



Mobile Home Windstorm Mitigation Inspection Program Audit Report 202021-15

June 16, 2021

Executive Summary

The Manufactured Housing Section (MHS) within the Bureau of Dealer Services oversees the Mobile Home Windstorm Mitigation Inspection Program which is responsible for conducting quality assurance inspections of 10 percent of manufactured and mobile home retrofit installations performed under the Hurricane Loss Mitigation Program established by Section 215.559, Florida Statutes (F.S.).

The purpose of this audit was to review and evaluate the performance, efficiency, and effectiveness of the Mobile Home Windstorm Mitigation Inspection Program and determine compliance with applicable laws, Department policy, and procedure. The scope of this audit included the Department's Mobile Home Windstorm Mitigation Inspection Program documentation for the 2018-2019 and 2019-2020 Fiscal Years.

Overall, we determined the program goal of inspecting a minimum of 10 percent of retrofit installations was achieved for the period reviewed. However, we noted opportunities to improve program performance and strengthen controls.

We determined improving program controls regarding selection of retrofitted homes for inspection would strengthen the integrity of the inspection process. The integrity of the inspection process is affected when the vendor dictates which retrofitted homes are inspected. Because the vendor chooses the sample of mobile homes inspected, it does not allow for an adequate sample selection, and management cannot be assured that retrofits were adequately performed. We recommend the MHS strengthen program controls for selecting a sample of retrofitted homes for inspection.

Additionally, we determined improved data management could enhance program performance oversight. The program's excel database contains calculation errors and data-entry exceptions. Management cannot accurately track members' work performance or general program performance measures without accurate data. We recommend the MHS implement program database quality control and assurance activities including policy requirements for data collection, data-entry, and database management.

Management agreed with the findings and recommendations and has begun implementing corrective action.

Background and Introduction

The Florida Department of Highway Safety and Motor Vehicles (Department) Division of Motorist Services' Manufactured Housing Section (MHS) is responsible for conducting quality assurance inspections of 10 percent of all retrofit installations performed under the Hurricane Loss Mitigation Program established by Section 215.559, F.S.

Section 215.559, F.S., establishes the Hurricane Loss Mitigation Program in the Division of Emergency Management. It requires the Legislature to annually appropriate \$10 million from the Florida Hurricane Catastrophe Fund; of which, approximately \$2.8 million is reserved specifically for inspecting and improving tie-downs for mobile homes. The statute also creates the Manufactured Housing and Mobile Home Mitigation Program to address specific risks associated with manufactured and mobile homes identified by the Department's 2004-2005 Hurricane Reports. This is a grant program targeting mobile home parks and manufactured home communities. Appropriated funds for this program are distributed directly to Tallahassee Community College (TCC).

Annually, TCC publishes a Request for Proposals (RFP) soliciting responses from qualified, licensed installers (vendors) to retrofit manufactured and mobile home foundations with tie-downs, anchors, and metal strapping to mitigate the risks related to high wind weather events. TCC also maintains an informational web page and solicits contact information from mobile home parks, as well as individuals, who are interested in obtaining these services.

The vendors selected by TCC are then responsible for gaining property owner permission to install retrofit materials. The vendor must certify that work was done in compliance with the pre-installation work write-up, the rules of the Department, and Chapter 15C-1, Florida Administrative Code (F.A.C.). All materials used must be on the Department's approved products list.

The Division of Motorist Services Procedure MHS-22, *Manufactured/Mobile Home Installation Inspections*, details a process for coordination between TCC and the MHS for quality assurance inspections on 10 percent of all retrofitted homes. To initiate a quality assurance inspection, the vendor will contact a MHS Safety Program Consultant (SPC) to schedule the inspection after the retrofitting service is completed. The vendor selects the sample of retrofitted homes available for inspection.

A SPC performs an inspection of 10 percent of the retrofitted homes and completes a Retrofit Program Inspection Report form. Retrofit installations of tie-downs, metal straps, and anchors and the subsequent Department inspections are performed at no cost to the consumer.

The statute authorizing and funding the Hurricane Loss Mitigation Program (Section 215.559, F.S.) is repealed (expires) on June 30, 2021. During the 2021 Florida Legislative Session, two bills, House Bill 423 and Senate Bill 168, were proposed that would extend statutory funding and authorization for the program. Funding for the program was extended by one year (until June 30, 2022) by the 2021-2022 General Appropriations Act signed by the Governor on June 2, 2021.

Findings and Recommendations

Sample Selection

Finding No. 1: Improving program controls regarding selection of retrofitted homes for inspection would strengthen the integrity of the inspection process.

Policy MHS-22 Manufactured/Mobile Home Installation Inspections (II)(D) states in part that the licensed installer is responsible for coordinating with the Department of Highway Safety and Motor Vehicles, Manufactured Housing, Installer Licensing to conduct a quality assurance inspection on 10 percent of all retrofitted homes. The stated purpose of the inspections of 10 percent of retrofit installations is “quality assurance”.

During our review, we noted the Department’s SPCs generally select homes for inspection from a subset of completed installations prepared by the vendor beforehand. This entails removing or leaving unattached siding and/or skirting so that SPCs may access underneath the home during the quality assurance inspection.

The integrity of the inspection process is affected when the vendor dictates which retrofitted homes are to be inspected by the Department. Because the homes inspected are in essence chosen by the vendor, it does not allow for an adequate sample selection and management cannot be assured that the sample selected is representative of the total population, or that all retrofits were performed in compliance with the Department’s *Approved Product List for the Installation of Mobile/Manufactured Homes*.

Recommendation

We recommend the MHS strengthen program controls for selecting a sample of retrofitted homes for inspection.



