Ottawa

Office of the Auditor General / Bureau du vérificateur général

FOLLOW-UP TO THE

2005 AUDIT OF BY-LAW ENFORCEMENT AND INSPECTIONS

2009

SUIVI DE LA VÉRIFICATION DE LA MISE EN APPLICATION DES

RÈGLEMENTS MUNICIPAUX ET DES INSPECTIONS DE 2005

Table of Contents

DRAFT & CONFIDENTIAL

EXECUTIVE SUMMARY

Introduction

The Follow-up to the 2005 Audit of By-law Enforcement and Inspections was included in the Auditor General's 2009 Audit Plan.

The key findings of the original 2005 audit included:

- The development of enhanced service standards is required to improve efficiency and customer service;

- By-law Services collects and reports information on the level of enforcement activities but it has not yet established an approach to collecting, monitoring and reporting on how effective and efficient these activities are performed;

- The Branch should pursue opportunities to enhance operational efficiency through the use of available technology tools;

- Revenue controls should be reviewed, reconciled and evaluated on a regular basis;

- Health and safety risk areas should be assessed annually including the measures taken to mitigate these risks; and,

- The By-law harmonization project should be systematically assessed to monitor the risk of further delays.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of Fall 2009.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	-	-	-
PARTIALLY COMPLETE	50 – 74	-	-	-
SUBSTANTIALLY COMPLETE	75 – 99	3, 5, 7, 9	4	29%
COMPLETE	100	1, 2, 4, 6, 8, 10, 11, 12, 13, 14	10	71%
TOTAL			14	100%

Conclusion

The highlights of management's "fully implemented" audit accomplishments focus on results based management tools. These results based management tools address multiple audit recommendations. They include the following:

- A comprehensive set of performance indicators/standards has been developed for Category 1-3 requests for service. Turnaround time targets for i) initiating a service response on files and ii) resolving the investigation have been developed. The performance data associated with these standards is compiled and recorded according to two geography based service delivery zones, Council wards, and individual officers.

- Revenue generation, staff utilization and productivity driven benchmarking capacity exist across core service areas. Regular reporting drives performance versus targets – represents an industry best practices model. Internal productivity and performance benchmarking is taking place at both the zone and officer level.

- Annual activity reporting tracks various unit of service "volume" based work drivers. The Ontario Municipal Benchmarking Initiative (OMBI) data definitions and rigorous data collection protocols have been used to develop an "Ottawa versus Ottawa over time" measurement framework that maximizes operational relevance rather than relying on apples versus oranges peer comparisons.

- A risk management perspective/focus has been built into the performance measurement toolkit. Measurable service target reporting and ongoing follow-up action by management at the individual staff level has reduced service delivery productivity and performance risk.

- Implementation of audit recommendations around mobile data collection tools in the field have also led to measurable productivity improvement in the initially targeted property standards business area.

- By-law harmonization has proceeded to successfully address all major by-laws. The remaining by-laws have been integrated into a rigorous project management framework.

- We confirm that staff utilization and productivity improvement are enhanced by mobile laptop data entry/access in the field. An estimated 20% productivity improvement is linked to field data entry/access.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

RÉSUMÉ

Le Suivi de la vérification de la mise en application des règlements municipaux et des inspections de 2005 était prévu dans le Plan de vérification du Bureau du vérificateur général de 2009.

Les principales constatations de la vérification de 2005 sont les suivantes :

- la mise en place de normes de service plus élevées est nécessaire pour améliorer l'efficacité et le service à la clientèle;

- les Services des règlements municipaux recueillent des renseignements et font des rapports sur le niveau des activités d'application, mais ces services n'ont toujours pas établi une approche de collecte, de contrôle et de rapport de l'efficacité et de l'efficience de ces activités;

- la Direction devrait rechercher des occasions d'améliorer l'efficacité opérationnelle par l'utilisation des outils technologiques disponibles;

- le contrôle des recettes devrait être révisé, rapproché et évalué régulièrement;

- les domaines représentant des risques pour la santé et la sécurité devraient être évalués chaque année, notamment les mesures prises pour limiter ces risques; et,

- le projet d'harmonisation des règlements municipaux devrait être évalué systématiquement afin de prévenir tout autre retard.

