



Office of the Auditor General / Bureau du vérificateur général

FOLLOW-UP TO THE 2007 AUDIT OF THE

DEVELOPMENT REVIEW PROCESS

2009

SUIVI DE LA VÉRIFICATION DU PROCESSUS D'EXAMEN DES

DEMANDES D'AMÉNAGEMENT DE 2007

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EXECUTIVE SUMMARY

Introduction

The Follow-up to the 2007 Audit of the Development Review Process was included in the Auditor General's 2009 Audit Plan.

The key findings of the original 2007 audit included:

- The City is subsidizing development fees and recommends they be raised to realize full cost recovery. This could represent an annual saving of \$4.3 million to the taxpayers.
- The City's development review process is performing sub-optimally.
- Application processing turnaround times are consistently slow and do not meet the requirements of the Planning Act;
- 13% of new building permits issued by the City may contravene the legal requirements of the Ontario Building Code;
- The City's Early Service Agreement Regime poses significant financial risk;
- Critical gaps are evident in technology-driven information management solutions of the development review process; and,
- A dispersed business model is used resulting in redundant technical reviews and lack of integrated workflow.

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 | 8, 9, 10, 12, 13, 22, 23 | 7 | 28% |
| ACTION INITIATED | 25 – 49 | 1, 2, 20 | 3 | 12% |
| PARTIALLY COMPLETE | 50 – 74 | 7 | 1 | 4% |
| SUBSTANTIALLY COMPLETE | 75 – 99 | - | - | - |
| COMPLETE | 100 | 3, 4, 5, 6, 11, 14, 15, 16, 17, 18, 19, 21, 24, 25 | 14 | 56% |
| TOTAL | | | 25 | 100% |

Conclusion

The 25 recommendations contained in the Audit of the Development Review Process (DRP) conducted in 2006-07 were assembled as an integrated package. The overall purpose of the recommendations was to drive the transformation of a core City service that was performing at sub-optimal levels.

As of July 2009, City management has made significant progress in vigorously implementing the core recommendations at the centre of the DRP transformation package. The highlights of management's "full implementation" accomplishments include the following:

- Creation of a Planning and Growth Management (PGM) department to implement the "One Stop" service delivery model as recommended in the audit. The new PGM department consolidates City staff from multiple DRP disciplines and previous City business units.
- Creation of three DRP service delivery zones in PGM. In each service delivery zone, multi-disciplinary DRP staff teams have been created. These teams are led by an empowered, accountable "File Lead" charged with the timely and rigorous consideration of development applications.
- The design of a performance measurement and benchmarking framework; whereby productivity and turnaround time performance indicators and results within/across multi-disciplinary teams will drive continuous improvement. Data tracking tools have been built and are being rolled out in support of this performance measurement framework.
- An on-line DRP tracking software application has been implemented to allow development applicants to monitor the progress/status of their applications.
- Extensive team based training in project management, logistics and leadership has been undertaken to ensure culture, not just processes, are driven by the need for continuous improvement.
- On-going Ontario Municipal Board (OMB) risk assessment reporting prior to launching an appeal/hearing.

Strong "foundation" progress has been made on the key recommendation for improved DRP cost-recovery. The 2008 and 2009 budget processes each featured fee adjustments to improve cost recovery performance. Final "full cost" fees will be achieved via a three stage implementation framework.

Remaining key recommendations concerning improved development agreement content/accountability triggers, as well as streamlined hydro authority review, require active and rigorous follow-up now that larger scale transformation initiatives have been completed.

In contrast to management's implementation effort, one problematic post-audit performance issue requires action. Management's agreement to discontinue the use of conditional building permits to artificially accelerate approval of sub-division driven residential units has not received meaningful follow-up. Attention from the Chief Building Official is required. Implementation by year-end, in co-ordination with Early Servicing Agreement and development agreement is both realistic and important from a risk management perspective.

