

## Manufactured Home Inspections Audit

Audit Report 201415-23

December 23, 2015

### Executive Summary

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Manufactured homes are residential dwelling units at least 320 square feet in size with a permanent framework to allow for initial and continued transportability. The U.S. Department of Housing and Urban Development (HUD) oversees enforcement of manufactured housing construction and installation standards through third party inspection agencies and state governments, with different levels of participation.

In Florida, the Department of Highway Safety and Motor Vehicle's (Department) Manufactured Housing Section (MHS) serves as the State Administrative Agency (SAA) and Production Inspection Primary Inspection Agency (IPIA). Florida is one of only ten states where the state government serves as the SAA and IPIA. The forty remaining states use third party inspection agencies or are regulated by HUD.

Section 320.823, Florida Statutes (F.S.), requires that all manufactured homes constructed in Florida must meet the Manufactured Home Construction Safety Standards (Standards) set forth by HUD. Section 320.8255, F.S., requires the Department to inspect all new manufactured homes constructed in Florida in order to ensure the highest degree of quality control in the construction of these homes. This law also allows the Department to make unannounced visits to manufacturing plants or take any other appropriate action which assures compliance.

The MHS provides consumer protection and public safety through credentialing systems that register and title manufactured homes. Additionally, the MHS administers installer licensing and training programs, performs manufacturing plant inspections, dealer lot inspections, installation inspections, and consumer complaint investigations. The MHS monitors the quality of manufactured home units by ensuring manufacturers, dealers, and installers comply with HUD standards.

The purpose of this audit was to review and evaluate the efficiency and effectiveness of the Bureau of Dealer Services, formally Bureau of Issuance Oversight, MHS operations and compliance with applicable laws and Department policy and procedure related to manufactured homes. Our review determined the following items require management attention:

- Inspections could be improved by implementing specific guidance for examiners;

- Improvements in training provided to local building officials would strengthen the quality of the training program and compliance with Florida Administrative Code;
- The MHS would be improved with additional management oversight and review;
- Strengthening performance expectations could improve staff performance; and
- Physical access to HUD labels should be improved.

Department management generally agreed with the recommendations and has begun to implement corrective action.

## Background and Introduction

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Manufactured homes (known as mobile homes) are residential dwelling units at least 320 square feet in size with a permanent framework to allow for initial and continued transportability. HUD oversees enforcement of manufactured housing construction and installation standards through third party inspection agencies and state governments, with different levels of participation.

In Florida, the Department's MHS serves as the SAA and IPIA. Florida is one of only ten states where the state government serves as the SAA and IPIA. The remaining forty states use third party inspection agencies or are regulated by HUD.

The MHS provides consumer protection and public safety through credentialing systems that register and title manufactured homes. Additionally, the MHS administers installer licensing and training programs, performs manufacturing plant inspections, dealer lot inspections, installation inspections, and consumer complaint investigations. The MHS monitors the quality of manufactured home units by ensuring manufacturers, dealers, and installers comply with HUD standards. The MHS consist of 17 positions, including 7 IPIA examiners and 5 SSA examiners.

### Manufacturing Plant Inspections

Section 320.823, F.S., requires that all manufactured homes constructed in Florida must meet the Standards set forth by HUD. Section 320.8255, F.S., states that the Department must inspect all new manufactured homes constructed in Florida, in order to ensure the highest degree of quality control in the construction of these homes. This is also required by Title 24, Part 3282 of the Code of Federal Regulations (CFR).

As the IPIA in Florida, the MHS is under contract with HUD to perform inspections of single family manufactured homes. These inspections are to ensure the manufacturing plants are capable of following quality control procedures required by HUD. In order to perform inspections, examiners must be fully knowledgeable of the manufacturer's approved designs and quality assurance (QA) manual.

