



Office of the Auditor General / Bureau du vérificateur général

**FOLLOW-UP TO THE 2006 AUDIT OF THE
BUILDING SERVICES BRANCH**

2009

**SUIVI DE LA VÉRIFICATION DE LA DIRECTION
DES SERVICES DU BÂTIMENT DE 2006**

Table of Contents

EXECUTIVE SUMMARY	i
RÉSUMÉ.....	iii
1 INTRODUCTION	1
2 KEY FINDINGS OF THE ORIGINAL 2006 AUDIT OF THE BUILDING SERVICES BRANCH.....	1
3 STATUS OF IMPLEMENTATION OF 2006 AUDIT RECOMMENDATIONS ...	4
4 SUMMARY OF THE LEVEL OF COMPLETION	13
5 CONCLUSION.....	13
6 ACKNOWLEDGEMENT.....	14

EXECUTIVE SUMMARY

Introduction

The Follow-up to the 2006 Audit of the Building Services Branch was included in the Auditor General's 2009 Audit Plan.

The key findings of the original 2006 audit included:

- The City of Ottawa must improve its ability to monitor compliance with the Ontario Building Code;
- The Branch has been in a reactionary mode attempting to address new legislative provisions and has not yet focused on monitoring compliance with this legislation;
- Currently there is no process to reliably measure compliance;
- The City's existing risk management strategy for Building Services dates back to the former City of Ottawa and needs to be updated; and,
- The Branch also has been struggling to recruit adequate resources and needs to implement a comprehensive strategy to ensure legislative requirements are met.

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	8	1	10%
SUBSTANTIALLY COMPLETE	75 – 99	1, 6, 7	3	30%
COMPLETE	100	2, 3, 4, 5, 9, 10	6	60%
TOTAL			10	100%

Conclusion

Building Code Services Branch (BCSB) has made significant progress since the completion of the original audit in 2006. While full implementation of some significant and extensive recommendations (e.g., documenting policies and procedures within the Legal and Service Integration Division and implementation of a HR plan) are not yet 100% complete, the basic fundamentals have been in place for some time, and steady progression towards the desired results has been observed. Overall BCSB is on the proper path to successfully implementing all the recommendations of the 2006 audit.

The original audit indicated that there were insufficient resources within BSB to continue to effectively manage workload. This was due primarily to the fact that the Branch had, at that time, vacancies of approximately 42 full-time positions. Since the 2006 Branch-wide audit, the OAG has conducted other more focussed audits in the area of building permits. These audits have indicated that there are opportunities here related to under-utilized resources. These opportunities should be pursued in order to ensure resources are allocated as effectively as possible across the Branch.

Management comment:

It is management's position that there was no evidence in any audit conducted by the OAG in relation to the Building Codes Services branch to substantiate the statement that "*there are opportunities here related to under-utilized resources*".

Acknowledgement

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

RÉSUMÉ

Introduction

Le Suivi de la vérification de la Direction des services du bâtiment (DSB) de 2006 était prévu dans le Plan de vérification du Bureau du vérificateur général de 2009.

Les constatations principales de la vérification initiale de 2007 sont les suivantes :

- La Ville d'Ottawa doit renforcer sa capacité de surveiller la conformité au Code du bâtiment de l'Ontario;
- La Direction est en mode réactif, essayant de faire face aux nouvelles dispositions législatives, et elle ne s'est pas encore employée à surveiller la conformité à ces dispositions;
- Aucun processus n'est actuellement en place en vue de mesurer la conformité de façon fiable;
- La stratégie de gestion des risques de la Ville en ce qui concerne les Services du bâtiment date de l'ancienne Ville d'Ottawa et a besoin d'être mise à jour;
- La Direction éprouve des difficultés à recruter des ressources qualifiées et doit mettre en œuvre une stratégie exhaustive afin d'assurer que les exigences législatives sont respectées.