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 du processus d'examen des demandes d'aménagement de 2007 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 subventionne les redevances d'aménagement et recommande de les augmenter afin de recouvrir entièrement les coûts, ce qui pourrait représenter des économies annuelles de 4,3 millions de dollars pour les contribuables;
- Le rendement du processus d'examen des demandes d'aménagement de la Ville n'est pas optimal;
- Le traitement des demandes est toujours lent et ne rencontre pas les délais prescrits par la *Loi sur l'aménagement du territoire*;
- De tous les permis de construction octroyés par la Ville, 13 p. 100 pourraient contrevenir aux exigences du Code du bâtiment de l'Ontario;
- La politique d'entente de viabilisation anticipée de la Ville expose celle-ci à d'importants risques financiers;
- Les solutions technologiques servant à gérer l'information associée au processus d'examen des demandes d'aménagement présentent des lacunes fondamentales;
- Le modèle d'administration multipartite utilisé entraîne une redondance des examens techniques et ne permet pas une gestion intégrée de flux de travaux.

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 | 8, 9, 10, 12, 13, 22, 23 | 7 | 28 % |
| ACTION AMORCÉE | 25 - 49 | 1, 2, 20 | 3 | 12 % |
| COMPLÉTÉE EN PARTIE | 50 - 74 | 7 | 1 | 4 % |
| PRATIQUEMENT COMPLÉTÉE | 75 - 99 | - | - | - |
| COMPLÉTÉE | 100 | 3, 4, 5, 6, 11, 14, 15, 16, 17, 18, 19, 21, 24, 25 | 14 | 56 % |
| TOTAL | | | 25 | 100 % |

Conclusion

Les 25 recommandations de la vérification sur le processus d'examen des demandes d'aménagement menée en 2006-2007 ont été réunies en une série intégrée de mesures. Les recommandations visaient de façon générale à opérer la transformation d'un service essentiel de la Ville dont le rendement n'était pas à son meilleur.

En date de juillet 2009, la direction a réalisé d'importants progrès dans la mise en œuvre énergique des recommandations principales au cœur de la série de mesures visant la transformation du processus d'examen des demandes d'aménagement. Au nombre des points saillants des réalisations accomplies par la direction en ce qui concerne la « mise en œuvre intégrale », on trouve :

- La création d'un Service de l'urbanisme et de la gestion de la croissance (UGC) afin de mettre en place le modèle de prestation de service « à guichet unique » comme il était recommandé dans la vérification. Le nouveau Service regroupe le personnel municipal travaillant dans les divers domaines liés à UGC et d'anciennes unités organisationnelles de la Ville.
- La création de trois zones de prestation de service relativement au processus d'examen des demandes d'aménagement, fondées sur l'aménagement, dans UGC. Dans chaque zone de prestation de service, des équipes pluridisciplinaires en matière d'examen des demandes d'aménagement ont été formées. À la tête de ces équipes se trouve un « chef » des dossiers habilité et responsabilisé de ses décisions, chargé de l'examen rigoureux et opportun des demandes d'aménagement.
- La conception d'une structure de mesure du rendement et d'évaluation comparative, selon laquelle les indicateurs de rendement et les résultats relatifs à la productivité et aux délais d'exécution des équipes pluridisciplinaires, et comparativement les unes aux autres, entraîneront une amélioration continue. Des outils de suivi des données ont été créés et mis en place en appui à cette structure de mesure du rendement.
- Une application logicielle de suivi du processus d'examen des demandes d'aménagement a été mise en œuvre afin de permettre aux requérants de suivre l'état d'avancement/le statut de leur demande.
- Une formation approfondie, fondée sur l'équipe, en gestion de projet, logistique et leadership a été dispensée afin d'assurer que la culture, et pas seulement les processus, est animée par le besoin d'une amélioration continue.
- Des rapports constants sur l'évaluation des risques en ce qui a trait à la Commission des affaires municipales de l'Ontario (CAMO) avant d'interjeter appel ou de réclamer une audience.

Des progrès marqués quant à la « base » ont été réalisés concernant les recommandations clés visant un meilleur recouvrement des coûts du processus d'examen des demandes d'aménagement. Les processus budgétaires de 2008 et 2009 ont chacun comporté des ajustements des redevances afin d'améliorer le rendement en matière de recouvrement des coûts. On atteindra les redevances finales permettant le recouvrement complet des coûts grâce à la structure de mise en place en trois étapes.

Maintenant que les initiatives de transformation à plus grande échelle sont achevées, un suivi actif et rigoureux est nécessaire pour ce qui est des recommandations clés restantes concernant l'amélioration des éléments déclencheurs de la reddition de compte et du contenu des ententes d'aménagement, ainsi que l'examen rationalisé des pouvoirs en ce qui concerne l'aménagement hydro-électrique.