Sommaire du degré d'achèvement

Le tableau ci-dessous présente notre évaluation du degré d'achèvement de chaque recommandation à l'automne 2009 :

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS	POURCENTAGE DU TOTAL DES RECOMMANDATIONS
PEU OU PAS DE MESURES PRISES	0 – 24	-	-	-
ACTION AMORCÉE	25 – 49	-	-	-
COMPLÉTÉE EN PARTIE	50 – 74	-	-	-
PRATIQUEMENT COMPLÉTÉE	75 – 99	3, 5, 7, 9	4	29 %
COMPLÉTÉE	100	1, 2, 4, 6, 8, 10, 11, 12, 13, 14	10	71 %
TOTAL			14	100 %

Conclusion

Les faits saillants des réalisations « pleinement mises en œuvre » par la direction se situent principalement du côté des outils de gestion qui sont fonction des résultats. Ces outils suffisent à prendre en charge plusieurs des recommandations de la vérification, notamment :

- un ensemble complet d'indicateurs et de normes de rendement a été créé pour les demandes de service des catégories 1 à 3; les cibles de temps de traitement pour i) créer un dossier relatif à une intervention et ii) résoudre une enquête, ont été mises au point. Les données de rendement associées à ces normes sont compilées et consignées pour deux zones géographiques desservies, suivant les quartiers représentés au Conseil municipal, et en fonction des agents à titre individuel;

- la génération de recettes, l'utilisation du personnel et la capacité de jalonnement en fonction de la productivité existent entre les principaux secteurs de service. Des rapports réguliers stimulent le rendement au lieu des objectifs – ce qui constitue un modèle de pratique exemplaire dans l'industrie. Le jalonnement de la productivité interne et du rendement a cours aussi bien à l'échelle des zones desservies qu'à celle des agents;

- les rapports annuels des activités assurent le suivi des éléments suscitant un « volume » de travail. Les définitions des données selon l'Initiative d'analyse comparative des services municipaux de l'Ontario (IACSM) et des protocoles de collecte rigoureux ont été utilisés pour créer une structure de mesure « Ottawa par rapport à Ottawa au fil du temps » qui maximise la pertinence opérationnelle au lieu de reposer sur des comparaisons mettant en parallèle des pommes et des oranges;

- La trousse de mesure du rendement bénéficie d'une perspective/d'un accent sur la gestion de risques; des rapports sur des objectifs mesurables en matière de service et des mesures pour le contrôle continu par la direction à l'échelle individuelle, chez les membres du personnel, ont permis de réduire les risques au chapitre du rendement et de la productivité dans la prestation de services;

- La mise en œuvre des recommandations de la vérification entourant les outils de collecte mobile de données sur le terrain a également apporté des améliorations mesurables de la productivité dans le secteur des normes de propriété ciblé au départ;

- une harmonisation de la réglementation a été réalisée avec succès pour tous les principaux règlements. Les règlements restants ont été intégrés dans une structure de gestion de projets rigoureuse;

- nous confirmons qu'il y a eu des améliorations à la productivité et à l'utilisation du personnel grâce à l'entrée de données et l'accès mobile à ces données à l'aide d'ordinateurs portables sur le terrain. La hausse de la productivité pour l'entrée et l'accès aux données sur le terrain est estimée à 20 %.

Remerciements

Nous tenons à remercier la direction pour la coopération et l'assistance accordées à l'équipe de vérification.

1 INTRODUCTION

The Follow-up to the 2005 Audit of By-law Enforcement and Inspections was included in the Auditor General's 2009 Audit Plan.

The key findings of the original 2005 audit included:

- The development of enhanced service standards is required to improve efficiency and customer service;

- By-law Services collects and reports information on the level of enforcement activities but it has not yet established an approach to collecting, monitoring and reporting on how effective and efficient these activities are performed;

- The Branch should pursue opportunities to enhance operational efficiency through the use of available technology tools;

- Revenue controls should be reviewed, reconciled and evaluated on a regular basis;

- Health and safety risk areas should be assessed annually including the measures taken to mitigate these risks; and,

- The By-law harmonization project should be systematically assessed to monitor the risk of further delays.

2 KEY FINDINGS OF THE ORIGINAL 2005 AUDIT OF BY-LAW ENFORCEMENT AND INSPECTIONS

Key changes were underway at the time of the audit through the New Deployment project that would enable Enforcement and Inspections Division (EID) resources to deliver services in a more efficient and effective manner. Further changes in management practices, systems functionality and technology tools are needed however, for By-law Services Branch to be able to fully establish, monitor or provide assurance that its delivery of EID services meets or exceeds expectations of efficiency and effectiveness.

A strengthening of revenue reconciliations and cash handling procedures were observed during the audit. However, the lack of clear overall responsibility for ensuring appropriate controls over all aspects of the revenue cycle creates vulnerability in the ensuring the completeness, accuracy and timeliness of receipts.

The New Deployment Model and Harmonization projects had generally well prepared, communicated and monitored project plans. However, the pace of change, due diligence expectations and other drivers are creating a need for systematically managing risk in key areas such as major projects and health and safety.