Manufactured Housing Section procedure MHS-06, *Plant Inspection*, requires that examiners ensure inspections are performed by a schedule which assures all manufactured homes are inspected in at least one stage of production. The procedure also requires at least one HUD labeled manufactured home is inspected each month. Since June 15, 1976, manufacturers have confirmed compliance with the Standards by attaching a red HUD certification label to the back of each transportable section of a manufactured home. Seals and labels are purchased from the Department's Seals and Labels section by licensed manufacturers.

In accordance with Title 24, Part 3282, CFR, HUD conducts annual performance reviews on the State's IPIA program. The most recent review completed in July 2015, identified the following recommendations for Florida's IPIA program:

- Continue to implement procedural changes and ensure it monitors its own corrective actions for operational and procedural issues;
- Assure performance regarding IPIA compliance surveillance evaluations are following procedures, conduct effective inspections that assure QA manuals continue to be followed, and conduct effective inspections to assure homes are being constructed in accordance with approved designs and the Federal Statutes;
- Continue to work to improve its procedures for evaluating Quality System Issues and related findings to the QA manual; and
- Take steps to improve IPIA representatives' implementation of adequate and effective follow-up surveillance actions in accordance with Florida procedures.

### Dealer Lot Inspections

Manufactured home dealers are licensed by the Department to sell manufactured homes. The MHS monitors manufactured home dealer lots for the State of Florida to ensure they are in compliance with HUD standards. Section 320.824(2), F.S., authorizes the Department or its authorized agent to enter any place or establishment where mobile homes are manufactured, sold, or offered for sale for the purpose of ascertaining whether the requirements of the code and the rules adopted by the Department have been met.

The MHS examiners monitor manufactured home dealer lots periodically by performing inspections on the manufactured homes present on the dealer lots. If the examiner observes a violation that does not comply with HUD standards, a notice of violation or a red tag violation is issued. Smaller violations constitute a notice of violation and larger violations are qualified as a red tag violation.

Issuing a notice of violation or a red tag refers to issuing a warning notice which prevents the manufactured home from being sold until all defects are corrected. Units which are red tagged or have notices of violation shall not be moved, sold, or offered for sale until corrections are made and a re-inspection is completed by an IPIA examiner documenting the corrective actions.

## **Installation Inspections**

The MHS's SAA examiners perform random inspections of newly installed manufactured homes after the manufactured home installation is complete and the local building official has issued a certificate of occupancy to ensure the installation meets required HUD standards. Each installer must put an installation decal on each manufactured home installed. These labels are purchased from the Department.

Additionally, SAA examiners perform inspections on manufactured homes that have recently been retrofitted through the Retrofit Program administered by the Division of Emergency Management. The Division of Emergency Management partners with local building officials and non-profit organizations to promote wind mitigation and provide hazard mitigation upgrades to manufactured home residents. Activities funded by the Division of Emergency Management include retrofits, inspections, and construction or modification of building components designed to increase a structure's ability to withstand hurricane-force winds. The Retrofit Program uses the Florida Building Code as its standard for all retrofitting.

The Department receives payment from HUD for monitoring manufactured home installations; including \$11.50 for each floor of the mobile home that is built in Florida and installed in Florida, \$9.00 on each floor that is built outside Florida and installed in Florida and \$2.50 on each floor built in Florida and installed outside Florida. For the 2014-15 Fiscal Year, the Department collected approximately \$65,000 for monitoring manufactured home installations.

## **Installation Licensing**

In 1996, the MHS implemented the Manufactured Home Licensed Installer's program in accordance with Section 320.8249, F.S. The program includes testing, licensing and regulating manufactured home installers. Section 320.8249(1), F.S., requires anyone who installs mobile homes to be licensed by the Department and renew their license annually, install mobile homes in accordance with applicable administrative rules, and attach a state installation decal to every mobile home installed. This law also provides sanctions the Department may use against mobile home installers who violate these requirements. The MHS completed a total of 259 installation inspections during the 2014-15 Fiscal Year.

