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# OFFICE OF THE CITY AUDITOR

## PERFORMANCE AUDIT OF THE CITATION PROCESSING OF CODE COMPLIANCE SERVICES

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**August 8, 2003  
Report No. 389**

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Memorandum



CITY OF DALLAS

August 8, 2003

Honorable Mayor and Members of the City Council  
City of Dallas

We have conducted a performance audit of citation processing in the Code Enforcement and Animal Control sections of Code Compliance Services (CCS).

As a result of our inquiries, examinations, and tests, we conclude that CCS needs improvement on controlling the receipt, storage, and distribution of citations. CCS needs to enhance procedures to address adherence to timely citation processing. In addition, CCS court appearances could be more effective if court dates were more conveniently scheduled and violators were personally issued citations and identified in court. Related opportunities for improvement and recommendations are presented in this report.

We appreciate the cooperation of City staff during our examination.

*Thomas M. Taylor*

Thomas M. Taylor, CPA  
City Auditor

c: Teodoro J. Benavides, City Manager

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**PERFORMANCE AUDIT OF THE CITATION PROCESSING OF  
CODE COMPLIANCE SERVICES**

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## INTRODUCTION

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### **Authorization**

We have conducted a performance audit of citation processing in the Code Enforcement (CE) and Animal Control (AC) sections of Code Compliance Services (CCS). We conducted this audit under the authority of Chapter IX, Section 2 of the Dallas City Charter and in accordance with the Annual Audit Plan approved by the City Council.

### **Scope and Methodology**

We performed our audit in accordance with generally accepted government auditing standards and included tests of the accounting records and other audit procedures that we considered necessary in the circumstances.

Our audit was limited to the citations issued from October 2002 through March 2003 by the CE and AC sections of CCS. The objectives of our audit were to determine whether:

- Citations issued by CE and AC officers adhere to CCS procedures.
- Citations are controlled and processed in a timely manner.
- Information provided to the court (prosecutor, judge, etc.) through citations and testimony from AC officers and CE inspectors is sufficient to pursue prosecution.

To develop an understanding of relevant control structure policies and procedures, we reviewed the following:

- Administrative Directives
- Applicable Laws and Ordinances
- Available Statistical Data
- CCS Policies and Procedures
- Citation Processing and Accountability
- Citation Security

We interviewed management and staff concerning relevant internal controls. We examined individual departmental related reports and analyzed historic results; compared data from various reports; and observed operating procedures.

## INTRODUCTION

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### Overall Conclusion

As a result of our inquiries, examinations, and tests, we conclude that CCS needs improvement on controlling the receipt, storage, and distribution of citations. CCS needs to enhance procedures to address adherence to timely citation processing. In addition, CCS court appearances could be more effective if court dates were more conveniently scheduled and violators were personally issued citations and identified in court.

### Background

The CCS director oversees the following three sections:

- CE, managed by an Assistant Director.
- AC, managed by an Assistant Director.
- Special Division, managed by a Manager II.

CE and AC issue the majority of citations. CE is responsible for enforcing more than 900 ordinances related to housing, zoning, signs, litter, dumping, weeds, premises, and parking violations. CE responds to citizen requests, conducts proactive inspections, and provides education on code enforcement.

AC is responsible for the enforcement of the Texas Rabies Control Act and Chapter 7 of the Dallas City Code, which addresses impounding stray, biting, and unwanted animals; enforcement of animal related laws; and registering of dogs and cats.

When we began this audit, CE had eight district managers, two housed at the DPD facility on Illinois and six at the Oak Cliff Municipal Center. Each manager is responsible for several field inspectors. During the course of this audit, there was some restructuring of the CCS Districts. District Three was eliminated, and its duties were distributed among the remaining districts. Additionally, a new function was created, the Structural Unit Inspections Program, in which a team of twenty-two inspectors (inspectors selected from all districts) is assigned to do Citywide structure improvement inspections. The former manager of District Three was moved to City Hall, and a manager from City Hall was moved to the Oak Cliff facility; both managers are setting up the new project.

## INTRODUCTION

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Inspectors personally contact their managers daily at the district office. The Dallas Police Department supplies CCS with citation booklets. CE stores these booklets at the administrative office in City Hall. Inspectors are responsible for safekeeping their assigned citation booklets.

Inspectors may issue a citation for a variety of violations; however, prior to writing a citation, CCS promotes alternative methods to encourage compliance (i.e., oral warnings, written warnings). Alleged violators are given a citation copy when a written citation is served in person. CCS also uses certified mail to send citations to alleged violators who have not been personally contacted.