As part of the audit, the management team was asked to conduct a self-assessment of their management, which was assessed overall as "fairly effective". The self-assessment recognized the need to strengthen management practices. It was observed that the approach to development of management and operational practices and controls does not follow a structured approach. A structured approach can help strike the correct balance between informality and formality in the practices used to manage enforcement and inspections.

3   STATUS OF IMPLEMENTATION OF 2005 AUDIT RECOMMENDATIONS

2005 Recommendation 1

The Director, By-Law Services Branch, should expand existing service standards to include completion standards and performance targets to improve upon staff utilization, monitoring and reporting for EID activities.

2005 Management Response

Management agrees with this recommendation.

To date, Management has concentrated on setting and monitoring performance standards for the timely prioritization and dispatch of calls.

As set out in the audit findings, by-law requests-for-service (RFS) are categorized as priority 1, 2 or 3 calls in accordance with the urgency of the infraction: for priority 1 calls, complainants are contacted and calls actioned within 24 hours; for priority 2 calls, complainants are contacted and action commenced within 48 hours, and; for priority 3 calls, complainants are contacted within 48 hours and action commenced within 7 days.

Management will undertake to establish completion standards / performance targets and will work to improve staff utilization through a 2006 efficiency review. Given technology upgrades required for tracking purposes, it is expected that completion standards and performance targets will be completed and in place by the end of 2007.

It should be noted that the longer timelines needed to establish those standards are due to the wide variability in the nature and sophistication of different requests for service. For example, one dog bite call may be resolved within a day based on cooperation of the parties, reliability of information and other factors, while another dog bite call may take several months to close based on availability of witnesses, appeal processes and other factors.

Management Representation of the Status of Implementation of Recommendation 1 at December 31, 2008

At its October 18, 2007 meeting, the Auditor General, CAWG and the Director of By-Law and Regulatory Services agreed that the branch would define service standards and work with Information Technology Services to modify MAP. This item was approved at Council on November 14, 2007.

Completion standards have been identified and are being monitored in areas such as Property Standards, Yard Maintenance and Zoning (e.g., average response time to a Request for Service, average time to resolve/close a Request for Service). Additional standards in the aforementioned by-law subject areas and a few others will be monitored and the branch will be in a position to report on them in 2009. Further, additional performance standards will be developed for the remaining work units in 2008 and Q1 2009.

As part of the branch's technology planning requirements and priorities, a mobile computing project was initiated. Toughbook laptops were ordered for Property Standards Officers. The implementation of this technology provides Property Standards Officers with access to the City's network for incident management and messaging while on the road. The Toughbook was introduced on a trial basis in late 2008. To provide for necessary technical adjustments, full implementation of Toughbooks will take place by the end of January 2009, when the remaining Property Standards Officers will be on-line. Dependent upon the success of the Phase I of the introduction of Toughbooks, the intent is to equip other enforcement staff with these mobile computing devices as well.

Management: % complete   *75%*

OAG's Follow-up Audit Findings regarding Recommendation 1

A comprehensive set of performance standards has been developed for Category 1-3 requests for service. Turnaround times for i) initiating a service response on files and ii) resolving the investigation have been developed. This data is compiled and recorded according to two geography-based service delivery zones, Council wards, and individual officers.

Revenue generation, staff utilization and productivity driven benchmarking capacity exist across core service areas. Regular reporting drives performance versus targets – represents an industry best practices model.

Annual activity report tracks various volume based work drivers. OMBI data definitions and rigorous data collection protocols have been used to develop an "Ottawa versus Ottawa over time" measurement framework that maximizes operational relevance rather than relying on apples versus oranges peer comparisons.

Rollout of performance measurement model across remaining business activities imminent.

OAG: % complete   *100%*

2005 Recommendation 2

The Director, By-Law Services Branch, should ensure Coordinators and Supervisors expand their monitoring activities to include the monitoring of overall performance against established standards to keep a record of their monitoring findings and to report periodically as appropriate on these findings to include suggested actions to take to improve on overall performance achievement.

2005 Management Response

Management agrees with this recommendation.

As noted in recommendation 1, Management will work to establish completion performance standards and agrees that they should be monitored and reported upon. Technology enhancements will be required to implement and track the standards electronically.

Management Representation of the Status of Implementation of Recommendation 2 at December 31, 2008

Until such time as the Toughbook Program is fully implemented, which is expected to take place by the end of January 2009, additional performance measures have been put in place to the extent possible given current available technology. Managers/supervisors are now able to monitor the number of days required for individual officers to close service requests, which has been used to improve completion times in the areas of Property Standards, Yard Maintenance and Noise. In addition, information about response time by officer is now available and is being used to monitor performance.

