



THOMAS P. DiNAPOLI
COMPTROLLER

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

GABRIEL F DEYO
DEPUTY COMPTROLLER
DIVISION OF LOCAL GOVERNMENT
AND SCHOOL ACCOUNTABILITY
Tel: (518) 474-4037 Fax: (518) 486-6479

August 2018

Gary R. McCarthy, Mayor
Members of the City Council
City of Schenectady
105 Jay Street
Schenectady, New York 12305

Report Number: S9-17-21

Dear Mayor McCarthy and Members of the City Council:

A top priority of the Office of the State Comptroller is to help City officials manage their resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support City operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard assets.

In accordance with these goals, we conducted an audit of six municipalities (four cities, one town and one village) throughout New York State (NYS). The objective of our audit was to determine whether the use of local government resources is resulting in effective enforcement of fire safety and property maintenance (FSPM) inspections for multiple dwelling (MD)¹ properties at a minimum of once every three years and confirming known violations are corrected. We included the City of Schenectady (City) in this audit. Within the scope of this audit, we examined the City's inspection records for MD properties for the period January 1, 2015 through February 21, 2017. We extended the scope of our audit back to January 2010 for review of building permits and October 2004 for inspection testing. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the NYS General Municipal Law (GML).

This report of examination letter contains our findings and recommendations specific to the City. We discussed the findings with officials and considered their comments, which are included in

¹ A "multiple dwelling" generally is a unit which is either rented, leased, let or hired out, to be occupied, or is occupied as the residence or home of three or more families living independently of each other. An MD is not a hospital, convent, monastery, asylum or public institution, or a fireproof building used wholly for commercial purposes except for not more than one janitor's apartment and not more than one penthouse occupied by not more than two families.

Appendix B, in preparing this report. Except as specified in Appendix B, City officials generally agreed with our recommendations and indicated they planned to initiate corrective action. Appendix C includes our comments on the issues raised in the City's response. At the completion of our audit of the six municipalities, we prepared a global report that summarizes the opportunities we identified to improve the inspection of MD properties.

Summary of Findings

We found that the City needs to improve its internal controls over FSPM inspections on MD properties. The City lacks an FSPM inspection program that requires regular inspections of the majority of MD properties every three years. The City's rental inspection program requires inspections when tenants change and relies on owners' to request inspections.

Although officials have developed adequate procedures for the inspections that they complete (comprehensive checklist)² and violation follow-up on inspection violations within 60 days, the City is not conducting all required FSPM inspections. City records show 760 MD properties, nearly 54 percent, have not been inspected within the last three years. We also found the Bureau of Code Enforcement (Code Enforcement) did not maintain a complete MD property listing, but did maintain a list of 94 large apartment complexes. Upon our request, officials developed a list of 1,417 potential MD properties.

We reviewed inspection records for 44 properties that the City's records indicated were inspected within the last three years. Officials inspected all 44 properties. Thirty-nine properties passed the first inspection and for the five inspections with violations, the violations were appropriately followed up on within an average 46 days. We also reviewed 25 properties from the 760 MD properties that the City's database indicated were not inspected within the last three years. We found that five properties had no documentation that an inspection ever occurred and documentation showed another 17 properties had previous inspections outside the required three years, ranging from over 39 months through 144 months or 12 years ago. Two properties were inspected within the last three years. One property is not an MD property.

One of the 12 individuals that was required to be certified to conduct inspections did not have an active certification for 2017 and it was unclear whether he was certified in prior years.

Background and Methodology

The City is located in Schenectady County, covering approximately 11 square miles and has approximately 66,000 residents. The City is governed by an elected seven-member City Council (Council). The City's 2016 budgeted general fund appropriations totaled approximately \$81.8 million.

Article 18 of Executive Law Section 381³ generally directs that cities, towns and villages of the State shall be responsible for enforcing the Uniform Code⁴ and the New York Codes, Rules and

² See Appendix A for inspection requirements from the Property Maintenance Code.

³ New York State Executive Law Article 18, Section 381.2

⁴ 19 NYCRR 1219-1228

Regulations (NYCRR)⁵ provides that enforcement of the Uniform Code shall be made through local law, ordinance or other appropriate regulation. Further, the NYCRR⁶ requires FSPM inspections for all residential buildings with three or more dwellings at least once every three years. Expedient and effective inspections are critical for preserving the health, safety and welfare of residents; providing reasonable comfort of the tenants; ensuring the quality of rental housing units and maintaining the character of a neighborhood's population base. Conversely, the lack of inspections could lead to the dilapidation of MD properties and an increased risk of serious injury, death, health and economic issues.