Procedures require district managers to review and approve each issued citation prior to the citations being sent to Court Services. After approval, the citation may be sent to Court Services or to the department clerical pool, which is located in the Oak Cliff Municipal Center. The clerical pool is responsible for sending letters, via certified mail, related to notices and citations.

CCS has two code enforcement staff members who are responsible for annually conducting two case reviews per code enforcement inspector.

AC officers work out of two shelters, 525 Shelter Place and 8414 Forney Road. Each shelter has a manager and a field supervisor. The AC operates 24 hours a day.

Citation booklets for AC are obtained by an AC manager or supervisor and stored at the individual shelter. Booklets are issued to individual officers, who are responsible for their safekeeping. Written citations are reviewed by managers and stored in a lock box prior to transport to Court Services for processing.

## OPPORTUNITIES FOR IMPROVEMENT

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We identified certain policies, procedures, and practices that should be improved. Our audit was not designed or intended to be a detailed study of every relevant system, procedure, and transaction. Accordingly, the opportunities for improvement presented in this report may not be comprehensive of the areas where improvements may be needed.

### 1. The City is incurring unnecessary certified mail expenses.

CCS uses certified mail to deliver warnings, notices, and citations. In some instances, CCS uses certified mail to send (at the time of receipt) copies of citations to violators who have already signed the citation's promise to appear. In addition to removal notices, CCS uses certified mail to send warnings and citations, which are not required by City Ordinance to be sent by certified mail.

Fiscal year 2002 certified mailings and costs were as follows:

<b>Mailings</b>	<b>Cost</b>	<b>Average Cost</b>
53,168 letters	\$211,979	\$3.99

If the current number of mailings is maintained during fiscal year 2003, the cost incurred for postage will amount to \$215,862 (\$4.06 each).

CCS is following City ordinances that differ from the State's requirements for sending removal notifications. CCS uses certified mail to send warnings and citation copies in lieu of personally giving the warnings and citations to the owners.

Under current City Ordinances, the enforcement action can be time consuming and cumbersome. Chapters 7A-19, *Anti-Litter Regulations*, 18-12, *Municipal Solid Waste*, and 18-13, *Weeds, Grass, and Vegetation*, require owner notification 10 days prior to City removal. The notification must be in writing and may be served by handing it to the owner in person or by US regular mail, five day return receipt requested, addressed to the owner at the owner's post office address as shown on the tax roll of the City or of the county in which the premises are located. If the owner cannot be located, or the mail is returned, then owner may be notified by one of the following:

- Publication two times within 10 consecutive days in the City's official newspaper as adopted by City Council.
- Posting the notice on or near the front door of each building on the premises to which the violation relates.
- Posting the notice on a placard attached to a stake driven into the ground on the premises to which the violation relates.

## OPPORTUNITIES FOR IMPROVEMENT

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In 2001 The State of Texas *Health and Safety Code Chapter 342.006, Work Improvements by Municipality*, was amended. This code requires notification seven days prior to correction action by the City. The notification must be given personally to the owner, in writing or by letter addressed to the owner recorded in the appraisal district records, of the appraisal district in which the property is located, or by regular mail. If personal notification cannot be achieved then owner notification is by one of the following:

- Publication at least once.
- Posting the notice on or near the front door of each building on the property to which the violation relates.
- Posting the notice on a placard attached to a stake driven into the ground on the property to which the violation relates.

If a notice is mailed to the property owner, and the US Postal Service returns the notice as refused or unclaimed, the validity of the notice is not affected, and the notice is considered delivered.

Approximately half of the certified mailing by CCS relates to areas that are addressed in the *Texas Health and Safety Code Chapter 342*. Under the State's criteria, the potential savings from decreased certified mail is \$107,931.

On April 10, 2003, we requested a City Attorney opinion on whether a modification to the City Ordinances is required prior to CCS adhering to the *Texas Health and Safety Code* and whether CCS may cease sending citation copies via certified mail to owners/responsible parties that have signed a promise to appear. We have not received a response from the City Attorney's Office.

**We recommend** that the Director of Code Enforcement employ methods to revise the City Ordinances to be reflective of The State of Texas *Health and Safety Code* notification requirements and follow-up with the City Attorney's Office to determine actions that can be taken prior to modifying the City Code.

### **Management's Response:**

We are working with the City Attorney's Office to amend the ordinances, adopting the State's changes allowing us to cease issuing notices via certified mail. We are hopeful that the ordinance amendments will be brought before Council in August 2003. In the meantime, after consultation with the City Attorney's Office, we have ceased issuing citations via certified mail (when personal delivery is not possible).