Management: % complete   *75%*

OAG's Follow-up Audit Findings regarding Recommendation 2

As noted above, staff specific performance reports have been obtained and independently reviewed by the audit follow-up team. Officer productivity and utilization comparison is a core characteristic of the reports. Ongoing attention to performance data by management is generated by the dedicated business analyst.

Audit follow-up team confirms staff utilization & productivity improvement is enhanced by mobile laptop data entry/access in the field. Estimated 20% productivity improvement linked to field data entry/access.

OAG: % complete   *100%*

2005 Recommendation 3

The Director, By-Law Services Branch, in concert with the Information Technology Services Branch, should pursue opportunities to enhance operational efficiency through the use of available technology tools and ensure that technology opportunities are recorded and evaluated on a periodic basis.

2005 Management Response

Management agrees with this recommendation.

The Information Technology Services (ITS) Branch has already initiated discussions with the By-law Services Branch with respect to reviewing technology requirements and related tools to assist the Branch in pursuing their operational efficiencies. It is anticipated that formal discussions and planning sessions will commence in Q1 of 2006 with a view to providing and defining technology opportunities, budget requirements and a go forward plan by the end of 2006.

Management Representation of the Status of Implementation of Recommendation 3 at December 31, 2008

As part of the branch's technology planning requirements and priorities, a mobile computing project was initiated. Toughbook laptops were ordered for Property Standards Officers. The implementation of this technology provides Property Standards Officers with access to the City's network for incident management and messaging while on the road. The Toughbook was introduced on a trial basis in late 2008. To provide for necessary technical adjustments, full implementation of Toughbooks will take place by the end of January 2009. Dependent upon the success of the Phase I of the introduction of Toughbooks, the intent is to equip other enforcement staff with these mobile computing devices as well. Based on the results of the mobile computing pilot, By-law will be expanding the use of Toughbooks in the field to further leverage the advancements in technologies, such as GPS, in order to find efficiencies.

Management: % complete   *50%*

OAG's Follow-up Audit Findings regarding Recommendation 3

The EPS technology plan/supporting analysis has been obtained and independently reviewed by the audit follow-up team.

Audit follow-up team confirms staff utilization & productivity improvement is enhanced by mobile laptop (Toughbook) data entry/access in the field. Estimated 20% productivity improvement linked to field data entry/access. Mobile computing solutions can now be expeditiously applied to remaining business units.

OAG: % complete   *75%*

Management Representation of Status of Implementation of Recommendation 3 *as of Winter 2010*

Management disagrees with the OAG's follow-up audit finding that implementation of this recommendation is only substantially complete.

Property Standards Officers were provided with Toughbooks in Q1 2009 and their efficacy was evaluated over the course of the year. Based on the positive results of that evaluation, all Level II By-law Services Officers have been provided with Toughbooks, using wireless technology and allowing implementation of the mobile office concept to improve efficiency and facilitate performance monitoring. The technology being employed is considered leading edge and, in consultation with ITS, the By-law & Regulatory Services Branch will continue to pursue further technological enhancements accordingly. Implementation of this recommendation is considered complete.

Management: % complete   *100%*

2005 Recommendation 4

The Director, By-law Services Branch, should ensure that surprise cash counts are implemented as part of the cash handling activities performed in the Licensing and Programs Division as recommended in the 2004 internal audit.

2005 Management Response

Management agrees with this recommendation.

The Licensing and Programs Division operates a cash handling operation for the sale, renewal and transfer of taxi and other licenses. An internal audit of revenue collection procedures was conducted in 2004 that examined: segregation of duties and end-of-day procedures; timely processing and recording of receipts; custody of cash; secure storage; centralized receipt of cash; and, supervisor/manager oversight. The (current) 2005 audit found that all 2004 recommendations had been implemented with the exception of surprise cash counts.

Management has already begun the process to undertake an internal audit of its cash management practices and will ensure a formalized approach is in place by the end of Q1 in 2006.

Management Representation of the Status of Implementation of Recommendation 4 at December 31, 2008

Management: % complete   *100%*

OAG's Follow-up Audit Findings regarding Recommendation 4

Cash management surprise cash counts have assumed decreasing importance as the cashless business model gains momentum in the field. Cash management risks significantly reduced in this model. However, cash transactions for Taxi industry continue at the counter. Documentation arising from four surprise check audits

(2006-08) conducted within the Division has been obtained and independently reviewed by the audit follow-up team.

The EPS technology plan envisages a virtual payment model with a cashless counter service. Progression to cashless service involves debit card readers already ordered and being deployed.

In remaining cash intensive service areas – i.e., dog tags – periodic spot audits reconcile tags inventory to cash on hand.

