

Special Report

Code Department Follow-up

May 2022



This is a special report as part of a series following up on recommendations made in previous audits. Austin Code Department has been the subject of four audits and one special report since 2010. Previous follow-up work showed Austin Code had implemented recommendations from some of these audits. However, similar themes resurfaced in later audits.

We conducted follow-up work on three of these audits, which included 15 recommendations. In our follow-up work, we confirmed Austin Code implemented 14 of these recommendations, and one is in progress. It appears Austin Code's changes have improved investigations, enforcement, and case management.

We found that although Austin Code still has room to improve, the consistency and completeness of investigations has improved, and they have increased enforcement of uncorrected violations. Inspectors also met Austin Code's licensing standards. Lastly, Austin Code has improved enforcement for Repeat Offender Program properties. They are exploring other changes to the program as well.

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Cover: Austin Code Department, www.austintexas.gov/department/code

Objective

This follow-up updates the status of the 2020 Repeat Offender Program audit recommendations and confirms the status of recommendations from two prior audits. We also looked at how Austin Code’s outcomes have changed since the original audits to answer the question, “Have changes made by the Austin Code Department resulted in better outcomes?” We looked at recommendations from three Austin Code audits released between 2010 and 2020:

- [Austin Code Department Repeat Offender Program](#) (October 2020)
- [Consistency of Austin Code Investigations and Resolutions Audit](#) (April 2016)
- Performance Audit of the Code Compliance Function (March 2010)

This follow-up did not include our 2014 audit of Short-Term Rental Registration and Tax Compliance or our 2020 Special Report on Code Investigations. The primary focus of the Short-Term Rental Registration and Tax Compliance audit was the Controller’s Office, and Austin Code’s role was different from the issues addressed in this report. We did not make recommendations in the 2020 Special Report, but it provides additional context for this work.

Background

In 2010 and 2016, our office audited code investigations. In 2020, our audit focused on the Repeat Offender Program. These audits made a total of 15 recommendations, addressing issues in several areas:

- Records management
- Application of code enforcement
- Inspector education and certification
- Program changes to the Repeat Offender Program

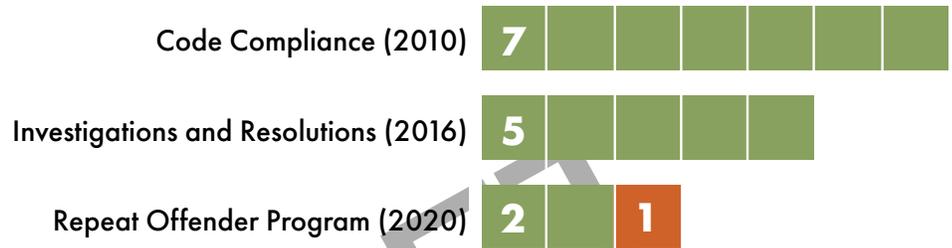
We previously verified Austin Code implemented the recommendations from the 2016 audit. Many of those recommendations overlapped with the 2010 audit. The 2020 Repeat Offender Program audit includes a mix of recommendations due between winter 2020 and fall 2022.

What We Learned

Summary

We confirmed Austin Code implemented 14 of the 15 recommendations we made in our audits. One recommendation is in progress. It appears Austin Code's changes have improved investigations, enforcement, and case management.