## OPPORTUNITIES FOR IMPROVEMENT

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### 2. The receipt, storage, distribution, and control of citations need improvement.

A supply of citation booklets for CE is kept in the administrative office at City Hall. Each AC facility maintains a supply of citation booklets. During our review of CE and AC citations, we noted the following:

- A. CCS cannot account for all citation booklets, and documentation supporting distribution is not complete.

To account for citation booklets, CE and the two animal shelters maintain a manual checkout log. The logs note the issued citation book sequence, the officer's badge number, and the issuing supervisor's signature/badge number. The Oak Cliff Shelter log documents the booklet issue date. Reviewed logs did not account for all citation books. The Oak Cliff Shelter log did not account for 38 booklets. We reduced this difference to 23 booklets by comparing the log to the Court Services records. The Forney Road Shelter log did not account for six booklets. This difference was reduced to two booklets by comparing the log to the Court Services records. In addition, the logs:

- Showed that citation booklets were issued out of sequence.
- Showed multiple distributions of the same pre-numbered citation booklets.
- Noted multiple books issued concurrently to a single employee.
- Had missing badge numbers and contained information that was difficult to read. (Badge numbers listed in the logs could not easily be tied to inspectors/officers because CCS did not have a list associating badge numbers to inspectors/officers).

We also found that CCS maintains the CE citation books at City Hall instead of the district office(s). The administration office stores these books in a box behind the counter. We observed that there are times when this area is unattended; therefore, unauthorized persons may access the booklets.

Citation books should be safeguarded, and the distribution should be efficient and controlled. Distribution documentation activity should be complete and accurate.

Supervisors did not establish a systematic method of distributing citation booklets or ensure that control logs accurately and completely reflected distribution activity. Management believed booklets were conveniently located and adequately secured at the administration office.

Control and accountability is hampered. The specific location of all citations cannot be determined. Citations may be used for unauthorized purposes. Management cannot affect adequate citation reconciliation and tracking.

## OPPORTUNITIES FOR IMPROVEMENT

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B. There are no documented procedures that address the retention and transfer of citation booklets and voiding of individual citations.

Procedures that require depleted citation booklets, which contain the officer copy of issued citations, to be retained and stored have not been established. Additionally, there are no procedures for the disposition and transfer of unused citations from terminated employees. There should be procedures that require an adequate accounting of citations, for the transfer and subsequent use of unused citations from terminated employees, to ensure that voided citations are properly handled and retained, and that the appropriate records are available as they are needed.

The importance of establishing record retention, transfer, and voiding procedures has not been acted on.

City policies related to record retention may be violated. Source documentation to recreate citation activity may not be available (copies of citations in depleted booklets serve as source documentation for citation activity). All blank citations may not be utilized, and/or citation issuance may be abused. Additionally, there may difficulty in determining the officers who received citation booklets previously issued to former employees. Citations could be improperly used.

**We recommend** that the Director of Code Compliance:

A. Establish a systematic method to distribute citation booklets that ensures receipt and distribution of the booklets are controlled. Procedures should include:

- Individuals responsible for ordering and retrieving citation booklets.
- Storage and safeguarding.
- Individuals authorized to distribute booklets.
- Creation of an electronic issuance log that numerically lists the citation booklets with columns for issuance date, receiver's badge number, officer name/employee ID number, and name of the issuer.
- Central location for storage and distribution of citation books for inspectors.
- Completion of the issuance log.
- Sequential issuance of booklets.

B1. Establish a record retention and transfer policy for citation booklets.

B2. Develop procedures to address voided citations.

B3. Designate supervisors/managers to perform periodic reviews no less often than quarterly to ensure compliance.

## OPPORTUNITIES FOR IMPROVEMENT

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### Management's Response:

We are currently drafting a new policy regarding citation books and are revising log forms to reflect the changes. Copies of the draft and forms have been given to the City Auditor's Office. Our auditors will be performing quarterly reviews to ensure compliance with the new policies.

### **3. Current procedures do not reasonably ensure alleged violators are personally contacted.**

Frequently CCS inspectors do not attempt to (or are not able to) hand deliver warnings, notices, and citations to alleged violators. In these instances, CCS uses certified mail to deliver warnings, notices, and citations. During the audit period, CCS issued 900 citations via certified mail. If certified mail is used to contact an alleged violator, the assigned inspector cannot attest that the violators received the warning notice or citation. The Chief Prosecutor stated that the ability to personally identify violators would be the most beneficial addition in ensuring successful prosecution. CCS stresses personal contact in its inspector case audit reviews.