OAG: % complete   100%

2005 Recommendation 5

The Director, By-law Services Branch, in conjunction with a counterpart in Corporate Services, should:
a) **formally agree who has overall responsibility for ensuring that appropriate revenue cycle controls for all by-law revenues are in place, and are reviewed, reconciled and evaluated on a regular basis; and**

b) **ensure a plan is established to identify and correct control weaknesses including an up-to-date universe of deputized organizations and reconciliation of issued parking tickets.**

2005 Management Response

Management agrees with these recommendations.

The Director, By-law Services Branch has met with the City Treasurer and City Clerk to clarify and confirm responsibility for revenue processes and controls.

A number of changes through the ParkSmart program and ticketing administration processes have been implemented to improve accountability overall.

Management recognizes that additional improvements are required to ensure that adequate controls and processes are in place to ensure revenues are being maximized and reconciled. As a result, an interdepartmental committee has been established that will begin meeting regularly in 2006 to ensure appropriate controls are in place and finalized by Q4 of 2006.

Management Representation of the Status of Implementation of Recommendation 5 at December 31, 2008

Management: % complete   100%

OAG's Follow-up Audit Findings regarding Recommendation 5

The interdepartmental committee struck to resolve financial control issues has met a number of times and has developed a series of issues requiring resolution. To date, there is no evidence of specific issues that have received final resolution. However, numerous items are in process of completion.

1st attendance process improvement has reduced ticket payment cycle times, and enhanced revenue maximization.

OMBI derived tracking of ratio of parking admin costs per ticket demonstrate higher "net" revenue performance path (data obtained and independently reviewed by audit follow-up team).

Officer 1 category revenue generation benchmarking and targets drive revenue maximization (data obtained and independently reviewed by audit follow-up team). Data drilled down to individual officers.

OAG: % complete   *75%*

Management Representation of Status of Implementation of Recommendation 5 *as of Winter 2010*

Management disagrees with the OAG's follow-up audit finding that implementation of this recommendation is only substantially complete.

Both parts of Recommendation 5 are considered complete, as follows:

a) The Manager, Courthouse & Provincial Offence Services has overall responsibility for ensuring appropriate revenue cycle controls for all by-law revenues are in place and are reviewed, reconciled and evaluated on a regular basis.

b) A plan was established to identify and correct control weaknesses including an up-to-date list of deputized organizations and reconciliation of parking tickets as evidenced by the following:

    i. Deputization data continues to be maintained through the ParkSmart system and through the ticketing administration processes.

    ii. An up-to-date spreadsheet on a shared drive was implemented to share and reconcile the distribution of parking tickets.

    iii. Reports can be run to identify the ticket issuance of an officer and/or agency. Deputization information has been used to successfully complete a ticket recall at the time when the set and early fine amounts were increased.

Management: % complete   *100%*

2005 Recommendation 6

The Director, By-law Services Branch, should ensure that health and safety risk areas faced by enforcement and inspections officers are assessed annually including assessment of the effectiveness of the measures taken to address health and safety risks.

2005 Management Response

Management agrees with this recommendation.

The 2005 audit found that By-law Services undertook "a good combination of proactive and reactive measures to ensure compliance and that health and safety concerns are effectively addressed" but indicated that it would be beneficial to annually assess the top 5-6 occupational hazards and ensure appropriate mitigation measures are in place.

Management will ensure that this annual review is completed by Q4 of 2006. To support this review, Management is in the process of establishing a joint Occupational Health and Safety Committee comprised of management and operational staff from each of the service areas that will address health and safety risks.

In addition, Management has recognized that enhanced training will reduce health and safety risks faced by officers on a regular basis. As a result, the deployment model has identified the establishment of a training officer and coordinator to ensure officers are properly trained and tested. The training office is expected to be in place by the fourth quarter of 2006.

Management Representation of the Status of Implementation of Recommendation 6 at December 31, 2008

Management: % complete   *100%*

OAG's Follow-up Audit Findings regarding Recommendation 6

Branch SOP specifically address response procedures for higher risk situations (e.g., crowds, drugs, etc.)

Occupational Health & Safety Committee has been struck and has met regularly. Agenda/Minutes review indicates top hazards have been reviewed and mitigated.

Training program has been designed and module is in the process of being implemented across staff I-III.

OAG: % complete   *100%*

2005 Recommendation 7

The Director, By-Law Services Branch, should schedule a formal review of the actual achievements of implementation of the new model against its original performance objectives within 12 – 18 months after project initiation and once major aspects are considered implemented.

2005 Management Response

Management agrees with this recommendation. Management has already planned a post-implementation review of the deployment that will be undertaken in the fourth quarter of 2007.