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	8	1	10 %
PRATIQUEMENT COMPLÉTÉE	75 - 99	1, 6, 7	3	30 %
COMPLÉTÉE	100	2, 3, 4, 5, 9, 10	6	60 %
TOTAL			10	100 %

Conclusion

La Direction des services du Code du bâtiment (DSCB) a réalisé des progrès notables depuis l'achèvement de la vérification originale en 2006. Bien que la mise en œuvre intégrale de quelques recommandations importantes et de grande ampleur (p. ex., la documentation des politiques et procédures de la Division des services juridiques et de l'intégration des services et l'établissement d'un plan des ressources humaines) ne soit pas complètement achevée, les principes de base sont

en place depuis quelque temps et des progrès constants en vue des résultats souhaités ont été notés. De façon générale, la DSCB est sur la bonne voie pour ce qui est de mettre en œuvre, avec succès, toutes les recommandations de la vérification de 2006.

Il était indiqué dans la vérification originale que les ressources de la DSCB étaient insuffisantes afin de gérer efficacement la charge de travail, ce qui était dû essentiellement au fait qu'à ce moment-là, environ 42 postes à temps plein étaient vacants dans la Direction. Depuis la vérification à l'échelle de la Direction de 2006, le BVG a mené d'autres vérifications plus spécifiques dans le domaine des permis de construire. Ces vérifications ont révélé qu'il y a des possibilités ici liées au sous-emploi des ressources. Ces possibilités devraient être étudiées afin d'assurer que les ressources sont allouées aussi efficacement que possible dans toute la Direction.

Commentaires de la direction :

Il est de l'avis de la direction que dans aucune vérification menée par le BVG relativement à la Direction des services du Code du bâtiment n'y avait-il de preuves étayant l'énoncé stipulant « *qu'il y a des possibilités ici liées au sous-emploi des ressources* ».

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 2006 Audit of the Building Services Branch was included in the Auditor General's 2009 Audit Plan.

The key findings of the original 2006 audit included:

- The City of Ottawa must improve its ability to monitor compliance with the Ontario Building Code;
- The Branch has been in a reactionary mode attempting to address new legislative provisions and has not yet focused on monitoring compliance with this legislation;
- Currently there is no process to reliably measure compliance;
- The City's existing risk management strategy for Building Services dates back to the former City of Ottawa and needs to be updated; and,
- The Branch also has been struggling to recruit adequate resources and needs to implement a comprehensive strategy to ensure legislative requirements are met.

2 KEY FINDINGS OF THE ORIGINAL 2006 AUDIT OF THE BUILDING SERVICES BRANCH

Audit Objective #1 - Determine whether BSB complies with the OBC

Significant changes to Ontario's building regulatory system, set out in amendments to the Building Code Act 1992 (BCA) came into effect over the past two years. The revisions outline the role of the Chief Building Official and include the establishment of operational policies for the enforcement of the Act and the Building Code, and co-ordination and oversight of its enforcement. While the BCA outlines what BSB must do, it is the potential for liability that determines how it should be done, and managing the risk of liability is a key concern.

A major concern with the new requirements is the requisite standard of care that Building Officials must provide in the conduct of their inspections. BSB has adopted an innovative approach involving refundable inspection fees and a target of same-day response to inspection requests to minimize wasted inspection effort. Both Mississauga and London have implemented the legislated 48-hour turnaround time target for mandatory inspections to alleviate workload. While the result in Ottawa is better service to the industry, there is concern the quality of service may be compromised given current staffing levels and demand for inspections. Areas in which further improvements are necessary include:

- We understand that considerable effort is being devoted to achieving compliance to prescribed timeframes with respect to permit applications and

building inspections; however, reporting on performance measures is not currently available to assess the actual level of compliance.