Section 320.8249(3), F.S., outlines the requirements for obtaining a manufactured home installer license, including a \$5,000 performance bond, a \$100,000 liability insurance policy, and completion of a training course approved by the Department. During the 2014-15 Fiscal Year, there were 285 licensed installers, with 15 newly licensed installers in Florida.

## **Training**

The MHS is licensed to conduct training for manufactured home installers by the Department of Business and Professional Regulation. Training for an installer's license is provided at no cost and is a two day, 12 hour course. The MHS is responsible for providing the training materials and for providing third party testing centers with a test bank of questions.

Once an installer applicant has completed the training course, they are eligible to take the installer licensing test. Installers are required to meet bond and insurance requirements and show proof of these requirements before receiving their license.

Another function of the MHS training program is to provide continuing education training to local building officials on how to inspect the installation of a manufactured home to ensure it meets the required HUD standards. The MHS provides training services on an ongoing basis in an effort to ensure manufactured homes are properly installed before the consumer moves into the manufactured home. During the 2014-15 Fiscal Year, the MHS conducted 47 training classes, providing 174.75 hours of training to 219 local building officials.

## **Consumer Complaints**

The MHS investigates consumer complaints against manufacturers and dealers and works to ensure complaints are adequately resolved. The MHS also investigates complaints that qualify under the one year warranty program outlined in Section 320.835, F.S. The statute enforces the one year warranty of manufacturers on the structure of the manufactured home, and the one year warranty of dealers on the installation of the manufactured home.

The MHS completed a total of 259 consumer compliant inspections during the 2014-15 Fiscal Year.

## Findings and Recommendations

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During our review of the Department's MHS, we identified the following issues which require management attention:

### *Inspection Process*

**Finding No. 1:** Inspections could be improved by implementing specific guidance for examiners.

Due to the large number and various types of requirements for the different inspections, it is important that the Department provide specific guidance and employ monitoring tools that promote the completeness and tracking of inspections.

During OIG staff observations of inspections, areas the examiners are inspecting and the amount of time it takes to complete inspections varies greatly between members for all types of inspections. For example, installation inspections varied in time from one and a half hours to more than five hours. Also, examiners did not consistently inspect the installation for compliance with Florida Administrative Code or the manufacturer's installation manuals.

Although an investigation report is utilized for installation inspections, examiners are not directed on the specific compliance areas that should be inspected or document the Florida Administrative Code or HUD standards reviewed that were not violations. Also, while the MHS does have procedures for manufacturing plant inspections that require examiners to inspect every visible portion of each unit, it does not provide details of the HUD standards required to be inspected at each stage of construction.

OIG staff also determined, while the MHS does have procedures for issuing red tags at manufactured home dealer lots, examiners are not directed on the specific compliance areas that should be inspected or document the Florida Administrative Code or HUD standards reviewed that were not violations. Manufactured home dealer lot inspections that do not result in violations or non-compliance are not formally documented.

Well-documented procedures and processes are important for helping provide a fundamental understanding of a task and allowing other employees the ability to recreate results. Inconsistent practices may lead to inefficient and ineffective inspections.

### **Recommendation**

We recommend the MHS develop and/or strengthen inspection procedures and monitoring tools.

## Management Response

The Division agrees with the finding and has begun corrective actions.

The Division is currently working to strengthen inspection procedures and monitoring tools in the form of checklists and additional documentation for conducting inspections to ensure compliance with HUD standards.

## Training Documentation

**Finding No. 2:** Improvements in training provided to local building officials would strengthen the quality of the training program and compliance with Florida Administrative Code.

The MHS provides continued education training for local building officials regarding the proper installation of manufactured homes. The Department of Business and Professional Regulation reviews and approves the training courses the Department can provide within the state.