Exhibit 1. 14 recommendations are **complete** & 1 is **in progress**

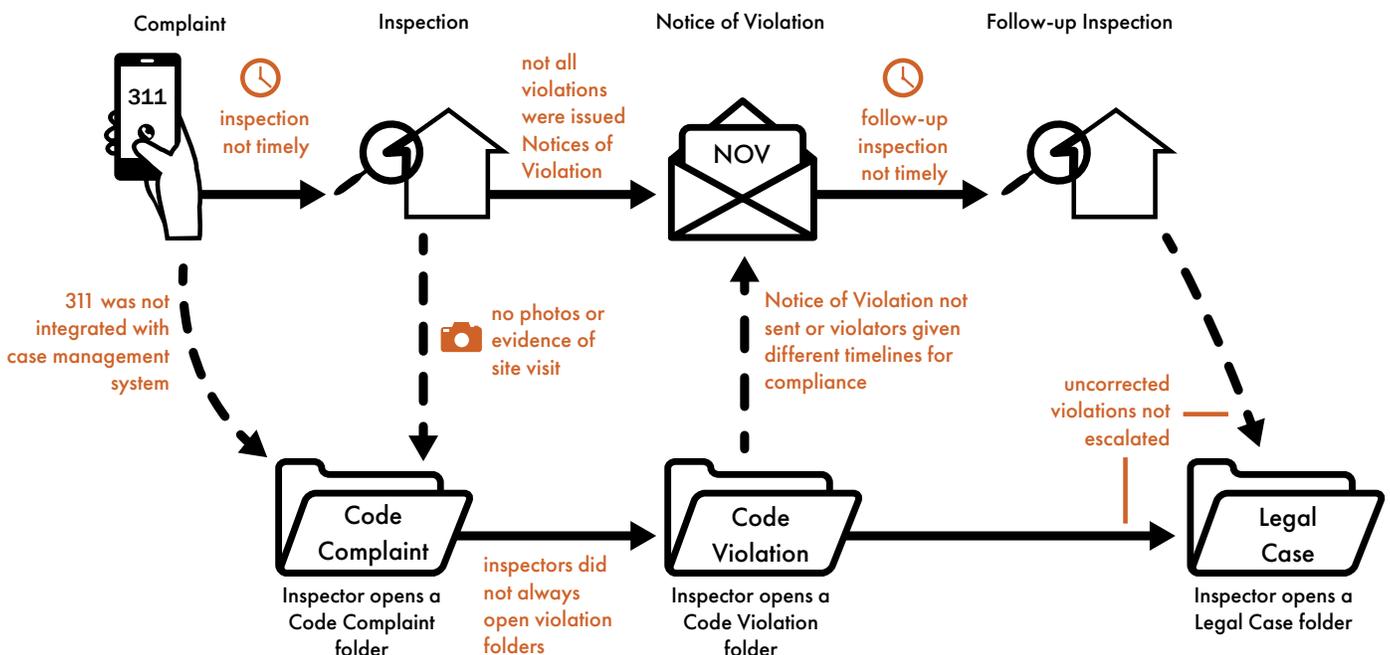


Source: Auditor analysis of Austin Code actions to implement audit recommendations.

In 2010 and 2016, our office audited code investigation policies and procedures. Both audits found similar issues. These include inconsistent application of City code, insufficient documentation of cases, and inadequate data management.

Exhibit 2 shows some common problems in the inspection and case management processes.

Exhibit 2. Common **problems** in the code inspection process identified in 2010 & 2016 audits



Source: Auditor's observations of problems identified in previous audits.

Inconsistencies we found in our previous audits included:

- Initial inspections were not always timely
- High-risk complaints were not always prioritized
- Property owners received different deadlines for the same type of code violation
- Inspectors did not always issue a Notice of Violation for confirmed violations
- Some cases had missing or unclear documentation
- Follow-up investigations were often delayed

We recommended Austin Code improve consistency, quality, quantity, and timeliness of investigations, by:

- Implementing procedures for the investigation and monitoring of complaints and violations
- Establishing consistent timelines for inspecting and ensuring compliance for different types of complaints
- Improving records and data management practices

Austin Code has made changes in response to these audits. We evaluated records management, investigations, inspector certification, and program changes in this follow-up and found Austin Code has:

- Updated their policies and procedures for code inspections
- Improved the consistency and completeness of inspections
- Increased enforcement of violations
- Integrated 311 with the case management system
- Ensured all inspectors now meet the Code Enforcement Officer requirement

In our 2020 Repeat Offender Program audit, we recommended increased enforcement for properties in the program. We also suggested program changes. Austin Code has increased enforcement and escalation of Repeat Offender Program properties since our 2020 audit. Austin Code is exploring other program changes we recommended to the Repeat Offender Program.

Have Austin Code's changes made a difference?

Austin Code's inspections are timelier, more consistent, and better documented than before

In 2016, we found that fewer than half of initial inspections occurred within Austin Code's expected timeframe of two days, and inspectors did not issue a Notice of Violation for confirmed violations almost half of the time. When inspectors issued Notices of Violation, they gave different deadlines for the same type of violation. For instance, residents received deadlines of ranging from 2 to 21 days to screen their recreational vehicles. We also found that Austin Code management did not conduct regular reviews of field actions. Additionally, management did not review items such as investigation documentation or timeliness of inspections.