NYS Department of State⁷ requires FSPM inspections be performed by certified code enforcement officials or building safety inspectors whose certification has not become inactive or revoked.⁸

The City adopted a local law⁹ that designated the Code Enforcement Officer (CEO) responsible for administering and enforcing the Uniform Code. The CEO oversees a staff including 11 inspectors, who assist him with inspecting the City's 1,417 MD properties.

To complete our audit objective, we interviewed City officials, reviewed policies and procedures and reviewed inspection reports to determine whether inspections were conducted within the past three years. We also reviewed inspection documentation to determine if minimum inspection requirements were completed and documented and if officials ensured violations were corrected.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). More information on the standards and the methodology used in performing this audit are included in Appendix D of this report. Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

Audit Results

Policies and Procedures – The Council and officials have a responsibility to oversee and monitor City operations. This responsibility includes establishing policies and procedures, that define roles, designate responsibilities, establish the documentation that must be maintained for inspections and provide reasonable assurance that applicable laws, rules and regulations are followed. Maintaining adequate records enables the Council and officials to fulfill the responsibility to monitor inspections of MD properties. In addition, effective policy and procedures would also establish timeframes for inspections and violation follow-ups, as well as establishing how many potential follow-up inspections should occur before involving the Court system. The entire enforcement process also should be formalized and effectively communicated to ensure that violation follow-up procedures are equally and consistently applied.

⁵ 19 NYCRR 1203.2 (a)

⁶ 19 NYCRR 1203.3 (h)(2)

⁷ 19 NYCRR 1208-3.1

⁸ Inspectors must meet the certification requirements set forth by the NYS Department of State in order to be eligible to inspect a property. The requirements include 24 hours of in-service training annually for code enforcement officials and six hours annually for building safety inspectors.

⁹ Schenectady Local Law #6 of 2006, Section 3(a)

The City lacks an FSPM inspection program that ensures MD properties are inspected within the three-year minimum. Officials adopted a local law that requires rental property owners, which includes MD property owners, to obtain a rental inspection upon a change in tenant occupancy or property ownership and also allows large apartment complex property owners the option of semi-annual inspections, which eliminates inspections when occupants change. Property owners request the required inspections. Officials have not developed procedures that would monitor inspections for FSPM inspection compliance. Code enforcement staff told us they rely upon property owner's compliance with the local law requiring an inspection be obtained upon a change in tenancy of rental housing units.

Officials have developed adequate procedures for inspection documentation (comprehensive checklist) and timeframes for violations follow-up after inspections have been completed. However, officials have not developed a complete MD property list, or monitoring procedures, such as reconciliations of inspections to an MD list to ensure the program complies with NYS Law. Consequently, this significantly increases the likelihood that MD properties could dilapidate, negatively affecting the health and safety of residents.

MD Lists – Municipalities must maintain a complete listing of MD properties to effectively manage the inspection process. A complete MD property listing should be maintained and used to reconcile the number of inspections completed and readily determine if the inspection program is operating effectively.

The Department maintained a large unit apartment¹⁰ list containing 94 MD properties, but did not maintain a complete MD property list. Because officials do not maintain a complete MD property list, upon our request, officials developed a list of 1,417 potential MD properties which we compared to the tax roll and new MD building permits. Without a complete MD property list, officials cannot monitor to ensure MD properties are being inspected, which significantly increases the risk to public safety. In addition, there is a likelihood that some properties requiring inspection may not be inspected.

Inspections and Violations – The NYCRR requires FSPM inspections for all residential buildings with three or more dwelling units at least once every three years. Inspections should be completed by certified inspectors. Inspectors should follow-up on violations, as well as, determine when voluntary compliance is ineffective and formal enforcement action should be initiated.

Inspectors are required to complete a comprehensive electronic inspection checklist, complying with FSPM inspection items, which guides inspectors to document the minimum inspection requirements. Code enforcement staff indicated that they generally would inspect common areas, the exterior of properties and the apartment for which the rental certificate is being issued. The City has developed procedures that allow the property owner time to correct violations during the inspections. Otherwise, the property owner is expected to have the violation corrected by the next scheduled inspection, which officials told us is generally 30 days from the initial inspection but could vary depending on the violation's severity. If a property owner does not address the violation in a timely manner, the issue is turned over to the Court system for resolution.

