

July 12, 2017

The Honorable Alan P. Krasnoff and  
Members of the City Council  
City of Chesapeake  
City Hall – 6<sup>th</sup> Floor  
Chesapeake, Virginia 23322

Dear Mayor Krasnoff and Members of the City Council,

We have completed our review of the Chesapeake Development and Permits Department (Department) for the period June 1, 2015 to May 31, 2017. Our review was conducted for the purpose of determining whether the Department was providing services in an economical, efficient, and effective manner, whether its goals and objectives were being achieved, and whether it was complying with applicable City and Department procedures related to permit issuance, inspections, management oversight, contract management, cash and payment processing, safety, security, information technology, and facility operations.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion 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 Department provided essential services for the City of Chesapeake (City) that improved the quality of life and protected the health, safety and welfare of the community. Its primary purpose was to enforce code compliance, zoning regulations, issue building permits and certificates of occupancy, and cause corrective action to be taken to remove debris, weeds, grass, and abandoned structures. The Department ensured that developments were in compliance with all Federal, State laws, regulations and City Ordinances. Development Engineering's primary function was to approve all site and subdivision plans including Roads, Drainage (Quality & Quantity), Water, Sewer, Erosion & Sediment Control, Franchise Utilities in Public Right-of Way. Additionally, the Development Construction Division's primary function was to ensure all site and subdivision improvements were constructed according to approved plans.

For Fiscal Year (FY) 2017, the Department had an operating budget of slightly under \$7 million (\$6,774,834). This accounted for 0.695% of the City's operating budget. Of this amount 84% (\$5,693,224) was for employee salaries, wages, and benefits. The authorized compliment for the Department was approximately 75 personnel, split over five operational areas: Development Engineering, Development Construction, Code

Compliance, Zoning, and Administration. The Department occupied offices on the second and third floors of the City Hall Municipal Building with public access on the second floor.

To conduct this audit, we reviewed and evaluated City and Department policies and procedures and operations documents and reports, both internal and external. We also reviewed applicable Federal and State laws, regulations and City Ordinances. We conducted tours of the various divisions within the Department. We discussed these audit areas and conducted interviews with the Director, Fiscal Administrator, other Department administrators, accounting staff, and various employees.

Based on our review, we determined the Department had accomplished its overall mission of providing essential services for the City of Chesapeake (City) that improved the quality of life and protect the health, safety and welfare of the community. However, we did identify several areas of concern that needed to be addressed. Those areas included the Accela Project, proffers, elevator inspections, building inspections, cash settlement, and staffing.

This report, in draft, was provided to the Department officials for review and response. Their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. The Department Director, Fiscal Administrator, and staff were very helpful throughout the course of this audit. We appreciated their courtesy and cooperation on this assignment.

Sincerely

Jay Poole  
City Auditor  
City of Chesapeake, Virginia

C: James E. Baker, City Manager  
Robert N. Geis, Deputy City Manager  
Jay B. Tate, Director of Development and Permits