Rule 61G19-9.006, *Course Syllabus*, F.A.C., requires each course provider to prepare a course syllabus for each course. The syllabus should state the name of the course, the course number assigned by the Board, the name and address of the course provider, and a detailed outline with timeframes of the contents of the course. Prior to the course, course providers should give a course syllabus to each person who registers for the course.

Although the MHS does maintain a course registration form for all training attendees, the form does not include the time the class was provided, the exact location of the trainings and enough detail to determine the specific content covered. Additionally, a class syllabus with detailed timeframes of the contents of the course is not maintained or provided to attendees as required by administrative code and the MHS lacks staff guidance to ensure training is adequate and covers all subject matter necessary for each training course.

## Recommendations

We recommend the MHS retain more detailed documentation of training provided to local building officials, including the time the class was provided, the exact location of the trainings and enough detail to determine the specific content covered for each training topic.

We also recommend the MHS formally communicate training expectations to staff and the specific subject matter that must be covered for each training course.

## Management Response

The Division agrees with the finding and has begun corrective actions.

The Division is currently working on updating the Manufactured Home Installer training procedure manual to include the training syllabus and training schedule. A class syllabus with detailed timeframes and course contents will be provided to all future training attendees.

The Division is also in the process of implementing regular training for MHS examiners, on the Manufactured Home Installer training manual and updates to Division procedures, to ensure they are prepared to train installers and building officials in a classroom setting and on-site locations. The Division will continue to ensure that the MHS examiners get hands on training experience by conducting Manufactured Home Installer training classes.

## *Management Oversight*

**Finding No. 3:** The MHS would be improved with additional management oversight and review.

Through interviews with MHS supervisors, we determined while supervisors review inspection reports, the review is not formally documented. Also, while supervisors do shadow examiners on inspections, they do not formally document the process or have a formal quality assurance process to ensure compliance inspections are performed as required by HUD standards.

The review and approval of employees work are controls that help management gauge whether operational and personnel goals and objectives are being met. The approval should be documented to verify that a review was completed.

Absent sufficient oversight and quality assurance procedures and documentation, there is an increased risk that inspections may not be performed consistently or efficiently.

## **Recommendations**

We recommend management enhance documentation procedures for supervisory review of inspection records to include when and who performed the review.

We also recommend MHS implement a formal quality assurance process for compliance inspections.

## **Management Response**

The Division agrees with the finding and has begun corrective actions.

The Division is currently enhancing documentation procedures for supervisory review of inspection records and documentation of managers's field visits; including implementing formal documentation of Field supervisor visits to observe MHS examiner installation inspections.

## ***Performance Expectations***

**Finding No. 4:** Strengthening performance expectations could improve staff performance.

Specific, measurable goals that align with the mission of an employee's agency allow all members to know exactly where they stand relating to their work productivity at any given point in time. Employees will realize how their contributions factor into the accomplishments of their organization overall and receive a sense of purpose and value as they serve the people of Florida. Crafting performance expectations that are detailed and measurable also fosters a high level of accountability among employees.

The Safety Program Consultants position description states, forty percent or approximately 208 hours per quarter will be spent completing site inspections for manufactured home installations. However, performance expectations only require 12 to 16 installation inspections per quarter, allowing for approximately 13 hours per inspection.

Based on our observations and reviews of weekly activity reporting, the length of inspections and the number conducted varied greatly among members. During our review, the average installation inspection, not including travel, was completed in three hours.

Also, member expectations do not provide specific measurable expectations for performance. For example, to meet expectations for dealer lot monitoring, an average number of inspections must be completed. The expectations do not state what the average number should be.

Unclear expectations may cause inconsistent work between staff in the same positions and may lead to inefficiencies and ineffectiveness in the MHS program.

## Recommendation

We recommend the Bureau of Issuance Oversight perform a formal workload analysis of all positions within the MHS and determine if current expectations are adequate.

## Management Response

The Division agrees with the finding and has begun corrective actions.

