



Internal Audit Assessment of Vendor Contract with Calvin, Giordano & Associates, Inc. (CGA)

July 29, 2025

Pembroke Pines Commissioners

The Honorable Mayor and Members of the City Commission
City of Pembroke Pines, FL

We have performed the procedures enumerated in Assessment Procedures of this report, which were agreed to by the Commission of the City of Pembroke Pines (City) pursuant to our contract dated January 2, 2025, solely to assist you with respect to completing a portion of the City's internal audit plan for the year as of and for the 2025 ended September 30, 2025, which includes the internal audit of Calvin, Giordano & Associates, Inc. (CGA) vendor contract assessment.

The engagement was performed in accordance with consulting standards established by the American Institute of Certified Public Accountants (AICPA). Our services were provided in accordance with Global Internal Audit Standards established by the Institute of Internal Auditors. We were not engaged to, and did not, conduct a financial statement audit or an examination, the objective of which would be the expression of an opinion on the financial statements or any elements, accounts, or items thereof as part of this engagement. Accordingly, we do not express such an opinion.

Our engagement did not include a detailed examination of all transactions and was not designed, and cannot be relied upon, to discover all errors, irregularities, or illegal acts, including fraud or defalcations, that may exist. Had we performed additional procedures, other findings of significance may have been reported to you. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the Appendix of this report for the purpose for which this report has been requested or for any other purpose.

This report summarizes the scope of the engagement, the procedures performed and the results of our procedures.

Our report is intended for use only by the City management and solely for reporting findings with respect to the procedures performed by us. This report is not intended to be, and should not be, used by anyone other than these specified parties unless express written consent is obtained from Forvis Mazars, LLP.

Forvis Mazars, LLP

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July 29, 2025

Internal Audit Assessment of CGA

Objective and Scope

Objective: Forvis Mazars assessed CGA's adherence to contractual terms, operational efficiency, and overall effectiveness in reviewing building permits, conducting inspections, collecting fees, processing scheduled payments to the City, and fulfilling other municipal service requirements as required by the City.

Scope: Our scope included assessing the current state of the CGA vendor contract areas:



Performing Plan Reviews

Timeliness of plan review by permit type (Section 4 of the tenth amendment of the contract).



Performing Inspections

Timeliness of performing inspections per contract terms (Section 4 of the tenth amendment of the contract).



Fee Collection and Contractor Payments

Preliminary payment requests provided by CGA, payment verification performed by Pembroke Pines Accounting group, and payment reconciliation/approval performed by Pembroke Pines Finance group.

Internal Audit Assessment of CGA

Background

- The current building department contract was renewed in November 2021. At that time, the City was in the process of implementing their new online permitting system, EnerGov which is part of the City's Enterprise Resource Planning system (ERP). The new permitting system went live in April 2022 and replaced the contractor's system, Ink Force.
- EnerGov is a comprehensive platform for managing permitting, licensing, and code enforcement processes, including planning, zoning, inspections, and revenue management
- The latest amendment to the building department contract did not contemplate the impact the EnerGov system would have on the performance of the building department, nor does it reflect changes in procedures due the implementation of the ERP.
- CGA was contracted for the provision of plan reviews, inspections, and other building department-related services. Fire, zoning, and engineering remain the responsibility of the City.
- Approximately 43,000 inspections and 35,000 plan reviews are completed annually.
- **Observations** are defined as opportunities where Pembroke Pines can align with best practices within the industry, enhance efficiencies of operations, or prevent risks that may have a negative impact on Pembroke Pines's ability to meet their objectives.

Internal Audit Assessment of CGA

Background

■ Plan Reviews and Inspections

- Plan reviews and inspections are mostly completed within the contractual timeline; however, some circumstances may impact contract performance.

Impacts to Inspections:

- **Weather-related delays:** Inclement conditions may occasionally impact scheduling and field operations.
- **Applicant preparation:** Inspections were postponed or rescheduled when applicants weren't ready in lieu of failed inspections, helping the applicant avoid unnecessary denial fees.
- **Temporary staffing limitations:** Reduced availability due to scheduled training, priority projects, planned leave, illness, or increased demand may affect inspection capacity.
- **Extended inspection durations:** Some inspections earlier in the day required additional time, affecting the overall inspection schedule.

Impacts to Plan Review:

- **Volume:** Unanticipated increases in permit applications leading to processing delays.
- **Plan review routing:** Plan reviews may experience delays while awaiting external review from outside departments/agencies.
- **Document management:** Occasional misplacement of physical files between vendor and City departments may cause minor delays.
- **Personnel availability:** Scheduled time off for vacation or training and unexpected absences impacted review timelines.
- **System outages:** Occasional systemwide outages within the Tyler/EnerGov platform.