- Inspectors are working overtime in their efforts to complete all inspections required within the 24-hour target timeframe, resulting in some staff requiring stress leave and a risk of poor service delivery and inadequate resources to address peripheral issues;
- While it is clear that risk management is not a specific component of the OBC, it is an overarching theme for the required revisions to the Code and a key consideration in decision-making within the Branch. BSB's current risk management strategy is outdated. Consideration of risk was last addressed in the 1999 risk assessment conducted for the former City of Ottawa, which included specific established operational policy statements, but has not been updated since amalgamation, and more importantly, since the new BCA provisions took effect;
- Building Inspections has compiled a handbook entitled "Policies, Guidelines and Standards" which serves as a guide for all Inspectors to ensure consistency and thoroughness in the conduct of inspections. Similar documentation does not exist for all plans examination functions, and those that do exist predate the new BCA. In addition, this documentation does not emanate from an overall risk management policy statement approved by Council;
- Currently policies and procedures are not in place for the use and approval of equivalents. Further, mechanisms for considering precedents and the decisions made related to approval of equivalents are not documented; and,
- Although not mandatory per the OBC, policies and procedures for the Legal & Service Integration Division have not been formally documented.

Audit Objective #2 - Determine whether financial management practices and policies are in place

- As part of its mandate, BSB is required to charge fees that correspond to its costs related to Building Code enforcement. Therefore, it is expected that BSB will recover its costs to sustain operations. Challenges arise in that expenditures are largely related to staffing costs, and are essentially fixed in the short term, however, revenues are variable and affected by external and other cyclical factors which the Branch does not control, or even influence.
- In 2005, in order to address these concerns and meet its financial obligations, three separate reserve funds were established to deal with capital purchases, protection against litigation, and revenue stabilization; for the sole use by BSB. London and Mississauga have also established reserve funds.
- Specifically we observed that expenditure adjustment is difficult due to fluctuating volumes, the significance of salaries and benefits as a major

expenditure category, and the difficulty in recruiting qualified staff. However, the creation of the reserve funds provides some protection for BSB in the event of declining volumes, and/or damages awarded through litigation. BSB's annual operating budget is approximately \$11 million, however, the aggregated reserve fund balance, currently valued at approximately \$2.2 million is inadequate to sustain current operating costs.

Audit Objective #3 - Determine whether performance monitoring and reporting are in place to assess the economy, effectiveness, and efficiency of current operations

The new Building Code legislation has recognized performance measurement as a useful management tool and has incorporated several quantitative indicators as part of its requirements. BSB has addressed some Building Code requirements related to performance measures by capturing data on timeframes, but has mainly focused its efforts on developing the new service delivery model and meeting other key requirements of the revised Building Code Act.

The new legislated timeframes and other requirements for the issuance of building permits and related inspections have necessitated an increase in staffing levels. In the past, BSB relied on the services of contractors during peak periods and/or former BSB employees; however, legislated requirements related to certification and insurance have effectively eliminated these options. In addition, there is competition from the construction industry, which also requires the same qualifications to prepare building permit applications, resulting in further difficulties with external recruitment. Further, the pay scale for Inspectors and Examiners appears to be a factor in deterring potential candidates from applying for positions within BSB. Added to this is the significant number of experienced staff that are expected to retire in 2008.

Benchmarking the activities of Mississauga and London found that both municipalities have improved their performance measurement system and maintain weekly performance reporting on permit processing timeframes, which is made available to the public. In addition both have implemented initiatives for increased e-service delivery.

Specifically we observed the following:

- Data is reported on building permit volumes and related value of construction activities, and there are systems in place to capture data on time frames as required by the new legislation. However, reporting on efficiency and effectiveness relative to legislative timeframes is currently not available;
- There are several long-term employees within BSB with significant corporate knowledge who clearly understand their tasks and tasks of others because of their familiarity with the procedures and actions; however, some policies and related procedures are not documented.

- Considerable effort has gone into developing effective interfaces between BSB and the other branches and services with which it deals, particularly By-Law Services and Planning and Infrastructure Approvals. However, these procedures have not been well documented; and,
- Insufficient resources exist within BSB to continue to effectively manage workload. Currently, BSB has vacancies of approximately 42 full-time positions. BSB is experiencing difficulty in recruiting individuals who meet the new legislated qualifications and it does not appear that BSB has developed and documented a strategy to mitigate recruitment and retention risks.

