

Hernando County Clerk of Circuit Court
Audit Services Department
Management Action Plan Status Report

of
Tourist Department and
Building Department Audits
December 31, 2025

MANAGEMENT LETTER

TO: Jeffrey Rogers, County Administrator
VIA: The Honorable Douglas A. Chorvat, Jr.
FROM: Elizabeth Hogan, CIA, CFE, Chief Internal Auditor
DATE: December 31, 2025
SUBJECT: Management Action Plan Status Report for Tourist Development and Building Department Audits

The Audit Services Department is monitoring the implementation of management's actions that were identified in the original Tourist Development Expenditures and the Building Permit and Impact Fees Revenue Audits. The audit team evaluated the actions taken by management through limited testing and communication with key personnel.

The purpose of monitoring is to provide management with results and information concerning the activities reviewed and to assist in the discernment and implementation of specific improvements. It is not an appraisal or rating of management. A copy has been forwarded to the Board of County Commission as an agenda "correspondence to note" item.

Although the audit team exercised due professional care, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone do not guarantee that fraud or abuse will be detected.

The courtesy and cooperation extended by the employees of the Hernando County Tourist Development, Building, and Zoning Departments during the review were sincerely appreciated.

If you have any questions, concerns, or need additional information in regard to this review, please do not hesitate to contact Audit Services at (352) 540-6235, or just stop by our offices in Room 300C.

Copy: Valerie Pianta, Economic Development Director
Omar DePablo, Development Services Director

Copy: Board of County Commissioners

Chairman Jerry Campbell
Commissioner John Allococo
Commissioner Ryan Amsler
Commissioner Steve Champion
Commissioner Brian Hawkins

Copy: Audit Services Planning & Priorities Committee

The Honorable Doug Chorvat, Jr., CPM, CGCIO, Clerk of Circuit Court and Comptroller
Toni Brady, MBA, CPM, CGFO, Deputy County Administrator
Erin Dohren, Management and Budget Director
Jon Jouben, Esq., County Attorney
Jeffrey Rogers, PE, County Administrator
Joshua Stringfellow, CPA, Chief Financial Officer
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Executive Summary

The Audit Services Department (ASD) performed a review of the Tourist Development Expenditures Audit, dated October 25, 2023, and the Building Permit and Impact Fees Revenue Audit, dated October 21, 2024. The purpose of the review was to determine the status of management's corrective actions from the prior audits for items deemed to be of higher risk. The results of this review are outlined below.

Tourist Development

Opportunity for Improvement

For vendor(s) used on a consistent basis, obtain bids/quotes for work performed (if applicable) and issue purchase order

The audit team reviewed the following:

- Blanket Purchase Order obtained from vendor
- Quotes obtained from vendors for a new Purchase Order

Opportunity for Improvement

Obtain competitive bids/quotes for marketing services

The audit team reviewed the following:

- A Request for Proposal (RFP) in process for marketing and advertising services

The actions taken by management have been confirmed and no further monitoring is deemed necessary.

Building Department

Opportunity for Improvement

Verify that the BLDSYS rate table agrees to the BOCC approved rate schedule

The following items were reviewed by the audit team:

- Impact Fees for permit applications from the Cash Receipt Report dated 4/21/25
- Impact Fees and Impact Surcharge Fees for permit applications in the Benton Hills and Trilby Crossing subdivisions located within the I75/SR50 PDD between 9/30/23 and 9/8/25
- Ordinance 2007-16 and Ordinance 2024-10

Although impact fees were accurately input into the system, some impact fees were charged incorrectly. Impact fees were charged based on the prior approved fee schedule because the application date was used instead of the issuance date as outlined in Ordinance 2024-10. In addition, Surcharge Impact Fees for the I75/SR50 PDD were inconsistently collected. These fees were either not collected or were collected based on the prior approved fee schedule.

The ASD has determined that management actions have been partially implemented and will continue to monitor the progress of the implementation.

TOURIST DEVELOPMENT			Implementation Status		
Opportunity for Improvement	Management Action Plans	Audit Update	Implemented	Partially Implemented	Not Implemented
For vendor(s) used on a consistent basis, obtain bids/quotes for work performed (if applicable) and issue purchase order.	We worked with procurement to establish a blanket PO for the vendor in question this year. We recently realized the remaining amount on the PO may not be enough for this fiscal year, so we moved forward with hourly quotes in order to complete a new PO for typesetting services.	The corrective actions taken by management have been implemented and confirmed.	✓		
Obtain competitive bids/quotes for marketing services.	We are in the process of completing the RFP for a marketing and advertising agency to coordinate all media purchases. In the meantime, we are not using the website vendor for any advertising services to avoid any confusion.	The corrective actions taken by management have been implemented and confirmed.	✓		
BUILDING PERMIT-IMPACT FEES			Implementation Status		
Opportunity for Improvement	Management Action Plans	Audit Update	Implemented	Partially Implemented	Not Implemented
Verify that the BLDSYS rate table agrees to the BOCC approved rate schedule.	<p>The fee tables have been updated to reflect the current BOCC approved fee schedule amounts. The fee tables will be reviewed every three years, and any required updates will be brought before the BOCC for consideration.</p> <p>Update Response:</p>	The ASD will continue to monitor the progress of the implementation.		✓	

