering, Architectural Drawings and review continue to challenge this process – trying to isolate delays in order to expedite the process
29.	Improve the “construction” process step by enforcing current construction time deadlines and by considering deducting retainage from invoice payments on larger projects. (LOW)	Concur	Implemented	10/2007	Current projects are not delayed. Will deduct retainage when approved
30.	Facilitate brainstorming sessions with Housing Rehab staff to review each process step to determine if any further improvements can be made. (LOW)	Concur	Implemented	10/2007	The Housing Rehabilitation staff has facilitated several brainstorming sessions to ensure that all processes have been thoroughly reviewed

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31.	Increase the fieldwork activity in the workday structure by reducing time on non-critical activities and setting a goal for the supervisor to increase staff time spent in the field.(HIGH)	Concur	Implemented	10/2007	The Housing Rehabilitation Program Manager has developed an Inspection Field Schedule that ensures adequate time is spent in the field
32.	Improve the data input/processing time by enhancing computer skills and training on the Xactimate software. (MEDIUM)	Concur	Partially Implemented	12/2008	Working on acquiring a training software
33.	Improve communication time by assigning the supervisor to handle certain issues (e.g., customer complaints after project completion, quality issues with contractors, inquiries from elected officials and management). (MEDIUM)	Concur	Implemented	10/2007	The Housing Rehabilitation Program Manager is assigned to handle all Housing Rehabilitation issues not related to direct field work
34.	Improve the bid advertising process by requiring all contractors listed on “Contractor’s Register” to receive upcoming bid information and include process in Operating Procedures. (HIGH)	Concur with Reservations	Partially Implemented	12/2008	Process has been reviewed and in the process of being incorporated in the standard operating procedure. Some limitations must be incorporated to ensure that contractors don’t take on more work than they can handle
35.	Improve the controls over the bid opening process by documenting the date and time of bid opening, the individual bid amounts, and the witnesses present at the bid opening. (MEDIUM)	Concur with Reservations	Implemented	10/2007	The Housing Rehabilitation Program Manager and the Grants Accountant have developed and implemented standard operating procedures for bid advertising and openings

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36.	Expand current bid evaluation criteria into areas that evaluate quality and effectiveness of the contractor, using information documented in the contractor evaluations. (MEDIUM)	Concur with Reservations	Implemented	4/2008	The Housing Rehabilitation Program Manager and the Grants Accountant have developed Contractor Evaluation Forms which are used in the contractor evaluation process
37.	Improve controls over all additional work not included in the bid specifications by requiring such work to be approved in advance by Housing management and by including detailed steps for the request, review, and approval process in the Operating Procedures. (HIGH)	Concur with Reservations	Implemented	4/2008	The Change Order procedure has been reviewed and internal controls have been strengthened through the enforcement of the contractors rules and regulations