3 STATUS OF IMPLEMENTATION OF 2006 AUDIT RECOMMENDATIONS

2006 Recommendation 1

That BSB formally review, assess, prioritize, and document its significant risks, revise the risk management strategy, and ensure staff are trained in the risk management strategy once adopted. A risk assessment should be conducted more frequently, particularly when there is significant policy, legislative, regulatory, and/or court decision related changes. The risk management strategy should include revised operational policies for the enforcement of the Act in the areas of inspections and permit approvals, and be developed in consultation with Legal Services.

2006 Management Response

Management agrees with this recommendation. A formal review of the Risk Management Policy is scheduled for 2007 following the implementation of both the Building Code Statute Law Amendment Act, referred to as Bill 124 (January 1, 2006) and the new Building Code with the objective based code format (January 1, 2007). The updating of the Branch's operational policies, procedures and guidelines will follow suit as will risk management training of Branch staff. It is anticipated that these activities will be completed in Q4 2008.

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

Implementation of this recommendation is 50% complete. A draft risk management project plan was developed for Q4 2008. Risk assessment, application and integration into operational programs are scheduled for completion by Q4 2009.

Management: % complete *50%*

OAG's Follow-up Audit Findings regarding Recommendation 1

Consistent with the Branch's management response, the Follow-up Audit confirmed that a draft risk management project plan has been developed. Detailed risk management strategy responsibility matrix has been developed for all levels of staff. A PowerPoint slide show has been created and the training date of November 30, 2009 was set. In addition, two all-staff training sessions with respect to risk management have been completed; a consultant has been engaged to assist the branch to conduct a risk assessment (scheduled to be complete by end of February 2010); and the Branch has been working with the City's insurer (Frank Cowan Company) to conduct a risk review and with the City's Corporate Risk Management Coordinator (who no longer reports to Legal Services) on the initiatives noted above.

OAG: % complete

75%

Management Representation of Status of Implementation of Recommendation 1 as of Winter 2010

Management agrees with the OAG's follow-up audit finding.

The branch completed its risk assessment in February 2010, which includes an action plan to address the top identified risks. In addition, the branch is continuing to work with the Frank Cowan Company to conduct a risk review that is in line with the City's new Enhanced Risk Management program. Completion is expected in Q1 2011.

Management: % complete

75%

2006 Recommendation 2

That BSB consider documenting its policies and procedures for key activities within the Legal and Service Integration Division.

2006 Management Response

Management agrees with this recommendation. Particular focus will be made on completing the documentation of those policies and procedures that are related to servicing building permits and the enforcement of the Building Code Act and Code. The process mapping of Legal and Service Integration has been largely completed and policies and procedures are being documented/developed. This is a work-in-progress as resources have been dedicated firstly to mandatory activities, that of servicing building permits and enforcing the Building Code Act and the Code. This initiative will be completed by Q1 2009.

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

Implementation of this recommendation is 20% complete. Business process mapping for building code enforcement is completed. Business process mapping for Sign Permits and Municipal Addressing will be initiated in Q1 2009.

Management: % complete *20%*

OAG's Follow-up Audit Findings regarding Recommendation 2

At the time of the follow-up, business process mapping for building code enforcement had been completed and had commenced for other areas. As of December 2009, all policies and procedures had been formalized and were in binder format.

OAG: % complete *100%*

2006 Recommendation 3

That BSB consider options that focus on building the reserve funds as rapidly as possible.

2006 Management Response

Management agrees with this recommendation. In the report to Council entitled: Building Regulatory Changes – Impact of Building Code Statute Law Amendment Act and Ontario Regulation 305/03 (ACS2005-PGM-BLD-0010), Branch Management proposed to maintain the building permit fee rate (\$13.50 per \$1000 in construction value) to enable an accelerated rate of contribution over the next five years of surplus revenues into the reserve funds. At 2005 year end, \$2.2 M in surplus revenues were allocated to the reserve funds. For 2006 year end, a higher contribution will be possible due to higher than expected vacancies and lower outsourcing costs.