Exhibit 3. Austin Code increased inspections performed within the required timeframe

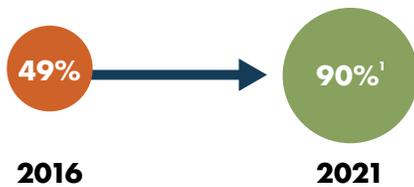
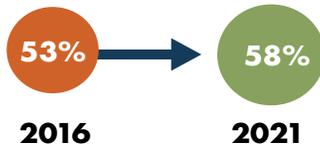


Exhibit 4. Austin Code issued Notices of Violation more often



Source: Auditor analysis of Austin Code case management system data.

Austin Code has implemented new procedures for conducting inspections and managing cases since the 2016 audit. Austin Code also adopted procedures for monitoring field staff. As we reported in the 2020 Special Report, Austin Code created several dashboards to show inspector case load and case status. These dashboards allow supervisors to balance inspector workload and track performance.

Since our 2016 audit, Austin Code has created an extended hours team to respond to emergencies and requests for service occurring outside regular business hours and prioritized complaints based on their potential danger using their Code Tiered Enforcement Response Matrix. Austin Code’s timeliness and consistency has improved since making these changes. Austin Code now investigates approximately 90% of complaints within the required timeframe.¹ Additionally, Austin Code issues Notice of Violations more often, and inspectors more consistently issue the same deadlines to property owners for the same violations.

During our follow-up work, we still found a few instances in which code inspectors did not handle cases consistently. For example, two inspectors separately documented trash in the same resident’s yard. The first inspector took photos and entered the case into the case management system but did not issue a Notice of Violation. The second inspector followed up a week later. They also took photos showing some of the same pieces of litter and closed the case despite mostly unchanged conditions.

Exhibit 5. Inspectors documented trash in the original & subsequent inspections, but the second inspector still closed the case



Source: Photos from a complaint case in Austin Code’s case management system. Orange ovals added by auditor.

Discrepancies like this create potential equity issues, because inspectors are treating property owners differently for the same types of issues.

¹ Under their new prioritization standards, Austin Code has between one hour and five days to respond complaints, depending on the level of hazard. Austin Code does not include weekends or holidays in C-TERM calculations.

Exhibit 6. Austin Code is issuing Notices of Violation for City properties

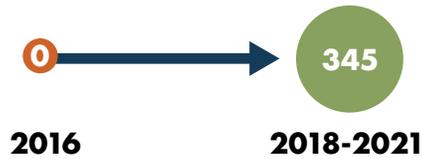


Exhibit 7. Austin Code improved site visits & photo documentation for City properties

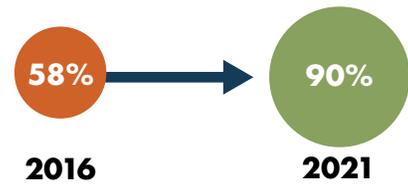


Exhibit 8. Austin Code increased the rate of follow-up inspections for City properties



Source: Auditor analysis of Austin Code case management system data.

Since our 2016 audit, Austin Code has issued Notices of Violation for City-owned properties and improved documentation of site visits and follow-up activity

In 2016, we found Austin Code did not issue any Notices of Violation to City departments, even when inspectors noted violations. Investigations and resolutions for City-owned properties did not follow Austin Code policies and procedures. We found that investigations were often delayed and were less extensive than what policy required. Inspectors did not conduct site visits or take photos of alleged violations on City property in 42% of reviewed cases. Approximately one third of City property violations had no documentation of follow-up activity.

We recommended Austin Code and City stakeholders create a process to investigate and resolve violations on City-owned properties.

Since our 2016 audit, Austin Code updated its policies and procedures for complaints on City-owned properties. Austin Code has issued Notices of Violation to City-owned properties. They have improved site visits, photo documentation, and the rate of follow-ups as well.

However, in our follow-up work, we noted that inspectors inconsistently issued Notices of Violation for similar issues on City properties. For example, Austin Code issued Notices of Violation for cases on Parks and Recreation Department (PARD) properties, while other times they referred cases to PARD or to the Austin Police Department's Parks Division without issuing a Notice of Violation. Austin Code's procedures do not make exceptions for issuing Notices of Violation to City properties.

Austin Code integrated its technology with the City's 311 system and automated its process for identifying properties eligible for the Repeat Offender Program

Prior audits identified technological inefficiencies that affected Austin Code's case management. We found Austin Code's case management system was not able to connect with the City's 311 information system. As a result, Austin Code was not able to make use of 311's prioritization system. Instead, staff had to flag high-risk issues manually. Similarly, our 2020 audit found that Austin Code's process for identifying eligible properties for the Repeat Offender Program was labor-intensive and sometimes overlooked eligible properties.