Acknowledgement

Fieldwork was performed by: Vicky Sizemore, Internal Auditor

Management's response was provided by: Omar DePablo, Development Services Director

Management's response was approved by: Toni Brady, Deputy County Administrator

This report was reviewed and authorized by Douglas A. Chorvat, Jr., Clerk of Circuit Court and Comptroller.



Douglas A. Chorvat, Jr.

12/31/2025

Date

Discussion Points Management Actions		
TOURIST DEVELOPMENT	Tourist Development Expenditures	PROJECT 307d

OPPORTUNITY FOR IMPROVEMENT

For vendor(s) used on a consistent basis, obtain bids/quotes for work performed (if applicable) and issue purchase order.

MANAGEMENT UPDATE:

We worked with procurement to establish a blanket PO for the vendor in question this year. We recently realized the remaining amount on the PO may not be enough for this fiscal year, so we moved forward with hourly quotes in order to complete a new PO for typesetting services.

AUDIT UPDATE:

The actions taken by management have been confirmed and no further monitoring is deemed necessary.

OPPORTUNITY FOR IMPROVEMENT

Obtain competitive bids/quotes for marketing services.

MANAGEMENT UPDATE:

We are in the process of completing the RFP for a marketing and advertising agency to coordinate all media purchases. In the meantime, we are not using the website vendor for any advertising services to avoid any confusion.

AUDIT UPDATE:

The actions taken by management have been confirmed and no further monitoring is deemed necessary.

BUILDING DEPARTMENT	Building Permit and Impact Fees Revenue	PROJECT 307f
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OPPORTUNITY FOR IMPROVEMENT

Verify that the BLDSYS rate table agrees to the BOCC approved rate schedule.

MANAGEMENT UPDATE:

A formal recurring review of current BOCC approved fee schedule amounts will be conducted every two years, with interim spot-checks to be performed annually to ensure fee tables align with the current BOCC fee schedule rates. These reviews will be performed by the Operations Manager and/or the Assistant Operations Manager.

AUDIT UPDATE:

Although impact fees were accurately input into the system, some impact fees were charged incorrectly. Impact fees were charged based on the prior approved fee schedule because the application date was used instead of the issuance date as outlined in Ordinance 2024-10. In addition, Surcharge Impact Fees for the I75/SR50 PDD were inconsistently collected. These fees were either not collected or were collected based on the prior approved fee schedule.

During fieldwork, the Zoning Department contacted the contractor(s) to collect some of those Surcharge Impact fees for the I75/SR50 PDD.

Out of 218 permit applications reviewed, 138 (63%) were inaccurately charged. The total amount of uncollected fees relating to Impact and Surcharge fees was \$284,851.10 which are detailed in the following table.

138 APPLICATIONS		DESCRIPTION	AMOUNT
95	69%	Impact Surcharge Fees Not Collected	\$134,337.50
29	21%	Both the Impact and Impact Surcharge Fees Were Incorrect	\$118,499.80
4	3%	Only Impact Surcharge Fees Were Incorrect	\$1,894.25
5	4%	Impact Fees Incorrect and Impact Surcharge Fee Not Collected	\$26,754.00
5	4%	Only Impact Fees Were Incorrect	\$3,365.55
TOTAL UNCOLLECTED			\$284,851.10

The ASD has determined that management actions have been **partially implemented** and will continue to monitor the progress of the implementation.

UPDATED MANAGEMENT RESPONSE:

In response to this audit, I would like to outline the precautionary actions that have been implemented to prevent similar issues in the future. Development Services is currently in the process of implementing a new program (Tyler) that will automatically apply the required overlay fees to each new single-family permit.

Additionally, the Zoning Department has corrected the ordinance language to accurately reflect the fee requirements for new single-family homes. The Division was previously unaware that applications submitted after December 2 were subject to the new fee, which resulted in 33 permits being assessed an incorrect impact fee.

Until the new program is fully implemented, the Zoning Department is utilizing a tracking spreadsheet to monitor all new single-family permits within the overlay district. Once the fee discrepancies were identified, Zoning immediately contacted the affected applicants to recover funds for permits that had not yet been finalized. As a result of these efforts, the Department was able to recoup \$110,310.10.