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

Management: % complete *100%*

OAG's Follow-up Audit Findings regarding Recommendation 3

Currently the Revenue Stabilization Fund covers 100% of the total direct costs associated with the activities of the Branch. The Capital Contribution Fund is exceeding the cap which is set at \$5 million and the Insurance Fund is only 10% below the cap.

OAG: % complete *100%*

2006 Recommendation 4

That BSB maintain a log of outstanding litigation claims that could lead to damages awarded against the City and track the likely exposure to these claims against the reserve fund balance.

2006 Management Response

Management agrees with this recommendation. This will be pursued following the updating and adoption of the Risk Management Policy. This initiative will be completed by Q4 2008.

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

Implementation of this recommendation has not yet begun. This recommendation addresses issues that are retrospective. The branch has expended its efforts to date on operational recommendations that support our core business in a pro-active manner. This initiative has been delayed because of competing priorities in the branch, such as the processing of over 9400 building permit applications in 2008. The project is tied to the risk management policy and plan, which is currently being developed. The implementation phase will include the logging of outstanding litigation claims. Implementation will be initiated in Q1 2009 and will be completed by Q4 2009.

Management: % complete *0%*

OAG's Follow-up Audit Findings regarding Recommendation 4

The Branch has now compiled a master list of all litigation, dating back to January 1, 2006. The list contains details such as Claim Type, Claim Status, Cause, and Amount. All claims are totalled so that at any given time the Branch knows exactly how rulings against the City will affect their Insurance Reserve Fund.

OAG: % complete *100%*

2006 Recommendation 5

That BSB focus on developing a suite of performance measures that cover outcomes related to legislative compliance, customer service, efficiency and effectiveness, and on developing the capacity to report on these measures, with results of these measures posted in public areas. While BSB should continue to work with Information Technology Services in this regard, it should also strengthen its internal ability and capacity to query and report on data within MAP.

2006 Management Response

Management agrees with this recommendation. In tandem with the development and implementation of the new business processes as a result of Bill 124 and the

changes made to MAP (the City's computerized management information system), Branch management is developing the capacity to report on the Branch's performance with respect to the mandatory turnaround times and other services and activities. ITS Project 1085 – Building Services Performance is near completion and will provide reporting data on the Branch's performance vis-à-vis the mandatory turnaround times for decisions. This project is scheduled for Q1 2007 to coincide with the annual OMBI reporting timeframe and the first Annual Report to be issued by the Branch in accordance with the Building Code Act, on April 1, 2007.

Tracking the performance of inspections vis-à-vis the mandatory timeframe requires the development and implementation of remote technology and further MAP enhancements, the subject of Recommendation 8 (below).

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 BCSB has developed a suite of performance measures that cover outcomes related to legislative compliance, customer service, efficiency and effectiveness, and on developing the capacity to report on these measures, with results of these posted in public areas. In addition, the BCSB has worked with IT professionals and has the internal ability and capacity to query and report on data within MAP.

OAG: % complete *100%*

2006 Recommendation 6

That BSB develop and continue to evolve plans for effective use of technology, including portable devices and e-based application processing, consistent with evolving technologies.

2006 Management Response

Management agrees with this recommendation. In 2003, the Branch undertook a business process analysis of Branch procedures and activities related to servicing building permits and enforcing the Building Code Act and Building Code. The assessment provided for the establishment of the Foundation Project, whereby process changes and MAP enhancements were identified that would streamline processes and enable the implementation of the Building Code Statute Law Amendment Act. The Foundation Project has served as a blueprint for a number of IT Projects, which have been underway since 2004. As technology evolves, BSB will review, assess (business case), test/pilot new technologies to determine their suitability in enhancing the Branch's effectiveness in meeting the legislative responsibilities and increasing efficiencies.

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

The BCSB has worked with IT professionals to update the MAP computer system with new enhanced timelines. The BCSB online application increased the Branch's efficiency and allowed customers to monitor and track their permits. In addition, the BCSB created a program manager position that will coordinate the IT initiatives of the branch. The program manager provides a single point of contact with ITS on major initiatives. The BCSB has a target date for pilot video conferencing kiosks at one rural location set for 2011. Furthermore, BCSB is targeting 2014 for the implementation of remote technology for building inspection.

