EXECUTIVE SUMMARY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF FIRE SAFETY AND DIVISION OF CODES AND STANDARDS

Our audit found the financial transactions were related to the divisions’ programs, were reasonable, and were recorded properly in the accounting systems. We also found that, overall, inspections were done properly and in a timely manner. In addition, the general controls over the Registration Inspection Management System were adequate. In making these determinations, we noted certain compliance issues meriting management’s attention.

AUDIT HIGHLIGHTS

- The Division of Codes and Standards is required to inspect various types of facilities and equipment on an annual basis. Our review of division-prepared reports found significant backlogs of physical and social inspections. Physical inspections had not been performed within 13 months for 19 percent of Class A boarding homes; 6 percent of Class B, C, D, and E boarding homes; 11 percent of homeless shelters; and 12 percent of resident health care facilities. Social inspections, which include a review of programmatic service requirements, staffing, dietary requirements, and the management of funds, had not been performed within 13 months for 7 percent of Class B, C, D, and E boarding homes; 11 percent of homeless shelters; and 12 percent of resident health care facilities. Physical inspections had not been performed for 16 percent of small liquefied petroleum gas facilities for 2013.

- The Division of Codes and Standards has $33.5 million of receivables they consider uncollectible, but to date it has only forwarded $500,000 of these receivables to the Division of Revenue and Enterprise Services to be written off. Some of this debt has been maintained on the division’s records for as long as 30 years.

- The Division of Codes and Standards (DCS) and the Division of Fire Safety (DFS) did not deposit checks in a timely manner. We tested 100 DCS checks and found that 73 were deposited, on average, 6 business days after receipt; these untimely deposits totaled over $1.3 million. We tested 36 DFS checks and found that 22 were deposited, on average, 21 business days after receipt; these untimely deposits totaled $138,000.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report, click here.