Une question de rendement ultérieure à la vérification, qui se démarque des efforts de mise en œuvre de la direction, est problématique et requiert la prise de mesures. L'accord de la direction de ne plus utiliser de permis de construire conditionnels afin d'accélérer de façon artificielle l'approbation d'unités résidentielles entraînées par le lotissement n'a pas fait l'objet d'un suivi sérieux. Cette question requiert l'attention du chef du bâtiment. Sa mise en œuvre d'ici la fin de l'année, en coordination avec les ententes de viabilisation anticipée et les ententes d'aménagement, est réaliste et importante d'un point de vue de gestion des risques.

Remerciements

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

1 INTRODUCTION

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The key findings of the original 2007 audit included:

- The City is subsidizing development fees and recommends they be raised to realize full cost recovery. This could represent an annual saving of \$4.3 million to the taxpayers.
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- Critical gaps are evident in technology-driven information management solutions of the development review process; and,
- A dispersed business model is used resulting in redundant technical reviews and lack of integrated workflow.

2 KEY FINDINGS OF THE ORIGINAL 2007 AUDIT OF THE DEVELOPMENT REVIEW PROCESS

The 2007 audit of the Development Review Process has determined that the City DRP is performing sub-optimally. Pertinent examples of fundamental shortcomings in DRP are as follows:

1. Planning Act application processing turnaround times are consistently slow – they do not conform to City defined service level standards nor do they mirror Provincially legislated timeframes.
2. Interviewed Councillors and developers are convinced the current DRP model has significant communication/logistical and process management shortcomings.
3. DRP cost recovery is substandard compared to Ontario growth municipality peers. A conservative financial analysis reveals that at least \$4.3 million in DRP Planning and Engineering costs are subsidized by property taxpayers in the absence of full cost recovery fee structures. Current DRP user fee rate structures do not conform to industry design standards when compared to Ontario growth municipality peers.

4. The City's Early Servicing Regime for expediting green field residential development poses significant unmanaged financial risk for the City. As well, the conditional building permit process administered by the City to approve the majority of green field residential building permits (as part of the ESA regime) does not appear to comply with Provincial law governing conditional permits as set out in the Building Code Act.
5. Development agreements drafted and administered by the City have not been aligned with the Early Servicing Regime approvals process and "real world" timelines for green field approvals that are triggered well in advance of subdivision registration. Development agreement condition enforcement by City staff is reactive and lacks properly defined compliance targets for infrastructure scheduling and amenity provision (streetlights, parks, sod, and sidewalks). Senior staff has noted that agreement enforcement is not always consistent, and that negotiated ad-hoc compliance arrangements occur regularly.
6. Critical technology driven information management solution gaps are evident within DRP. The MAP workflow management application, used by Planners at the front-end of DRP and Building officials at the back-end of DRP, is not available for tracking middle-DRP development agreement compliance and inspection work. This omission results in a reliance on inadequate manual or ad-hoc spreadsheet tracking of the 1,700 or more active development agreements in the City.
7. The City's current dispersed business unit model administering DRP features staff that are geographically separated and lacking fully integrated workflow management technology. Redundant technical perspectives during the review process are not being effectively reconciled among competing engineering groups across departments. Leadership in "cradle to grave" DRP application file management is absent due to the dispersed authority model, despite near universal acknowledgement that the Planning and Infrastructure Approvals Branch should be "running" the entire DRP.
8. Positive DRP performance outcomes have also been documented in the audit:
 - Contrary to some perceptions, the City is performing well at the OMB (Ontario Municipal Board) - with successful outcomes approximately 75% of the time.
 - Planning due diligence is being delivered on audit sample applications regardless of size and complexity.
 - The amount of processing effort being expended on DRP files by staff is within peer municipality norms. In fact the City enjoys an overall efficiency/productivity dividend in terms of required processing effort when compared to an Ontario municipal peer benchmark.

- The “up-front” pre-consultation process on DRP Planning Act applications is supported by all involved participants, and is providing improved clarity for applicants around application review technical requirements and process.