OAG: % complete *85%*

Management Representation of Status of Implementation of Recommendation 1 as of Winter 2010

Management agrees with the OAG's follow-up audit finding.

Outstanding, is the transformation of MAP to support management information systems for building inspectors (i.e., to track status, update inspection reports, orders, etc. electronically in the field using remote technology). The project is essential for regulatory compliance (Building Code Act) and will deliver on the City's Corporate Service Excellence initiatives, by improving operational performance, performance measurement and reporting, and client service through mobile and remote technologies. BCS is targeting 2014 for the implementation of remote technology. The reference to the piloting of video conferencing kiosks in 2011 is outside the scope of the 2006 audit.

Management: % complete *85%*

2006 Recommendation 7

That BSB develop a human resources plan to deal with difficulties experienced in recruitment and retention of individuals qualified under the new Building Code Act. In addition, the human resources plan should include formal succession planning initiatives for the management team, and ongoing staff training initiatives with opportunities for continuing education and cross-training, including improving the technical knowledge of objective-based codes at all levels.

2006 Management Response

Management agrees with this recommendation. Funding has been earmarked for core competency training of the Building Officials to expand their knowledge base and to ensure cover off and progression/succession. Due to recruitment difficulties

and the new legislated requirements for qualifications, a Building Official Internship Program has been developed. Specific components of the program will be submitted to the Province for review and approval. The Branch will identify and allocate resources in 2007 for the development of a Human Resources Plan and will continue to work with Employee Services in developing a succession plan and strategies for addressing recruitment difficulties. Completion of the Human Resources Plan, including a succession plan and strategies will be in Q2 2008.

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

Implementation of this recommendation is 60% complete. The completion of this initiative is delayed due to peak workloads, conflicting priorities and limited resources for implementation. The overall framework for the Human Resources plan remains incomplete. However, many components of a comprehensive HR plan have been developed such as: the internship program, which has addressed recruitment difficulties experienced for entry level positions; Building Official positions were reclassified upwardly, which improved the ability to recruit more experienced Officials; and increased provision of training for core Building Code competencies.

The new Business Services and Evaluation unit that was established in Q4 2008, will work with HR (once wave III of the City's realignment initiative is complete) to develop the remaining components and the HR plan framework, and will identify an external resource to assist with the development of a computerized management system to track the components, particularly the individual plans for training, development and succession for each employee and report on progress, required training resources, etc. for branch management.

Management: % complete *60%*

OAG's Follow-up Audit Findings regarding Recommendation 7

Several components of the HR plan have been developed, such as the internship program; Building Official positions were reclassified; and provisions for training for core Building Code competencies were increased. In addition, the new Continuous Improvement and Performance Measurement have worked with HR and developed the HR Plan framework, that was to be implemented Q4 2009.

OAG: % complete *80%*

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

Management agrees with the OAG's follow-up audit finding.

The HR Plan report was completed with the assistance of the Human Resources department. Action plans are being finalized to meet the goals and objectives identified in the Plan. These work plans will be finalized by the end of Q2 2010. The remaining work plans will be implemented thereafter on an ongoing basis.

Management: % complete *80%*

2006 Recommendation 8

That BSB consider improving its human resource and information technology skills set and experience with the recruitment of the two new positions within the Legal & Service Integration Division.

2006 Management Response

Management agrees with this recommendation. Recommended resourcing relates to above Recommendations 6 and 7. A report on the establishment of two new operational support positions will be presented to Council Q2 2007 and recruitment will follow thereafter. Funding from building permit revenues is available to offset such additional costs as computers, compensation and accommodation.

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

Implementation of this recommendation is 25% complete. A new Business Services and Evaluation unit was established in Q4 2008. There will be a realignment of responsibilities to meet audit objectives as the capacity to deliver on data management, performance measurement, strategic initiatives and statistical reporting is realized. This will be pursued in Q2 2009.