Management Representation of the Status of Implementation of Recommendation 7 at December 31, 2008

Over the course of 2008, the Branch filled positions as quickly as possible, in accordance with corporate hiring policies and procedures and completed the exercise in the fall of 2008. When recommendations 1, 2 and 3 are more fully implemented and the deployment model is in place for a full cycle, the branch will be in a better position to review the achievements of the new model as it relates to performance.

Management: % complete   *30%*

OAG's Follow-up Audit Findings regarding Recommendation 7

This recommendation refers to the Branch business model pre-dating the City restructuring of 2008-09.

The Branch organization and service delivery model has already undergone significant change since this audit recommendation was prepared. The previous three-zone operational deployment structure has been condensed into a two-zone structure. Program Manager positions have been created and implemented to replace previous front line supervisory positions. A Director position was created to ensure strategic and operational accountability, results based leadership and consistency of approach. Linkages across the newly created Emergency and Protective Services portfolio of services are being pursued (i.e., technology, long term planning, communications).

OAG: % complete   *75%*

Management Representation of Status of Implementation of Recommendation 7 *as of Winter 2010*

Management disagrees with the OAG's follow-up audit finding that implementation of this recommendation is only substantially complete.

This recommendation is based on the deployment model in place when the 2005 Audit of By-law Enforcement & Inspections was undertaken. The 2009 realignment has significantly changed that deployment model; changes were based on certain findings of the audit and the monitoring of performance measures and standards put in place over the course of 2008 and 2009. On that basis, implementation of this recommendation is considered complete.

Management: % complete   *100%*

2005 Recommendation 8

The Director, By-Law Services Branch, should require that there be formal, timely, and periodic (probably at least on a quarterly basis) assessments of important project completion dates versus targets for remaining universe of by-laws to be harmonized, until such time as the project is successfully completed.

2005 Management Response

Management agrees with the intent of this recommendation.

Management has established a separate Project Team that meets on a monthly basis and continually reviews project completion dates and priorities. This information is captured on a Project Team Radar chart, which is distributed to all team members and reviewed with the Senior Management Team, the Branch Management Team and reported to Council through regular updates and presentations to various committees such as EPS and ARAC.

Management Representation of the Status of Implementation of Recommendation 8 at December 31, 2008

Management: % complete   *100%*

OAG's Follow-up Audit Findings regarding Recommendation 8

The By-law Harmonization Project Team Radar chart has been obtained and independently reviewed by the audit follow-up team. A significant majority of by-laws have been successfully harmonized.

Management team updates on harmonization progress for remaining by-laws have been obtained and independently reviewed by the audit follow-up team.

OAG: % complete   *100%*

2005 Recommendation 9

The Director, By-Law Services Branch, should systematically assess and monitor risk areas that could lead to further delays to the Harmonization project.

2005 Management Response

Management agrees with this recommendation.

Further to the response to 2005 Recommendation 8, the Director currently meets, and will continue to meet, on a monthly basis with the project and Branch Management Team to monitor and assess risk areas in the harmonization of by-laws. The Branch is also awaiting a response from the Province on the enactment of a new City of Ottawa Act, which will allow regulations to be enacted differently based on geography. As a result of the challenges related to the rural/urban diversification in terms of enacting new regulations, the Province has also extended the expiry date for the harmonization of the remaining licensing by-laws until the end of 2007. It is anticipated that all of the harmonization work will be completed by this date.

Management Representation of the Status of Implementation of Recommendation 9 at December 31, 2008

The harmonization of by-laws is on track for completion by Q4 2009, as per the following schedule: Master Plumber Licensing (Q1-09); Rural Itinerant Vendor Licensing (Q2-09); Rural Refreshment Vendor Licensing (Q2-09); Road Side Stands (Q2-09); Seasonal Produce Vendors (Q2-09); Kennel Licensing (Q3-09); Pet Shop Licensing (Q3-09); Licensing General Provisions Re-enactment (Q4-09); Heat By-law (Q4-09); Vital Services (Q4-09); and Boarding-Up By-law (Q4-09).

Management: % complete   *85%*

OAG's Follow-up Audit Findings regarding Recommendation 9

The By-law Harmonization Project Team Radar chart has been obtained and independently reviewed by the audit follow-up team. A significant majority of by-laws have been successfully harmonized.

Management team updates on harmonization progress for remaining by-laws have been obtained and independently reviewed by the audit follow-up team.

OAG: % complete   *85%*

Management Representation of Status of Implementation of Recommendation 9 *as of Winter 2010*

Management disagrees with the OAG's follow-up audit finding that implementation of this recommendation is only substantially complete.