The Division will conduct a time study of the supervisors and MHS examiners to review and assess the processes upon implementation of new procedures, forms, and checklists to determine if current performance expectations are adequate. The Division's Bureau Chief, Program Manager, section supervisors, and field managers will also be conducting random time studies on the inspection processes and job shadowing to ensure appropriate standards are developed. Estimated completion date of new performance standards will be finalized and implemented effective July 1, 2016.

## Safe Access

**Finding No. 5:** Physical access to HUD labels should be improved.

MHS procedure MHS-13, *HUD Label Control*, requires labels received by the MHS to be kept in a vault.

Based on interviews, while the MHS does maintain HUD labels in a safe in the MHS, the safe combination is stored in a common area and is not secured. Additionally, staff are not aware of the last time the safe combination was changed.

Because the safe is located in an office that is not locked during working hours and the safe combination is not regularly updated, there is no assurance that only approved personnel have access.

## Recommendation

We recommend the MHS restrict access to the safe combination and establish guidelines for changes to the safe combination.

## Management Response

The Division agrees with the finding and has begun corrective actions.

Measures to tighten the security of HUD labels have been implemented. The safe will be kept locked and only two members will have the combination. Due to the age of the safe, it is not possible to change the combination code and management is researching for a reasonable replacement. The office in which the safe is stored will also be kept locked by staff. The Division is also working with the Department's maintenance staff to evaluate installing key card access or a combination door lock, so only required MHS staff can access the area where HUD labels are stored.

## Purpose, Scope, and Methodology

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The purpose of this audit was to review and evaluate the efficiency and effectiveness of the Bureau of Dealer Services, formally Bureau of Issuance Oversight, operations and compliance with applicable laws and Department policy and procedure related to manufactured homes.

The scope of this audit includes Department manufactured home inspections procedures and documentation for 2014-15 Fiscal Year.

The methodology included:

- Reviewing applicable Federal and Florida Statutes, rules, manuals, and procedures;
- Interviewing appropriate Department staff;
- Reviewing Department policies and procedures;
- Observing the inspection process and reporting requirements;
- Reviewing daily and weekly inspection reports;
- Reviewing position descriptions and SMART expectations for MHS staff; and
- Reviewing the state plan approved by HUD.

## Distribution, Statement of Accordance, and Project Team

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### Distribution

Terry L. Rhodes, Executive Director  
Diana Vaughn, Deputy Executive Director  
Robert Kynoch, Director of Motorist Services  
Rick White, Deputy Director of Motorist Services  
Julie Gentry, Chief of the Bureau of Dealer Services

Melinda M. Miguel, Chief Inspector General  
Sherrill F. Norman, Auditor General

### Statement of Accordance

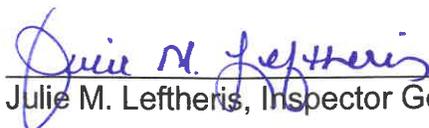
Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement was conducted in accordance with applicable *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General.

### Project Team

Engagement conducted by:  
Megan Frink, Auditor

Under the supervision of:  
David Ulewicz, Audit Director

Approved by:

  
Julie M. Leftheris, Inspector General

## ATTACHMENT - Management Response



Terry L. Rhodes  
Executive Director

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### MEMORANDUM

DATE: December 15, 2015  
TO: David Ulewicz, Audit Director  
FROM: Robert Kynoch, Director *(ARK)*  
SUBJECT: Management Response to the Manufactured Home Inspections Audit (201415-23)

The following is our response to the findings and recommendations presented in the report.

#### Finding No. 1

Inspections could be improved by implementing specific guidance for examiners.

#### Recommendation

We recommend the MHS develop and/or strengthen inspection procedures and monitoring tools.

#### Management Response

The Division agrees with the finding.

