



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

*Selected Activities Within the Bureau of
 Construction Codes*

Department of Energy, Labor & Economic Growth

Report Number:
 641-0240-09

Released:
 July 2010

The mission of the Bureau of Construction Codes is to ensure that Michigan's built environment and the systems within are sound, safe, and sanitary; that building users' health, safety, and welfare are protected; and that, through a coordinated program of code compliance, investigation, and training, there is consistent application of standards.

Audit Objective:

To assess the effectiveness and efficiency of the Bureau's efforts to conduct boiler, elevator, and manufactured housing community inspections.

Audit Conclusion:

The Bureau was moderately effective and efficient in its efforts to conduct boiler, elevator, and manufactured housing community inspections. We noted one material condition (Finding 1) and three reportable conditions (Findings 2 through 4).

Material Condition:

The Bureau did not ensure that violations identified during boiler and elevating equipment inspections were corrected in a timely manner (Finding 1).

Reportable Conditions:

The Bureau did not inspect boilers in a timely manner (Finding 2).

The Bureau did not inspect elevators and elevating equipment in a timely manner (Finding 3).

The Bureau's controls over boiler and elevating equipment inspections did not ensure that inspection fees were properly collected. As a result, the Bureau had not collected boiler and elevating equipment inspection fees totaling \$468,745 (Finding 4).

~ ~ ~ ~ ~

Audit Objective:

To assess the effectiveness and efficiency of the Bureau's efforts to investigate complaints regarding trade contractors and manufactured housing dealers, installers, repairers, and operators.

Audit Conclusion:

The Bureau was effective and efficient in its efforts to investigate complaints regarding trade contractors and manufactured housing dealers, installers, repairers, and operators. Our audit report does not include any reportable conditions related to this audit objective.

~ ~ ~ ~ ~

Audit Objective:

To assess the effectiveness of the Bureau's controls over the receipting and accounting of revenue collected by the Bureau.

Audit Conclusion:

The Bureau's controls over the receipting and accounting of revenue collected by the Bureau were moderately effective. We noted two reportable conditions (Findings 5 and 6).

Reportable Conditions:

The Bureau had not established effective internal control over its cash receipts and inventory of construction code books at its office locations (Finding 5).

The Bureau did not perform periodic reconciliations of its database system (Permits Plus) with the Michigan Administrative Information Network (MAIN) (Finding 6).

~ ~ ~ ~ ~

Audit Objective:

To assess the effectiveness of the Bureau's monitoring of open permits.

Audit Conclusion:

The Bureau was effective in its monitoring of open permits. However, we noted one reportable condition (Finding 7).

Reportable Condition:

The Bureau had not effectively monitored the status of permit inspections with outstanding violations (Finding 7).

~ ~ ~ ~ ~

Agency Response:

Our audit report includes 7 findings and 7 corresponding recommendations. The Bureau's preliminary response indicates that it agrees with 6 recommendations and partially agrees with 1 recommendation.

~ ~ ~ ~ ~

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



Michigan Office of the Auditor General
201 N. Washington Square
Lansing, Michigan 48913

Thomas H. McTavish, C.P.A.
Auditor General

Scott M. Strong, C.P.A., C.I.A.
Deputy Auditor General