We recommended Austin Code work with the Communications and Technology Management department (CTM) to address these issues.

Since our 2016 audit, Austin Code and CTM have integrated 311 with Austin Code's case management system, and complaints are now prioritized using their Code-Tiered Enforcement Response Matrix. In addition, Austin Code has streamlined the identification of properties eligible for the Repeat Offender Program by running a report at least once per quarter to identify eligible properties. We did not test whether any properties eligible for Repeat Offender Program status were overlooked in this follow-up.

All field and division management staff have State of Texas Code Enforcement Officer registration

In 2016, we found that not all staff met the qualifications specified by the department. We observed that Austin Code's system for tracking employees' qualifications was ineffective. We recommended Austin Code ensure all existing employees meet the required qualifications. We also recommended Austin Code create a process for ensuring staff maintain required qualifications.

Since our audit, Austin Code has improved procedures for checking applicant qualifications at the time of hiring. Austin Code's Human Resources division monitors its staff to make sure they have the required Code Enforcement Officer registration with the State of Texas. All field and division management staff met the requirement to obtain Code Enforcement Officer registration. Austin Code has also reduced their requirements for Code Inspectors. Certain positions are no longer required to meet International Code Council requirements.

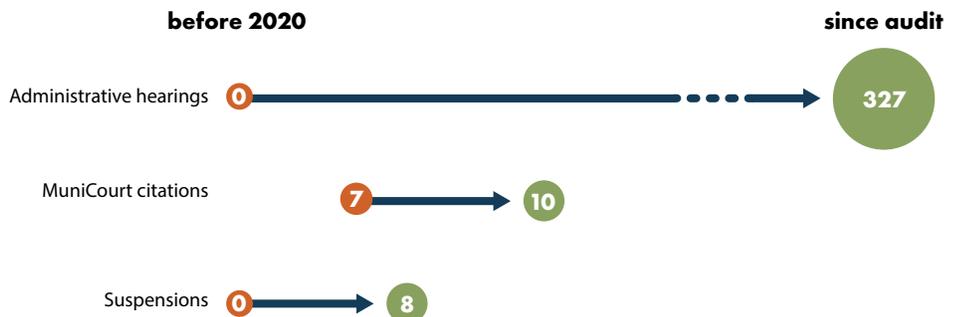
Austin Code has increased enforcement and escalation of Repeat Offender Program cases

In the 2020 Repeat Offender Program audit, we found the program did not ensure all properties met health and safety standards. Austin Code was not escalating enforcement to ensure Repeat Offender Program properties corrected violations. Between 2015 and 2020, none of the properties in the program received a municipal court citation. Austin Code did not suspend its first Repeat Offender Program property until July 2020.

We recommended Austin Code increase enforcement. We also recommended Austin Code use suspension and other methods to escalate cases.

Since our audit, Austin Code has issued administrative hearing citations, escalated violations to municipal court, and suspended properties. Austin Code has updated the procedures for the Repeat Offender Program to speed up the process for issuing citations. Austin Code moved the annual inspection from the end of the year to the time of registration. This allows Austin Code to immediately identify violations and escalate uncorrected violations faster.

Exhibit 9. Austin Code has increased Repeat Offender Program enforcement & escalation



Source: Auditor analysis of Austin Code case management system data.

Austin Code continues to explore program changes to the Repeat Offender Program

In our 2020 audit, we recommended Austin Code develop a voluntary landlord incentive program. As we said in the audit, an incentive program could encourage landlords to offer tenant protections to renters. Austin Code conducted peer city research and outreach for a voluntary landlord incentive program. They communicated with property management stakeholders. Austin Code also sent a property owner survey. Austin Code decided not to move forward with a voluntary landlord incentive program based on feedback. Based on Austin Code's consideration, we consider this recommendation implemented.

In the 2020 audit, we also recommended Austin Code consider redesigning the Repeat Offender Program to require citywide rental registration, renaming the program, and adopting a fee schedule that accounts for property size. Austin Code is in the process of considering these program changes. Austin Code's proposed timeline to implement these changes is fall 2022.

Looking Ahead

Austin Code improved investigations since the 2010 and 2016 audits. They have increased enforcement of Repeat Offender Program properties since our 2020 audit. They still have room to improve. Although they now issue more Notices of Violation, 42% of observed violations do not receive a Notice of Violation. About a quarter of City properties still do not receive follow-up inspections.