As the original audit states, the project plan was well prepared, and a Council-approved strategy report set out criteria to help prioritize, select and schedule by-laws to be harmonized. Work was prioritized based on the proportion of and extent to which the general population is affected; financial impacts on the Corporation, businesses and individuals; number of requests for service received pertaining to a specific by-law subject area; impact on individuals and businesses caused by differences in the by-laws; and, regulatory requirements, such as "sunset" clauses. At the time of the 2005 audit, 99% of relevant regulations and 85% of business licensing harmonization issues had been addressed. Since then, all of the high priority by-laws have been addressed.

The audit noted however, that although risk information was addressed in the planning documents, it was not apparent that there had been a thorough assessment of risks and the implications that the risks had in terms of successful completion of the Harmonization Project. The recommendation was, therefore, "to systematically assess and monitor risk areas that could lead to further delays to the Harmonization Project".

The risks identified in the project charter in 2002 related to obtaining required enabling legislation, impending revisions to the Municipal Act, budget, competing priorities, and resource availability. These risks have been assessed and managed. The remaining primary risks are resource availability and competing priorities. Additional time is required to complete the work due to staff reductions in the Project Office and competing priorities will continue to exist. These risks cannot be mitigated further. The assessment and monitoring of risk factors as required by the recommendation is considered complete. Harmonization will continue on the remaining lower priority items as resources permit. The following remaining by-law harmonization items are underway: Kennel and Pet Shop Licensing; Vital Services By-law; Heat By-law; Boarding-Up By-law. The Licensing General Provisions and all but two licensing schedules have in fact already been harmonized, but are due for re-enactment; that project is also underway.

Management: % complete   *100%*

2005 Recommendation 10

The Director, By-law Services Branch, should establish an initiative to identify key strategic, operational and project areas of higher risk where more systematic risk management techniques can be integrated.

2005 Management Response

Management agrees with this recommendation.

Current management practices include risk management in the form of minimizing liability exposure and containment of negative risk in areas affecting both Branch staff and clients and the effective management of opportunity risk. It is recognized that presenting the right information to Branch Management is essential to enabling effective risk management decisions. It is anticipated that the 2006 efficiency review will help meet this objective and will be included as part of the By-law Services work plan.

Management Representation of the Status of Implementation of Recommendation 10 at December 31, 2008

Management: % complete   *100%*

OAG's Follow-up Audit Findings regarding Recommendation 10

Risk management based perspectives on operational performance have been integrated into the Branch performance measurement framework, including internal staff productivity and revenue generation benchmarking, results based target setting and results reporting. Ongoing rollout of performance measurement and benchmarking toolkit will ensure risk is mitigated and operational performance results maximized.

OAG: % complete   *100%*

2005 Recommendation 11

The Director, By-Law Services Branch, should include risk management in EID training plans for managers and staff.

2005 Management Response

Management agrees with this recommendation.

Further to the response to 2005 Recommendation 10, as part of the 2006 efficiency review, key operational risks will be identified that can be built into training plans for managers and staff.

Management Representation of the Status of Implementation of Recommendation 11 at December 31, 2008

Management: % complete   *100%*

OAG's Follow-up Audit Findings regarding Recommendation 11

Risk management based perspectives on operational performance have been integrated into the Branch performance measurement framework, including benchmarking, target setting and results reporting.

Health & Safety training and related SOP concerning higher risk operational situations are utilized to manage/mitigate risk.

OAG: % complete   *100%*

2005 Recommendation 12

The Director, By-law Services Branch, should ensure a more structured approach to delivering and accounting for EID operational and program performance results including periodic performance reports that compare actual versus planned performance and requires an assessment of significant variances with actions to address those variances.

2005 Management Response

Management agrees with this recommendation.

The Corporate Performance Measurement Framework established OMBI measures as a priority area for performance measurement. The annual Branch Accountability Plan will be strengthened in 2006 to reflect strategic as well as operational and program performance results. Management has already implemented 17 enforcement OMBI performance measurements and 7 licensing performance measurements in 2005 and will be implementing an additional 22 enforcement and 10 inspection OMBI measures in Q1 of 2006. Monitoring and reporting will be occurring on a monthly basis within the Branch and among the Departmental Senior Management Team.

Management Representation of the Status of Implementation of Recommendation 12 at December 31, 2008

Management: % complete   *100%*

OAG's Follow-up Audit Findings regarding Recommendation 12

As noted under recommendations 1 and 2, the Branch has developed a performance measurement framework that tracks file turnaround times, staff productivity/utilization, and revenue generation. Data driven performance targets are set by officers levels 1-3. Data reporting dimensions include two operational service delivery zones, Council wards, and individual officers. Operational benchmarking at the officer level is ongoing. OMBI derived data dictionary is being used to track/target for performance using an "Ottawa versus Ottawa over time" perspective.