Successful prosecution is enhanced when inspectors can testify to the identity of violators that have been issued warnings, notices, and citations.

Inspectors have staggered schedules with the core hours commencing at 7 a.m. and ending no later than 5 p.m. on weekdays. This period is traditionally the time when most people work. Therefore, inspectors are less likely to personally contact and hand deliver warnings, citations, and notifications to violators at these times. Using certified mail is less confrontational and individual officers/inspectors may be reluctant to confront violators alone.

The successful prosecution of violators is hampered when inspectors cannot show that they used reasonable means to personally identify violators. Citizens may perceive that the City is not successful in enforcing code compliance.

CCS has a unit called the Premises and Abatement Team. Employees in this team are stationed at the Oak Cliff Municipal Center. Their work schedule is Tuesday through Sunday with staggered hours, commencing at 6 a.m. and ending at 7 p.m. The team (a manager and nine inspectors) concentrates on issues that district inspectors do not focus on (i.e., garage sales, street vendors, pools, parking, and sign violations). These issues usually result in quick resolution (i.e., removal of signs) and don't involve extended involvement. The manager is familiar with code enforcement issues and is available to supervise inspectors assigned to the non-traditional CE work hours, thus, ensuring managerial oversight.

## **OPPORTUNITIES FOR IMPROVEMENT**

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**We recommend** that the Director of Code Compliance:

- A. Consider changing the work shifts of district inspectors to cover hours outside the traditional workday/week and initiate efforts to have inspectors hand deliver warnings, notices, and citations to alleged violators in person.
- B. Determine the relevance of any other purported causes preventing personal contact and design measures to reduce their effect (i.e., pair-up inspectors in one vehicle, seek aid from the DPD and/or City Marshal's Office).

### **Management's Response:**

On May 7, 2003, and July 11, 2003, memos were issued to all inspectors instructing them on policy for posting notices and issuing citations.

Staff has discussed changing work hours to accommodate a 10 hour-day/4 day workweek. District Managers met and proposed two schedules, which will stagger employees Monday through Friday on a schedule of either 7:00 a.m. – 5:30 p.m. or 8:00 a.m. – 5:30 p.m. Unfortunately, the proposed hours will not dramatically impact the problem. Consequently, we are still discussing alternative hours and resolutions. An additional solution being discussed is decriminalization of citations, which would reduce/eliminate the need to personally identify violators. Further discussions with the City Attorney's Office are proposed to further research this alternative resolution.

### **4. Time spent at court is not effectively scheduled.**

Inspectors and officers spend unnecessary time at the municipal court waiting to testify. Court Services has scheduled a single inspector for appearances in two or more courtrooms for different cases at the same time.

CE and AC cases are heard each Wednesday in Municipal Court. AC officers and CE inspectors must arrive at court prior to the 8 a.m. docket call. These officers and inspectors will not be needed if defendants fail to appear. The Dallas Police Department and City Attorney have developed a routing system to deploy police officers to court once the defendant is present for trial. The Chief Prosecutor has agreed that this system could be applied to CCS.

Personnel should be used efficiently. Methods should be incorporated to reasonably ensure the need for AC officers and inspectors prior to sending them to court. Court scheduling should be set to allow sufficient time between cases for each assigned officer and inspector.

CE and AC time is wasted if defendants are not present for court. When inspectors and officers are in court, they are not available to enforce the property code and animal

## **OPPORTUNITIES FOR IMPROVEMENT**

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ordinances respectively. If CE inspectors or AC officers fail to appear in court, the charges against the defendant are dismissed.

**We recommend** that the Director of Code Compliance:

- A. Coordinate with applicable departments (i.e., City Attorney, Judicial, Court and Detention Services) to implement a court routing system similar to the one used by the Dallas Police Department. AC officers and CE inspectors would then be deployed to court only when the defendant is present and ready for trial.
- B. Consult with Court Services to develop a process that will eliminate the possibility of scheduling an individual to appear on different cases in different courtrooms at the same time.

### **Management's Response:**

Preliminary discussions were held with Chief Prosecutor Robert Miklos on these two recommendations. He suggested we meet with Judge Robinson. A meeting was scheduled with Judge Robinson and Chief Prosecutor Miklos on July 10, 2003, to discuss this matter. Unfortunately, Mr. Miklos was not available to attend the meeting. The meeting is being rescheduled.