Prior audits and an internal Austin Code evaluation identified their case management system as a barrier to efficiency. Amanda is the case management system used by Austin Code, as well as other City departments. Our office intends to focus on the Amanda system in a future audit.

Effective code enforcement is important for ensuring properties meet health and safety standards. We recommended citywide rental registration in the 2020 Repeat Offender Program audit so the City would have a more complete record of rental units. Citywide rental registration could also have benefits in other areas. Through citywide registration, the City would have the contact information for property managers. The City could better communicate time-sensitive information to property managers and tenants, such as during the 2021 winter storm.

Our office intends to conduct follow-up work in the future to look at how Austin Code addressed our recommendations for citywide rental registration, renaming the Repeat Offender Program, and adopting a fee schedule based on property size.

Appendix A – Findings Issued

Performance Audit of the Code Compliance Function (March 2010)	
Finding 1	The Code Compliance Department (CCD) [since renamed Austin Code Department] can improve their investigation and resolution practices to be consistent with their policies and procedures.
Finding 2	The Solid Waste Services (SWS) [since renamed Austin Resource Recovery] Call Center and Code Compliance Department initial response to complaints needs improvement.
Finding 3	Data management in CCD needs improvement to strengthen program operations and the reliability of data reporting.
Finding 4	The CCD should consider using available tools to improve the coverage of code compliance issues. These include: <ul style="list-style-type: none"> • Tenant and property owner assistance, • Response teams, • Escalating financial penalties for non-compliance, and • Rental inspection programs.
Consistency of Austin Code Investigations and Resolutions Audit (April 2016)	
Finding 1	Code violation investigation, documentation, and resolution practices vary across cases due to a lack of management oversight. Consequences may include reputational damage, difficulty enforcing violations, and safety risks to residents.
Finding 2	Investigation and resolution practices relating to City-owned properties often differed from established Austin Code policies and procedures, which may allow violations on City-owned property to persist and negatively affect citizen safety.
Finding 3	Not all field staff and management meet the current minimum qualifications specified by the department, which may weaken staff's ability to properly investigate reported violations and increase the risk of inconsistent code interpretation and enforcement.
Austin Code Department Repeat Offender Program (October 2020)	
Finding 1	The Repeat Offender Program has not consistently achieved the desired goal of ensuring Austin renters are living in properties that meet minimum health and safety standards.
Finding 2	The process used to identify properties for program registration is inefficient and does not always result in all eligible properties becoming part of the Repeat Offender Program when they should.
Finding 3	Large properties do not pay their proportionate share of the Repeat Offender Program costs.

Appendix B – Implementation Status of Recommendations

Performance Audit of the Code Compliance Function (March 2010)		
Recommendation 1	To strengthen consistency in program operations and increase the quality, quantity, and timeliness of investigations and resolutions, the Code Compliance Department Director should develop and implement procedures for monitoring, along with procedures for corrective action, to ensure inspector compliance with policies and procedures for complaint and violation investigation and resolution.	Implemented
Recommendation 2	To strengthen consistency in program operations and increase the quality, quantity, and timeliness of investigations and resolutions, the Code Compliance Department Director should develop, implement, and monitor a training plan for inspectors to ensure inspectors receive adequate education and training both related to the City Code and to code enforcement practices. Pursuing certification in code compliance from professional organizations may be one avenue to strengthen code inspectors' skill sets.	Implemented
Recommendation 3	To strengthen consistency in program operations and increase the quality, quantity, and timeliness of investigations and resolutions, the Code Compliance Department Director should emphasize in the policies and procedures the importance of keeping accurate data, provide direction for proper records management, monitor conditions, and provide corrective action as needed.	Implemented
Recommendation 4	To strengthen consistency in program operations and increase the quality, quantity, and timeliness of investigations and resolutions, the Code Compliance Department Director should establish a uniform response for "parking in yard" complaints and communicate such response to CCD inspectors, the 311 Customer Service Center and the SWS Call Center.	Implemented
Recommendation 5	To strengthen consistency in program operations and increase the quality, quantity, and timeliness of investigations and resolutions, the Code Compliance Department Director should work to determine, with the Law Department, their authority to refer tenant complaints directly to the Housing Authority of the City of Austin without investigation. If allowed, the Department Director should establish a formal partnership with the Housing Authority of the City of Austin to ensure that CCD referred complaints are investigated for compliance, not only with minimum federal standards, but also with City Code.	Implemented