¹⁰ The City compiled a list of 94 large unit properties (10 or more units) used for an optional large unit inspection program that provides property owners with options to obtain a rental certificate while reducing the inspection fee charges.

Of the 1,417 MD properties, the City's inspection database indicated that 657 properties (or 46 percent) were inspected within the last three years, while 760 properties (54 percent) had no indication that they were inspected within the last three years.

- We reviewed 44 inspection records from the 657 MD properties that the database indicated were inspected to determine if certified inspectors were performing minimum inspections within three years and following up on violations. We found 44 properties had been inspected within three years with 39 passing on the first inspection, including one property that was enrolled in the large building inspection program. The remaining five properties had 32 violations such as, missing smoke alarms, dead emergency exit batteries, a gas line going through the kitchen floor and broken windows. Officials followed-up on these properties with violations and completed passing inspections in an average of 46 days. All inspections met FSPM minimum inspection requirements. Certified inspectors performed 38 of these inspections. However, we could not determine the certification status for an inspector who performed six inspections.
- We also reviewed 25 properties from the 760 MD properties that the database indicated were not inspected within the last three years. We reviewed additional documentation to determine when the last inspections occurred. We found that five properties had no documentation that an inspection ever occurred. Documentation showed 17 properties had previous inspections outside the required three years ranging from over 39 months through 144 months or 12 years ago. One was not a MD property. Two properties were inspected within three years with one passing on the first inspection and the second being referred to the court system after 82 days for not registering for a follow-up inspection. The owner then scheduled and passed a reinspection.

Without having an FSPM inspection program, the City risks public safety and the quality of MD rental housing units.

Inspector Certifications – All inspectors must be certified. We reviewed certification documentation for the CEO and 11 inspectors. We obtained documentation that showed the CEO and 10 inspectors were certified to conduct inspections. One inspector did not have an active certification for 2017 and it was unclear whether he was certified in prior years.¹¹

Recommendations

1. The Council should update the local law to ensure it will comply with the minimum FSPM inspection requirements.
2. The Council must adopt a written policy and the CEO should develop procedures for inspection for MDs that convey management's expectations to ensure that the minimum FSPM items are inspected and violations are followed-up on consistently, along with procedures to ensure program is compliant with NYS Law.

¹¹ This inspector was in training in 2014. It is unclear whether he was certified in 2015 due to a change in DOS certification requirements. The inspector was issued a code enforcement certificate in 2016. However, because he did not complete his required FSPM training in 2016, he was inactive in 2017.

3. The Council and CEO should monitor the FSPM program effectiveness to ensure inspections occur as required.
4. The CEO should maintain a MD property list and ensure it is complete through periodic verification to the tax roll and building permits.
5. The CEO should ensure inspectors are certified and retain certification documentation.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make this plan available for public review in the Clerk's office.

We thank the officials and staff of the City for the courtesies and cooperation extended to our auditors during this audit.

Sincerely,

Gabriel F. Deyo
Deputy Comptroller

APPENDIX A

International Property Maintenance Code Multiple Dwelling- Fire Safety and Property Maintenance Inspections

The International Property Maintenance Code, as a part of the Uniform Fire Prevention and Building Code, provides standards for MD properties, with exceptions provided for buildings that were built prior to the existence of certain requirements.