OAG: % complete   *100%*

2005 Recommendation 13

The Director, By-law Services Branch, should incorporate a more structured approach to maturing and improving EID management practices through the use of a Management Control Framework and Logic Model.

2005 Management Response

Management agrees with this recommendation.

Management will be completing a Branch Logic Model within Q1 of 2006. This will serve to illustrate the cause and effect relationships between activities, outputs and outcomes and assist management identification of critical evaluation questions and areas of emphasis. The existing management control framework is being strengthened departmentally and within the Branch. The reporting areas, nature of the reports and frequency have been documented and will be actively reviewed by individual managers and collectively by the Branch Management Team.

Management Representation of the Status of Implementation of Recommendation 13 at December 31, 2008

Management: % complete   *100%*

OAG's Follow-up Audit Findings regarding Recommendation 13

The performance measurement framework now in place measures service delivery outputs, unit costs and turnaround time outcomes linked to core lines of business and their activities – an approach consistent with a formal logic model. A formal business planning and target setting model has been put in place – consistent with a results based Management Control Framework.

OAG: % complete   *100%*

2005 Recommendation 14

Ensure the EID management team uses the Management Control Framework to self-assess the effectiveness of management practices each year at planning time to determine priority areas for improvement in the coming year.

2005 Management Response

Management agrees with this recommendation.

Further to 2005 Recommendation 13, the Branch will use the enhanced Management Control Framework to self-assess management effectiveness annually. The results of ongoing monitoring and reporting at the activity level and periodically at the program level (e.g. the 2006 efficiency review), coupled with financial and human resource performance reporting will inform the annual planning exercise undertaken by the Branch.

Management Representation of the Status of Implementation of Recommendation 14 at December 31, 2008

Management: % complete   100%

OAG's Follow-up Audit Findings regarding Recommendation 1

The current "industry leading" performance measurement toolkit will continue to be refined and rolled out. Benchmarking results will identify future improvement priority areas according to evidence-based analysis of results. This ongoing self-assessment model (plan-deliver-evaluate) for performance and accountability improvement is strongly endorsed by the audit follow-up team.

OAG: % complete   100%

4   SUMMARY OF THE LEVEL OF COMPLETION

The 14 recommendations contained in the By-law Enforcement and Inspections operational review/audit were intended to function as an integrated package. The overall purpose of the recommendations was to drive progress towards results based service planning within a management control framework. Critical to this purpose was the development of performance measurement tools to drive accountability and target setting. In order to achieve the objectives of the audit, significant changes in management processes, data management and measurement toolkits and organization culture were anticipated.

As of July 2009, Management has made significant process in completely implementing all of the core recommendations at the centre of the audit package. Remaining outstanding implementation requirements are relatively minor in scope.

The table below outlines our assessment of the level of completion of each recommendation as of Fall 2009.

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 – 24	-	-	-
Action Initiated	25 – 49	-	-	-
Partially Complete	50 – 74	-	-	-
Substantially Complete	75 – 99	3, 5, 7, 9	4	29%
Complete	100	1, 2, 4, 6, 8, 10, 11, 12, 13, 14	10	71%
Total			14	100%

5 CONCLUSION

The highlights of management's "fully implemented" audit accomplishments focus on results based management tools. These results based management tools address multiple audit recommendations. They include the following:

- A comprehensive set of performance indicators/standards has been developed for Category 1-3 requests for service. Turnaround time targets for i) initiating a service response on files and ii) resolving the investigation have been developed. The performance data associated with these standards is compiled and recorded according to two geography based service delivery zones, Council wards, and individual officers.

- Revenue generation, staff utilization and productivity driven benchmarking capacity exist across core service areas. Regular reporting drives performance versus targets – represents an industry best practices model. Internal productivity and performance benchmarking is taking place at both the zone and officer level.

- Annual activity reporting tracks various unit of service "volume" based work drivers. OMBI data definitions and rigorous data collection protocols have been used to develop an "Ottawa versus Ottawa over time" measurement framework that maximizes operational relevance rather than relying on apples versus oranges peer comparisons.

- A risk management perspective/focus has been built into the performance measurement toolkit. Measurable service target reporting and ongoing follow-up action by management at the individual staff level has reduced service delivery productivity and performance risk.

- Implementation of audit recommendations around mobile data collection tools in the field have also led to measurable productivity improvement in the initially targeted property standards business area.

- By-law harmonization has proceeded to successfully address all major by-laws. The remaining by-laws have been integrated into a rigorous project management framework.

- We confirm that staff utilization and productivity improvement are enhanced by mobile laptop data entry/access in the field. An estimated 20% productivity improvement is linked to field data entry/access.

6 ACKNOWLEDGEMENT

We wish to express appreciation to the staff and management for their cooperation and assistance throughout the audit process.