Construction Section: Procedures MHS 05, "Quality Assurance Monitoring/Increased Efficiency" (Exhibit B) and MHS 06, "Plant Inspection" (Exhibit C) have been updated to provide step by step instructions for Compliance Examiners (CE) regarding inspection of mobile homes in the manufacturing plants. Checklists also provide detailed guidance required for inspection of mobile homes during a in plant inspection at various stages of construction to ensure compliance with the Design Approval Primary Inspection Agency (DAPIA), U.S. Department of Housing and Urban Development (HUD) standards, and the Manufacturer's Quality Assurance (QA) manual. The CEs will also be using the manufacturer's checklist called the "Traveler" which details the HUD requirements for each stage of production. The manufacturer's checklist is plant specific. Form HSMV 81010, "Florida Manufacturer's Inspection Report" (Exhibit F) will be used by the CEs during in-plant inspection of mobile homes at various stages of production. The law

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requires the mobile home to be inspected in at least one stage of production. Form HSMV 81010, "Florida Manufacturer's Inspection Report" has been revised to document the requirements of DAPIA, HUD, and the Manufacturer's QA manual that each mobile home inspected has met. Those that were found to be in violation of HUD requirements will be listed on reverse side of the form.

Installer Section: Inspection Form HSMV 81411, Attachment A "New Home Inspection Report" and Attachment B "Used Home Inspection Report" (Exhibit I) have been enhanced to include references to applicable Florida Administrative Code rules 15C-1 and 15C-2 for the Safety Program Consultants (SPCs) to use during inspections of new mobile homes and used mobile homes. SPCs will also ensure that the installers have installed as per the installation manual from the manufacturer. A section on the form is included for the reviewer's signature and date.

Construction Section: Procedures MHS 03, "Issuance of Red Tags" (Exhibit A), MHS 05, "Quality Assurance Monitoring/Increased Frequency", MHS 06 "Plant Inspection", and the Dealer Lot Checklist have been developed that document the specific compliance areas that should be inspected for compliance with Florida Administrative Code and HUD standards. Construction Section managers will meet regularly with their CEs to ensure they are fully knowledgeable of the HUD standards, the plant's Design Approval Primary Inspection Agency's construction plans, and the Quality Assurance Manuals. Further, Form 81010, "Florida Manufacturer's Inspection Report" and the plant specific manufacturer's checklist (aka the Traveler) will be utilized to document all violations and confirm that all visible components have been inspected. Violations are documented on Form HSMV 81009, "Florida Manufacturer's Inspection Supplement Report" (Exhibit G) and discussed with the Plant Manager for timely resolutions. CEs must ensure all violations are resolved in the plants before the HUD label is affixed to the mobile home before it leaves for its destination.

Installer Section: A new procedure MHS 22, "Manufactured/Mobile Home Installation Inspections" (Exhibit J) has been created for SPCs with instructions for installation inspections, re-inspections of new mobile homes under warranty arising during random checks or consumer complaints, random inspections of used mobile homes, retrofit inspections (Exhibit N), and retrofit enhancement inspections. Field Managers will meet with the SPCs to provide training and direction on the investigation inspection Form HSMV 81411, Attachment A "New Home Inspection Report" and Attachment B "Used Home Inspection Report" that has been enhanced to include references to applicable Florida Administrative Code rules 15C-1 and 15C-2. Form HSMV 81411, provides the SPCs a tool to note inspection of all visible components and document all violations.

Construction Section: Procedure MHS 03, "Issuance of Red Tags" for Red Tags and Notice of Violation (NOV) issuance at the manufacturing plants and dealer lots has been updated with step by step instructions for inspection of mobile homes in the plants and dealer lots and the associated checklist has been updated to capture all FAC and HUD standards. The CEs must ensure HUD compliance for the homes in the plants before the HUD label is affixed and the home is transported to the dealer lot. At the dealer lot, CEs conduct a random inspection and will use the detailed dealer lot checklist (Exhibit D) located in MHS 03, "Issuance of Red Tags" to inspect homes on the dealer's lot for compliance with Code of Federal Regulations 24 CFR Part 3280 - Manufactured Home Construction and Safety Standards. Use of the checklist will ensure that CEs inspect all visible components and document areas that passed inspection, as well as all violations. Depending on the type of violation the CE will issue a Red Tag or NOV. One