Multiple Dwelling- Fire Safety and Property Maintenance Inspection Requirements

General Requirements	General Requirements (continued)	Lighting, Ventilation and Occupancy Limitations	Plumbing Facilities and Fixture Requirements	Mechanical and Electrical Requirements	Fire Safety
<p>General Scope Responsibility Vacant Structures and Land</p> <p>Exterior Property Areas Sanitation Grading/Drainage Sidewalks and driveways Weeds Rodent Harborage Exhaust Vents Accessory Structures Motor Vehicles Defacement of Property</p> <p>Swimming Pools, Spas and Hot Tubs Swimming Pools Enclosures</p> <p>Exterior Structure General Unsafe Conditions Protective Treatment Premises Identification Structural Members Foundation Walls Exterior Walls Roofs and Drainage Decorative Features Overhang Extensions Stairways, Decks, Porches and Balconies Chimneys and Towers Handrails and Guards Window, Skylight and Door Frames -Glazing -Openable Windows Insect Screens Doors Basement Hatchways Guards for Basement Windows Building Security -Doors -Windows -Basement Hatchways Gates</p>	<p>Interior Structure General Unsafe Conditions Structural Members Interior Surfaces Stairs and Walking Surfaces Handrails and Guards Interior Doors</p> <p>Component Serviceability General Unsafe Conditions</p> <p>Handrails and Guardrails General</p> <p>Rubbish and Garbage Accumulation of Rubbish and Garbage Disposal of Rubbish -Rubbish Storage Facilities -Refrigerators Disposal of Garbage -Garbage Facilities -Containers</p> <p>Pest Elimination Infestation Owner Single Occupant Multiple Occupancy Occupant</p>	<p>General Scope Responsibility Alternative Devices</p> <p>Lighting Habitable Spaces Common Halls and Stairways Other Spaces</p> <p>Ventilation Habitable Spaces Bathrooms and Toilet Rooms Cooking Facilities Process Ventilation Clothes Dryer Exhaust</p> <p>Occupancy Limitations Privacy Minimum Room Widths Minimum Ceiling Heights Bedroom and Living Room Requirements -Room Area -Access from Bedrooms -Water Closet Accessibility -Prohibited Occupancy -Other Requirements Overcrowding -Sleeping Area -Combined Spaces Efficiency Unit Food Preparation</p>	<p>General Scope Responsibility</p> <p>Required Facilities Dwelling Units Rooming Houses Hotels Employees' Facilities -Drinking Facilities Public Toilet Facilities</p> <p>Toilet Rooms Privacy Location Location of Employee Toilet Facilities Floor Surface</p> <p>Plumbing Systems and Fixtures General Fixture Clearances Plumbing System Hazards</p> <p>Water System General Contamination Supply Water Heating Facilities</p> <p>Sanitary Drainage System General Maintenance Grease Interceptors</p> <p>Storm Drainage General</p>	<p>General Scope Responsibility</p> <p>Heating Facilities Facilities Required Residential Occupancies Heat Supply Occupiable Work Spaces Room Temperature Measurement</p> <p>Mechanical Equipment Mechanical Appliances Removal of Combustion Products Clearances Safety Controls Combustion Air Energy Conservation Devices</p> <p>Electrical Facilities Facilities Required Service Electrical System Hazards -Abatement of Electrical Hazards Associated with Water Exposure --Electrical Equipment -Abatement of Electrical Hazards Associated with Fire Exposure --Electrical Equipment</p> <p>Electrical Equipment Installation Receptacles Luminaries Wiring</p> <p>Elevators, Escalators, Dumbwaiters General Elevators</p> <p>Duct Systems General</p>	<p>General Scope Responsibility</p> <p>Means of Egress General Aisles Locked Doors Emergency Escape Openings</p> <p>Fire Resistance Ratings Fire-resistance-rated assemblies Opening Protectives</p> <p>Fire Protection Systems General -Automatic Sprinkler Systems -Fire Department Connection Single- and multiple-station smoke alarms --Where Required --Group R-1 --Groups R-2, R-3, R-4 and I-1 --Installation Near Cooking Appliances --Installation Near Bathrooms -Interconnection -Power Source -Smoke Detection System</p>

APPENDIX B

RESPONSE FROM CITY OFFICIALS

City officials' response to this audit can be found on the following pages.



CITY OF SCHENECTADY
OFFICE OF THE MAYOR

City Hall - Jay Street
Schenectady, New York 12305

Gary R. McCarthy
Mayor

Office: (518) 382-5000
Cell: (518) 424-0483
Email: GMcCarthy@SchenectadyNY.Gov

February 14, 2018

[REDACTED] Principle Examiner, Statewide Audits
Division of Local Government and School Accountability
State of New York, Office of the State Comptroller
State Office Building, Room 604
207 Genesee Street
Utica, New York 13501

Re: Written Audit Response to Draft Audit Report No. S9-17-21

Dear [REDACTED]:

The City of Schenectady, hereinafter referred to as the "City," submits this written audit response to draft audit report No. S9-17-21 issued by your Office in January 2018. It is the City's understanding that the purpose of this report, as well as the underlying audit which led to its issuance, is to address whether the use of local government resources is resulting in the effective enforcement of fire safety and property maintenance inspections in accordance with the State promulgated Uniform Code for multiple dwellings.