Recommendation 6	To improve program measures and increase the reliability of data, the Code Compliance Department Director should work with the Office of Communications and Technology Management (CTM) to find an integrated case management solution to manage all three department activities, Dangerous Buildings and Housing, Zoning Code Compliance, and Property Abatement, with a single point of entry that has capacity to interface with 311. The solution should provide appropriate technology controls to ensure data integrity and reliable and relevant reporting, while also providing an audit trail for complaints and cases.	Implemented
Recommendation 7	In order to increase the effectiveness of the Code Compliance function in bringing negligent property owners to compliance, the Code Compliance Department Director in conjunction with the Assistant City Manager over CCD should consider establishing a team to evaluate practices in other cities to determine what approaches will be beneficial in Austin.	Implemented

Consistency of Austin Code Investigations and Resolutions Audit (April 2016)		
Recommendation 1	<p>The Austin Code Department Director should revise departmental policy to:</p> <ul style="list-style-type: none"> include standards for issuing compliance timelines for confirmed violations; and detail how and at what point work without permit violations should be closed. 	Implemented
Recommendation 2	<p>The Austin Code Department Director should develop and implement a more rigorous case monitoring process that requires supervisors to review:</p> <ul style="list-style-type: none"> the quality of case documentation; the sufficiency and adequacy of evidence supporting decisions regarding violations; and field staff adherence to departmental policy and established investigative timelines. 	Implemented
Recommendation 3	<p>The Austin Code Department should work with appropriate City stakeholders to implement a process that ensures potential violations on City-owned properties are effectively investigated, communicated in a timely manner to responsible departments, and resolved. Until such a process is implemented, the Austin Code Department Director should clarify the Department's expectations regarding investigations of City-owned properties and ensure timely communication of violations on City-owned properties to responsible departments.</p>	Implemented
Recommendation 4	<p>As previously recommended, the Austin Code Department Director should work with the Communications and Technology Management Department to integrate the AMANDA and 311 systems, and ensure case prioritization tools are used to flag high-risk cases.</p>	Implemented

Recommendation 5	The Austin Code Department Director should take immediate action to ensure that all existing employees meet the minimum required qualifications of their position and implement a more stringent process to ensure that staff maintain the minimum required qualifications for their positions going forward.	Implemented
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Austin Code Department Repeat Offender Program (October 2020)		
Recommendation 1	<p>In order to prompt Repeat Offender Program property owners to improve properties and address violations, the Director of the Austin Code Department should:</p> <ul style="list-style-type: none"> a. Develop a voluntary landlord incentive program; and b. Increase enforcement and escalate cases, particularly by using the suspension process outlined in City ordinance. 	<p>Implemented</p> <p>Austin Code has determined not to pursue 1a based on stakeholder feedback.</p>
Recommendation 2	<p>In order to ensure that properties are properly registered for the Repeat Offender Program, the Director of the Austin Code Department should work with the Communications and Technology Management (CTM) Department to streamline the processes used to identify properties that may be program-eligible.</p>	Implemented
Recommendation 3	<p>In order to improve Repeat Offender Program outcomes, the Director of the Austin Code Department should work with the City Law Department and City Council to revise the Repeat Offender Program ordinance. Revisions to the ordinance should include consideration of:</p> <ul style="list-style-type: none"> a. Redesigning Austin's Repeat Offender Program to require full rental registration across the City; b. Renaming Austin's Repeat Offender Program; c. Proposing an alternate fee schedule that accurately reflects the difference in workload and greater costs incurred to enforce the Repeat Offender Program ordinance at larger properties. 	<p>In progress</p> <p>Code's proposed implementation date was October 2022.</p>

Scope

The project scope included actions taken by City management to respond to the recommendations in audits related to Austin Code from 2010 to 2020, including:

- [Repeat Offender Program](#) (October 2020)
- [Consistency of Austin Code Investigations and Resolutions Audit](#) (April 2016)
- Performance Audit of the Code Compliance Function (March 2010)

Methodology

To complete this special report, we performed the following steps:

- Interviewed Austin Code Department staff
- Reviewed Austin Code policies
- Analyzed a random sample of code complaint and code violation data and compared this data to the findings in our original audits

Audit Standards

This project is considered a non-audit project under Government Auditing Standards and was conducted in accordance with the ethics and general standards (Chapters 1-5).

DRAFT

The Office of the City Auditor was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve City services. We conduct performance audits to review aspects of a City service or program and provide recommendations for improvement.

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