checklist per home on the dealer lot will be completed. Form HSMV 81087, "Notice of Violation or Non-Compliance" (Exhibit E), is completed by the CE and delivered to the Dealer Manager. The dealer lot checklist will be reviewed by the supervisor, discrepancies will be addressed, and the checklist will be signed and dated by the supervisor. The supervisor also reviews the NOV's and Red Tag issuance. During the inspection CEs also ensure the homes are set up at the dealer lot as per the dealer lot set up manual from the manufacturer.

#### **Finding No. 2**

Improvements in training provided to local building officials would strengthen the quality of the training program and compliance with Florida Administrative Code.

#### **Recommendations**

We recommend the MHS retain more detailed documentation of training provided to local building officials, including the time the class was provided, the exact location of the trainings and enough detail to determine the specific content covered for each training topic.

We also recommend the MHS formally communicate training expectations to staff and the specific subject matter that must be covered for each training course.

#### **Management Response**

The Division agrees with the finding.

Installer Section: MHS 18, "Mobile/Manufactured Home Installer Training" (Exhibit H) procedure manual has been updated to include the syllabus and the training schedule. Form HSMV 81410, "Continuing Education Course Registration" (Exhibit K) has been amended to include the time of the class. The date, course title, course approval number, (number assigned to each syllabus by DBPR) and the location of the class were already included on the form. However, a new cover sheet (Exhibit M) has also been created to retain and send with the Form HSMV 81410, from each class to comply with DBPR Administrative Rule 61 G19-9-9.007. A class syllabus with detailed timeframes and the contents of the course will be provided by the SPC at the time of the class to all attendees (Exhibit L). A syllabus will be provided prior to class for all pre-scheduled classes.

Installer Section: The Field Manager will provide regular training for the Safety Program Consultants so they are better prepared to train local building officials. The supervisors will also train the SPCs on the updated procedure MHS 18, "Mobile/Manufactured Home Installer Training". The course material is approved by The Department of Business and Professional Regulation (DBPR). The Field Manager and the SPCs will provide 12 hours of training for the installers, four times a year. The Field Manager will continue to ensure that the SPCs get hands on experience via conducting installer classes. Each SPC is required to facilitate a portion of the curriculum and SPCs are required to deliver a different topic each training session. This prepares the SPCs to conduct the classes for local building officials. The class material is reviewed before each class with the staff members and any necessary updates are completed. The PowerPoint presentation that is used for training of installers and building officials is also updated at the same time. By way of this training, the Field Manager will ensure that the SPCs have been provided up to date information so they can better train

building officials on compliance related issues. This will be documented and maintained by the Field Manager.

The classes provided for the building official's continuing education are:

- Anchor and Tie Downs: 2 hours
- Foundation and Pier installation: 4 hours
- Installation standards: 4 hours
- Review of Departmental policies and procedures: 1 hour

**Finding No. 3:**

The MHS would be improved with additional management oversight and review.

**Recommendations**

We recommend management enhance documentation procedures for supervisory review of inspection records to include when and who performed the review.

We also recommend MHS implement a formal quality assurance process for compliance inspections.

**Management Response**

The Division agrees with the finding.

**Construction Section:** Supervisors shadow the CEs during inspection of mobile homes in the manufacturing plants and dealer lots. Supervisors review Form HSMV 81010, "Florida Manufacturer's Inspection Report" and Form HSMV 81009, "Florida Manufacturer's Inspection Supplement" completed by the CEs on inspections of mobile homes in the manufacturing plant. Form HSMV 81010, includes a field where the supervisor will sign and date after review and discussion with the CE. All reviews and discussions will be documented by the supervisor and filed in the work file of the CEs. Supervisors will be required to monitor surveillance performance in the factories 60% of each week (24 hours a week) and document their monitoring.