The City has demonstrated a commitment to the enforcement of the State building codes by continuously funding and staffing its own Bureau of Code Enforcement as a separate and distinct department within City Hall. We continue to allocate increased funding to the Department as evidenced by the 2018 Municipal Budget which allocates funding for an additional Code Enforcement Officer position. While every municipality in New York State has to carefully spend their limited resources, Code Enforcement has been and continues to be a high-priority for the City.

There are two significant factual mistakes in the draft report which we would like to address in this response. The first is that the City enforces fire safety and property maintenance (FSPM) inspections through our rental certificate ordinance. The second is that we rely on voluntary compliance with our RCO instead of proactively enforcing it.

As your draft report outlines, FSPM inspections are required by the Uniform Code and a municipality is not required to adopt any local law or ordinance to be subject to FSPM requirements. While the RCO that Schenectady has adopted overlaps with many FSPM inspections, but it is a separate and distinct ordinance which actually places more strict requirements on property owners than the Uniform Code does.

See
Note 1
Page 13

See
Note 2
Page 13



City Code section 210-1 lays out the purpose of the RCO, and reads in part “this chapter is adopted to promote the health and safety of tenants and to alleviate conditions of substandard housing, including slums and blight.” It requires an inspection of most rental properties before a tenant begins living there, and requires another inspection upon any change in tenancy. The effect of this is that we routinely inspect multiple dwelling properties much more frequently than once every three years, which is the requirement from the Uniform Code. It is clearly beneficial to inspect more frequently as this allows us to discover violations sooner, and have them remediated quickly. Nothing about our RCO impacts our ability to enforce FSPM inspections; it is just an additional tool which compliments it.

See
Note 3
Page 13

In a number of sections of the draft report you claim that our RCO inspections rely upon the voluntary compliance of owners for enforcement. That is completely incorrect and akin to saying that speed limits rely solely on voluntary compliance. Like any law, property owners are required to comply with the RCO, but if they are caught not complying, there are serious penalties. When someone is found to be renting a property without a rental certificate they receive a notice of violation and are required to pay double the normal rental certificate fee in order to come into compliance. Most landlords comply after receiving a notice of violation, but those that don't are brought to court to force compliance.

See
Note 2
Page 13

Since 2013 we have brought over 600 prosecutions totaling over 40,000 misdemeanor counts related to landlords failing to obey our RCO. While we have been told that the maximum length of our response to your draft report is fifteen pages, records to prove those prosecutions took place are available for your review and inspection at any time. These prosecutions have resulted in substantial fines, incarceration, and most importantly, with the owners coming into compliance with our RCO. Given these significant efforts to prosecute RCO violations, it is difficult to understand why the draft report claims we rely on voluntary compliance to enforce our RCO.

See
Note 4
Page 13

See
Note 2
Page 13

Regarding FSPM inspections, the City acknowledges that there is room for improvement as indicated in the initial findings of the draft report and is currently developing a strategy to encompass the recommendations made therein. In an effort to be proactive, we have already taken the following steps to address the deficiencies contained in the draft audit. As the report notes, the City did properly inspect 756 multiple dwelling property parcels, but the report also identified 684 parcels that had not had the requisite inspection within the past three years. To date, the City has inspected 288 of those 684 parcels and continues to work on the remainder. The City has also taken the overall list of 1,440 multiple dwellings developed by City employees, in conjunction with State auditors, to use as a basis for the development of corrective action plan and to ensure that the City's own policies and procedures are in line with State requirements moving forward.

See
Note 5
Page 13

Furthermore, since the audit was completed in February of 2017, we have made many changes intended to improve the effectiveness of our FSPM inspections of multiple dwellings within the City. Some of the changes involve upgrading the operation of our housing code enforcement procedures, as follows:

1. We hired a new Chief Building Inspector in September of 2017.
2. We are transitioning to a new computer program [REDACTED] which should enable us to establish a more comprehensive and trackable listing of all multiple dwellings in the City, as well as monitor inspections and violations more closely. We have begun providing Municipality trainings sessions for staff members.

3. We are moving Housing Inspectors that were formerly assigned to other departments to the Buildings Department so that all Code Enforcement Officers will be supervised by the Chief Building Inspector.