Internal Audit Assessment of CGA

Background

Plan Reviews and Inspections

- Forvis Mazars utilized the systematically generated “assigned date” and “completion date” from EnerGov to calculate the time to complete a plan review, and the “request date” and “actual end date” to calculate the time to complete an inspection.
- For plan reviews, the assigned date is the date that it was assigned to a particular plan reviewer, and the completion date is the date that the review was completed; both are system-generated. A permit tech reviews the information submitted for completeness before it is assigned to a plan reviewer.
- For inspections, the “request date” is the date it was requested, and the “actual end date” is the date it was completed.

Contract Terms Versus Actual Practice

- As a result of the implementation of EnerGov, the City has assumed responsibility for fee collection, a function contracted to CGA.

Important Metrics

There are approximately 10,000 paper applications and 19,000 online applications combined for 2023 & 2024. CGA employs approximately 20 permit technicians in the building department and their role includes:

- Reviewing online and paper submissions for accuracy and completeness
- Circulating applications for plan review to vendor and City departments
- Answer questions on the phone and at the service window
- Follow up with applicants on permit concerns
- Guide residents through owner builder permit process
- Invoice permit fees
- Assist with Certificate of Occupancy approvals

Internal Review Performed

CGA Scorecard Report

In January 2024, Assistant City Manager Michael Stamm perform an evaluation CGA performance and identified areas impacting performance of the building department, which included the ones below.

Implementation of EnerGov

- EnerGov is used by the Building Department for inspections and plan reviews, along with other processes.
- CGA staff spent a significant amount of time assisting the City with the creation of the back-end of EnerGov.

Changes to Legislation

- Changes in legislation impact how building departments operate.
- Most notable includes the change from a 40-year building safety program to a 25-year (Broward County) safety program.

Insurance Crisis in Florida

- Property owners are faced with rising property insurance costs and changing policy requirements.
- Many owners were required to replace their roofs to maintain coverage.

Owner Builder (OB) Permits

- OB permits are regularly known as property owners acting as their own contractor, performing the work on their own property, and were often convinced by their contractor that this would save them money.
- OB permits require homeowners to sign disclosures that they understand the codes, regulations, and liability of performing the work on their own.
- OB process typically takes more staff time as owners are not proficient in the building permit application process.

After the Fact Permits

- After the Facts Permits happens when applicants were attempting to obtain a permit for work that was already completed.
- These types of permits often require additional staff time as much of the work does not comply with code requirements or the applicant cannot provide the city with documentation on the methods of constructions.

Inspection Efficiency and Adherence to Timeliness

Observation #1 – Inspections are mostly completed within the contractual requirements.

The current contract between the City and CGA states that inspections must be completed within one business day upon receipt of an inspection request. City staff noted that exceptions do occur due to specific circumstances that prevent timely completion, as noted on slide 5.

Forvis Mazars tested the entire population of 86,585 inspections and noted that 6,250 inspections (approximately 7%) were not completed within the required timeframe. The 7% averaged 11 days late. City staff also explained that with the integration of EnerGov, inspection requests can be submitted at any time, including after hours. Requests made outside regular working hours are addressed the following business day, which may lead to discrepancies in calculating response time. Our testing methodology accounted for after-hours submissions by adding an additional day to the calculated due date for each inspection request tested. It also accounted for the City's four-day work week schedule, but not holidays, as that would require manual entry to the data records.

Recommendation: We recommend that the City update and revise the contract to incorporate the newly established standard procedures introduced through the integration of the EnerGov system. Aligning the contract with evolving operational standards will enhance the efficiency and effectiveness of inspections.

Furthermore, this revision will promote greater transparency and accountability, as clearly documented procedures will provide stakeholders with a better understanding of expectations, fostering trust, collaboration, and mutual benefits for all parties involved.

Management Response: We agree with the observation. The contract will be revised to reflect the current procedures surrounding the integration of the EnerGov system.

Plan Review Efficiency and Adherence to Timeliness

Observation #2 – Plan Reviews are not always completed on time per contract.

The current contract between the City and CGA states that plan reviews must be completed on a specified time frame, which is based on permit type. See below for the current time frame as stated in the current CGA contract:

- Major Permits – 10 days, Median Permits – 5 days, Minor Permits – 1 day

Forvis Mazars haphazardly selected a sample of 150 various plans from a population provided by the City. We performed review procedures and noted that 20 plans (approximately 13%) were not reviewed within the timeline specified in the contract and were on average five days late. The 20 exceptions consisted of nine major permits, seven median permits, and four minor permits. EnerGov does not categorize the permit types (Minor, Median, Major) within the system, so the documentation and data provided contained manual entry of the permit types. Six (4%) of the samples were labeled “*N/A- Hard to classify, scope varies,*” so auditors were unable to test for timeliness without a clear permit type. Management may experience challenges when monitoring vendor performance without having the permit types integrated into the system.