**Installer Section:** The Field Manager reviews the investigative report and violations and discusses the discrepancies and issues with the SPCs. The Field Manager will sign the investigative report after review and discussion with the SPCs. Thereafter, it is filed with the consumer complaint folder. The Installation Section has created a form to formally document the manager's field visit to observe the staff member performing inspections. These are filed in a folder that is maintained by the Field Manager.

**Finding No. 4:**

Strengthening performance expectations could improve staff performance.

**Recommendation**

We recommend the Bureau of Issuance Oversight perform a formal workload analysis of all positions within the MHS and determine if current expectations are adequate.

## Management Response

The Division agrees with the finding.

Construction Section and Installer Section: The supervisors, CES and SPCs will conduct a time study of their processes upon implementation of the new procedures, forms, and checklists. The Program Manager, Bureau Chief, Section Supervisor, and Field manager will also conduct random time studies to ensure appropriate standards are developed.

- ❖ Effective December 7, 2015, both sections have commenced training for staff on the updated procedures, forms and checklists.
- ❖ Effective January 1, 2016, the changes will be implemented and time studies will be conducted. Time studies of inspections performed in plants, dealer lots, owner lots, and retrofits in mobile home parks are the target.
- ❖ January 1-March 31, 2016, management will schedule shadowing opportunities with the staff to perform time studies of inspections. The shadowing and time study will be utilized to develop appropriate performance standards for members.
- ❖ Effective April 1 - June 30, 2016, pilot implementation of new performance standards.
- ❖ Effective July 1, 2016, new performance standards will be finalized and implemented.

## Finding No. 5:

Physical access to HUD labels should be improved.

## Recommendation

We recommend the MHS restrict access to the safe combination and establish guidelines for changes to the safe combination.

## Management Response

The Division agrees with the finding.

Construction Section: Measures to tighten the security for U.S. Department of Housing and Urban Development (HUD) labels have been implemented. The safe is locked and only two members know the combination code for the safe. Due to the age of the safe, it is not possible to change the combination code. Management is searching for a new safe at a reasonable price. Staff locks the office as an extra precautionary measure. Spare keys have been given to the Bureau Chief, Supervisor, Program Manager and one other staff member. Further, the door leading to the microfilm area is kept locked to prevent access from other areas. Maintenance is working on the main door to either, change the lock and give keys to required staff members, or install a combination lock or card swipe lock.

Cc: Julie M. Leftheris, Inspector General  
Diana Vaughn, Deputy Executive Director  
Rick White, Deputy Director

**Exhibit List**

- Exhibit A - Procedure MHS 03, Issuance of Red Tags
- Exhibit B - Procedure MHS 05, Quality Assurance Monitoring/Increased Efficiency
- Exhibit C - Procedure MHS 06, Plant Inspection
- Exhibit D - Detailed Dealer Lot Checklist
- Exhibit E - Form HSMV 81087, Notice of Violation or Non-Compliance
- Exhibit F - Form HSMV 81010, Florida Manufacturer's Inspection Report
- Exhibit G - Form HSMV 81009, Florida Manufacturer's Inspection Supplement Report
- Exhibit H - Procedure MHS 18, Mobile/Manufactured Home Installer Training
- Exhibit I - Inspection Form HSMV 81411, New Home Inspection Report and Used Home Inspection Report
- Exhibit J - Procedure MHS 22, Manufactured/Mobile Home Installation Inspections
- Exhibit K - Form HSMV 81410, Continuing Education Course Registration
- Exhibit L - Class Syllabus
- Exhibit M - Cover Sheet to comply with DBPR Administrative Rule 61 G19-9-9.007
- Exhibit N - Retrofit Program Inspection Report