Management Response

Management concurs with the recommendation and has made comprehensive procedural changes to strengthen program controls. This includes updating Procedure MHS 22, Manufactured/Mobile Homes Installation Inspections, to include regular documented training for SPCs, Field Supervisor selection of 10 percent inspection sample, revised inspection form, updated program excel database, quality control checks, and random supervisor ride alongs.

Program Recordkeeping, Data-entry, and Database

Finding No. 2: Improved data management could enhance program performance oversight.

Department Management Policy (MP) 11.12(V)(A)(1) stipulates the Executive Leadership Team is responsible for establishing internal controls that assure data and information published for internal or external purposes is accurate, reliable and timely. MP 11.12(V)(B)(3) stipulates that managers are responsible for establishing practical controlling processes that require and encourage members to carry out their duties and responsibilities in a manner which fosters a favorable control environment.

We reviewed a sample of 20 inspection forms completed during the 2018-19 Fiscal Year, and 20 inspection forms completed during the 2019-20 Fiscal Year and compared the data to information in the MHS program database. Our review noted the program database contained errors in data-entry and formula errors in calculated fields. Specifically:

- For the 2018-2019 Fiscal Year, we noted seven errors or omissions on completed inspection forms or in related database entries. Also, seven formulas calculating total values were incorrect.
- For 2019-2020 Fiscal Year, we noted 17 errors or omissions on the inspection form or in related database entries.

Management cannot accurately track members' work performance or general program performance measures without accurate data.

Recommendation

We recommend the Manufactured Housing Section implement program database quality control and assurance activities including policy requirements for data collection, data-entry, and database management.



Management Response

Management concurs with the recommendation and has made comprehensive procedural changes to data management to enhance program performance oversight. This includes updating Procedure MHS 22, Manufactured/Mobile Homes Installation Inspections, Section D-4 Retrofit Data Maintenance, to include supervisor review and approval of forms and checklists, and program data entry in to an updated excel database. Additionally, an unannounced supervisor quality control check in the form of a ride along with SPCs will be performed and documented.

Purpose, Scope, and Methodology

The purpose of this audit was to review and evaluate the performance, efficiency and effectiveness of the Department's Mobile Home Windstorm Mitigation Inspection Program and determine compliance with applicable laws, Department policy, and procedure.

The scope of this audit included the Department's Mobile Home Windstorm Mitigation Inspection Program documentation for the 2018-2019 and 2019-2020 Fiscal Years.

The methodology included:

- Reviewing applicable statutes, rules, manuals, policies and procedures;
- Interviewing appropriate Department staff;
- Reviewing program forms and documentation;
- Reviewing program records and databases; and
- Field observation of inspections.

Acknowledgement

The Office of Inspector General would like to thank all personnel who provided assistance during the audit of the Mobile Home Windstorm Mitigation Inspection Program and express our appreciation for their cooperation and valuable contributions to the Department.



Distribution, Statement of Accordance, and Project Team

Distribution

Terry L. Rhodes, Executive Director
Jennifer Langston, Chief of Staff
Robert Kynoch, Director of Motorist Services
Rick White, Deputy Director of Motorist Services, Program Operations
Ed Broyles, Chief, 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:
Calvin Grissett, Auditor

Under the supervision of:
Erin Mook, Audit Director

Approved by:


Mike Stacy, Inspector General

ATTACHMENT - Management Response



FLHSMV
FLORIDA HIGHWAY SAFETY AND MOTOR VEHICLES

Terry L. Rhodes
Executive Director

2900 Apalachee Parkway
Tallahassee, Florida 32399-0500
www.flhsmv.gov

MEMORANDUM

DATE: June 14, 2021

TO: Erin Mook, Audit Director

FROM: Robert Kynoch, Director, Division of Motorist Services RK

SUBJECT: Management Response to the Mobile Home Windstorm Mitigation Inspection Program Audit (202021-15)

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

Finding 1

Improving program controls regarding selection of retrofitted homes for inspection would strengthen the integrity of the inspection process.

Recommendations

We recommend the MHS strengthen program controls for selecting a sample of retrofitted homes for inspection.

Management Response

We concur with the recommendation and have made the following comprehensive procedural changes to strengthen program controls.

Procedure MHS 22, Manufactured/Mobile Homes Installation Inspections, has been updated to include:

- Regular documented training for SPCs on retrofit installation inspections;
- Procedure for selection by the Field Supervisor of 10% of the retrofitted homes for inspection;
- Retrofit Mobile Home Selection form to be used by the SPC during inspection;
- Updated excel database to capture details of the retrofitted homes by vendor and 10% inspection by the SPC; and
- Quality control check and random ride alongs by the field supervisor.

Service • Integrity • Courtesy • Professionalism • Innovation • Excellence
An Equal Opportunity Employer



Finding 2

Improved data management could enhance program performance oversight.

Recommendations

We recommend the Manufactured Housing Section implement program database quality control and assurance activities including policy requirements for data collection, data-entry, and database management.

Management Response

We concur with the recommendation and have made the following comprehensive procedural changes to the data management that will enhance program performance oversight.

The SPCs will submit to the Field Supervisor:

- Retrofit Mobile Home Selection form selecting the 10% retrofitted home.
- Retrofit Program Inspection Report inspection check list completed by the SPC.

The Field Supervisor will review the documents for accuracy and will ensure the homes selected and inspected match; enter the information from the vendor list and department selection and inspection forms in an excel database. The excel database has been enhanced to capture details of the retrofitted homes by vendor and 10% inspection. This will ensure accuracy of information. See section D-4 Retrofit Data Maintenance in the MHS 22 procedure.

In addition the Field Supervisor will conduct unannounced ride alongs with the SPCs for the retrofit inspections to conduct a quality control check. The supervisor will keep a documentation of these quality checks.

Cc: Mike Stacy, Inspector General