Recommendation: We recommend that the City collaborate with EnerGov to explore the feasibility of systematically assigning permit type functionality into the system. Automating this process would enhance operational efficiency, allow for improved monitoring for contractual compliance and vendor performance, and minimize the risk of human error. We further recommend revising the contract to better reflect the actual times required to complete plan reviews, ensuring alignment with current operational realities.

Management Response: Management response is on the following slide.

Plan Review Efficiency and Adherence to Timeliness

Observation #2 – Plan Reviews are not always completed on time per contract.

Management Response: We agree with the observation. The City will coordinate with the EnerGov team to determine whether an additional permit type can be added to the system to improve tracking of compliance with the minor, median, and major classifications defined in the agreement. The contract will also be revised to reflect updated plan review timelines based on operational changes resulting from the EnerGov implementation and to account for any future legal changes that may affect review periods.

Management has also reviewed the audit sample in more detail. Plan review timelines can be influenced by a variety of factors. A closer examination of the files revealed minor discrepancies between system-reported review times and the times recorded by plan reviewers. These differences were often the result of internal City reviews, duplicate submissions, or documentation submitted by private providers.

Additionally, the audit sample included several items that were not formal plan reviews. For example, reports submitted under the 40- and 25-year building safety programs are logged in EnerGov for tracking but do not undergo a formal plan review process. Any necessary repairs identified in these reports are addressed separately through building permits.

The City will work with EnerGov to develop a clearer method for identifying and tracking these types of submissions to ensure that only applicable data is measured against the contract's plan review requirements.

Fee Collection Operational Practices

Observation #3 – Inconsistency Between Operational Practices and Contract Terms

The current agreement between the City and CGA designates the vendor as responsible for fee collection, with the City tasked with validating amounts received and recording the revenue under the appropriate accounts. However, this is no longer the process; the City has assumed direct responsibility for collecting fees since implementing the ERP software EnerGov.

In response to this operational change, Forvis Mazars met with the Deputy Director of Finance and the Assistant City Manager/Finance Director to gain a clear understanding of the current procedures.

Under the revised approach, the vendor submits a preliminary monthly invoice to the City for 88.5% of gross revenues. The invoice includes details on the calculation of the gross revenue allocation of 88.5% to CGA and 11.5% to City. The Deputy Director of Finance reconciles these figures with the City's general ledger. After reconciliation, the Accounting Department reviews and verifies the data, followed by final approval of the invoice from the Assistant City Manager.

To evaluate the effectiveness of the updated process, Forvis Mazars reviewed fee collection data from January 2023 to December 2024. The review confirmed that all transactions followed the procedures as described by Pembroke Pines Finance personnel. However, Forvis Mazars notes that the current practice does not align with the fee collection language outlined in the current CGA contract. In addition, despite the revised revenue collection approach, the 88.5% allocation to CGA and 11.5% to the City continues to be calculated in accordance with the contract requirements.

Recommendation: We recommend that the City revise and update the contract to reflect the newly implemented standardized procedures and operational practices, thereby ensuring alignment between contractual language and actual processes. This alignment will strengthen compliance and accountability with defined standards, mitigate operational risks and potential misunderstandings, enhance the City's ability to resolve disputes concerning fee collection and allocation, and streamline future audits and internal reviews related to fee collection activities.

Management Response: We agree with the observation. The contract will be revised to reflect the current procedures surrounding the collection and payment of fees.

Appendix

Appendix A: Assessment Procedures

Below are procedures performed prior to this presentation:

- Reviewed the contract to identify testing relevant to CGA for building services.
- Obtained existing documentation, procedures for the in-scope areas, and assessed the process and control environment.
- Conducted walk-throughs with process owners and key stakeholders.
- Obtained or observed support for each process within the vendor areas.
- Identified potential gaps and opportunities for improvement as observations.

Contact

Forvis Mazars

Dan O’Keefe CPA, CFE, MBA

Commission Auditor

P: 800.683.5401

Dan.okeefe@us.forvismazars.com

Christie L. Clements, CIA, CISA, CRMA

Managing Director | Internal Audit

National Industry Leader: Nonprofit, Education, Public Sector

P: 317.363.6718

Christie.Clements@us.forvismazars.com

Eddy Castaneda, CPA, CFE, MBA

Senior Manager

P: 800.683.5401

Eddy.castaneda@us.forvismazars.com

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