Management: % complete *25%*

OAG's Follow-up Audit Findings regarding Recommendation 8

BCSB Continuous Improvement and Performance Measurement unit is in charge of performance measurement, strategic initiatives and risk management. In addition, the BCSB created a program manager position that will coordinate the IT initiatives of the branch. The program manager provides a single point of contact with ITS on major initiatives and new IT enhancements are continuously pursued.

OAG: % complete *50%*

Management Representation of Status of Implementation of Recommendation 8 as of Winter 2010

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

Two new work units have been established and resourced with the necessary work plans in place: the Continuous Improvement and Performance Measurement unit and the Business IT Solutions unit. Management considers implementation of this recommendation to be complete.

Management: % complete **100%**

2006 Recommendation 9

To improve customer service, Client Service Centres should be provided with complete and accurate information on BSB activities on a regular basis. BSB should consider conducting periodic customer satisfaction surveys to obtain feedback to improve the effectiveness of service delivery through the identification of problem areas.

2006 Management Response

Management agrees with this recommendation. Customer satisfaction surveys targeted to building permit applicants will be undertaken with the assistance of the Client Services and Public Information Branch, commencing Q3 2007.

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

Management: % complete **100%**

OAG's Follow-up Audit Findings regarding Recommendation 9

BCSB conducted a client satisfaction survey from October 2007 to October 2008, and continue to conduct surveys at all client service counters. The results of the survey were communicated for improvements; for instance, changes to the website for clarity, changes to message centre for access by support staff to expedite response. Comment cards are available continuously at the Client Service Centres for input by the public.

OAG: % complete **100%**

2006 Recommendation 10

BSB should clearly identify and document the interfaces, relationships, processes, and activities that are coordinated between BSB, By-Law Services, and Planning and Infrastructure Approvals Branch.

2006 Management Response

Management agrees with this recommendation. This initiative will be completed Q4 2009.

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

Implementation of this recommendation is complete. As indicated above, this initiative will be completed by Q4 2009.

Management: % complete *100%*

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

Implementation of this recommendation is complete. As indicated above, this initiative will be completed by Q4 2009.

Management: % complete *100%*

OAG's Follow-up Audit Findings regarding Recommendation 10

The BCSB has clearly identified and documented the interfaces, relationships and activities that are coordinated between BCSB, By-law, Fire Services and the Heritage Emergency Preservation Team. Since the original audit, BCSB has been re-assigned to the Planning and Growth Management (PGM) Department. The re-organization should facilitate the interrelationships between BCSB and planning function. As of February 2010, guidelines and operating procedures between BCSB and PGM for processing conditional permits had been documented.

OAG: % complete *100%*

4 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	8	1	10%
SUBSTANTIALLY COMPLETE	75 – 99	1, 6, 7	3	30%
COMPLETE	100	2, 3, 4, 5, 9, 10	6	60%
TOTAL			10	100%

5 CONCLUSION

Building Code Services Branch has made significant progress since the completion of the original audit in 2006. While full implementation of some significant and extensive recommendations (e.g., documenting policies and procedures within the Legal and Service Integration Division and implementation of a HR plan) are not yet 100% complete, the basic fundamentals have been in place for some time, and

steady progression towards the desired results has been observed. Overall BCSB is on the proper path to successfully implementing all the recommendations of the 2006 audit.

The original audit indicated that there were insufficient resources within BCSB to continue to effectively manage workload. This was due primarily to the fact that the Branch had, at that time, vacancies of approximately 42 full-time positions. Since the 2006 Branch-wide audit, the OAG has conducted other more focussed audits in the area of building permits. These audits have indicated that there are opportunities here related to under-utilized resources. These opportunities should be pursued in order to ensure resources are allocated as effectively as possible across the Branch.

Management comment:

It is management's position that there was no evidence in any audit conducted by the OAG in relation to the Building Codes Services branch to substantiate the statement that "*there are opportunities here related to under-utilized resources*".

6 ACKNOWLEDGEMENT

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