4. In December 2017, I issued an Executive Order placing the Office of the Building Inspector and the Bureau of Code Enforcement under the direct supervision of the Commissioner of Public Safety. Since the Commissioner of Public Safety now has responsibility for the supervision of the Police and Fire Departments, we can ensure that there is better coordination between those three departments. This is important because the work of the Buildings Department is often done in conjunction with the Police and Fire Departments.

5. In early January of 2018 I appointed an Assistant Police Chief as Chief of the Buildings Department. With these structural changes, we can now fully and formally coordinate the efforts of the Police, Fire and Buildings Department to make sure that Multiple Dwelling Building Code inspections and enforcement are thorough and timely.

6. The Buildings Department has developed a protocol (and will be formalizing it soon with policy and procedure changes) for compilation and updating an accurate Multiple Dwelling database in [REDACTED] that ensures inspection and follow up within three years.

7. We will seek to amend the City Code to require inspection of multiple dwelling properties at least once every three years, irrespective of tenant occupancy or property owner changes.

8. As part of this effort, and not limited to multiple dwellings, we are conducting a complete review/overhaul of our existing policies and procedures to make sure that the operation of the Buildings Department reflects the best practices.

These structural improvements and statutory changes should enable us to significantly improve the effectiveness of our fire safety and property maintenance inspections of multiple dwellings in the City.

This response, on the part of the City, is in no way intended to represent the Corrective Action Plan the City will undertake to develop once that State issues its final audit report. The City eagerly awaits the issuance of the final report by the Office of the State Comptroller and thanks both the Office and the individual auditors for bringing State-wide attention to a critical and ever-evolving issue for local governments.

Very yours truly,

Gary R. McCarthy

cc: Office of the State Comptroller, 110 State Street, Albany, NY 12236
Office of the State Comptroller, 44 Hawley Street, Binghamton, NY 13901

APPENDIX C

OSC'S COMMENTS ON CITY OFFICIAL'S RESPONSE

Note 1

We have modified our report to clarify the City's FSPM inspection process of MD properties.

Note 2

We disagree, as noted in your response, the City has established an RCO program (rental certificate ordinance) which requires an inspection of most rental properties upon any change of tenancy or change in ownership. However, the City does not have a process to perform regular FSPM inspections of its MD properties at a minimum of every three years. The City performs regular RCO inspections for the 94 large dwelling units, if owners opt into a semiannual program. For the remaining rental properties, inspections are scheduled when a property owner requests an inspection, which should occur upon change in tenancy or change in ownership.

Note 3

City records indicate that properties were not inspected on a more frequent basis as 760 MD properties (or 54 percent) had not been inspected in the last three years. We agree that it would be beneficial to inspect on a more frequent basis. However, there is no guarantee that tenants will change within a three-year period.

Note 4

We did not state the response was limited to 15 pages. We did state we would not include 200 pages of court documentation with your response. We agreed to review any additional documentation not provided to us during our audit. We attempted to schedule an appointment to review additional documentation, if any. However, City officials did not respond to our appointment requests and did not provide any of the referenced records for our review.

Note 5

Upon our request, officials created a list of 1,440 potential MD properties based on the assessor's property classification codes. However, officials later provided us with documentation that 23 properties on the original list were not MD properties. We updated the report to reflect 1,417 MD properties.

APPENDIX D

AUDIT METHODOLOGY AND STANDARDS

To achieve our audit objective and obtain valid evidence, our audit procedures included the following:

- We interviewed City officials and staff to gain an understanding of the City's policies and procedures for the inspections of MD properties.
- We compared the City's MD property listing to the 2016 tax roll and MD new construction permits from 2010 to 2016 to determine the completeness of the listing.
- Using a random number generator, we selected an audit testing sample of 44 inspections identified as having been conducted over the last three years. We reviewed inspection files to determine whether:
 - Inspections of MD properties occurred within the timeframe prescribed by Law.
 - The documentation indicated the FSPM items were inspected and whether minimum inspections were performed, including confirming the checklist was completed.
 - The inspectors were certified by NYS.
 - Inspectors followed-up on violations, including Court system referrals, if warranted.
- We selected 25 properties, using a random number generator, identified as not having been inspected within the last three years to confirm that they had not been inspected. We reviewed these properties to determine whether an inspection was previously conducted and if so, the inspection results.
- We reviewed the annual reports of MD property inspections.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.