3 STATUS OF IMPLEMENTATION OF 2007 AUDIT RECOMMENDATIONS

FINANCIAL PERFORMANCE

2007 Recommendation 1

That the City execute a comprehensive review of DRP fees (during 2008) to achieve full cost recovery fee structures for the 2009 budget year.

2007 Management Response

Management agrees with this recommendation.

PTE will engage a consultant to undertake a comprehensive review of development review process (DRP) fees at an estimated cost of \$100,000, subject to budget approval in the 2009 budget. With the inclusion of compliance issues associated with Planning Act Section 69 (see recommendation 2) in the comprehensive review of DRP fees, a level of effort analysis will be required from the various business units involved in the DRP, for each type of application. This analysis will be undertaken during 2009 for implementation of the full cost recovery structure for the 2010 budget year.

It should be noted, that the figures quoted in the cost-recovery analysis table on page 5 of the full report are incorrect. Additional Planning branch revenues attributable to the DRP, and for which expenses are included in Planning Branch expenditures, have not been recognized. As a result, management believes the table should be revised.

Since 2006, steps have been taken to improve the cost recovery rate of the Planning Branch. In the 2007 and 2008 budget discussions, Council approved fee increases for planning applications. A subsequent increase to raise an additional \$1.3 million in planning fees is scheduled for implementation on April 1, 2008.

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

Estimated revised progress/completion assessment of 35 percent.

Phase 1 of three phase critical path now complete. The “go live” effort tracking application has been reviewed/assessed in detail by the AG audit follow-up team. Appropriate DRP activities/application categories have been built into the tool.

Phase 2 ongoing tracking of DRP file processing effort by staff is imminent (August-September 09).

Fee review project completion in 2010 seems realistic as per critical path. Budget in place for external resources required for fees calculation model construction.

Management: % complete *35%*

OAG's Follow-up Audit Findings regarding Recommendation 1

In each subsequent budget cycle to the audit, DRP fee adjustments have been implemented to reduce the gap between actual cost recovery and full cost recovery. These interim fee adjustments have allowed staff to meet other post-audit DRP restructuring priorities, while making material progress towards the underlying objective behind this recommendation.

DRP staff is moving forward with a three phase DRP fees review project. A critical path has been developed as follows:

Phase 1: Design and build DRP staff processing effort tracking tool to document City processing effort for all DRP's core fee categories. The processing effort documentation is a critical step in methodology for calculating "full cost" DRP fees.

Phase 2: Execute ongoing time/effort tracking by all DRP staff for key activities within each DRP fee category (2009).

Phase 3: Retain necessary external resources to ensure "best practices" model construction (budget in place). Execute construction of full cost DRP fees model and fees schedule using Phase 1-2 inputs. Fee rate structure review will follow full cost fee calculations (2010).

OAG: % complete *35%*

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

Management agrees with the OAG's follow-up audit finding. A Purchase Order for the consultant retained to complete this work was issued on February 23, 2010.

Management: % complete *35%*

2007 Recommendation 2

That the comprehensive review of DRP fees should also address compliance issues associated with Planning Act Section 69 fee rate structure design (in order to reduce OMB challenge risk).

2007 Management Response

Management agrees with this recommendation.

This work will be undertaken during 2009, for implementation of the full cost recovery structure for the 2010 budget year (see recommendation 1).

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

Execution pending as per the Recommendation 1 three phase critical path.

Management: % complete *0%*

OAG's Follow-up Audit Findings regarding Recommendation 2

Review of DRP fee rate structure design will be executed during the scheduled 2010 phase three of the critical path as per the Recommendation 1 commentary above.

OAG: % complete *35%*

Management Representation of Status of Implementation of Recommendation 2 as of Winter 2010

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

Management: % complete *35%*

COMPLIANCE

2007 Recommendation 3

That Planning and Infrastructure Approvals Branch management team improve intake of development applications through a 'one window team' that takes ownership of an application immediately at the moment of intake at the Client Service Centres. The 'one window team' needs to have knowledgeable intake staff dedicated to DRP, Planning staff, and Infrastructure Approvals staff working side-by-side so an application can be shepherded (or turned away) as soon as it enters the system.

2007 Management Response

Management agrees with this recommendation.

PTE will work with staff in the Client Service Centres to ensure the review of all applications at the time of intake, confirming that all submission requirements have been satisfied.

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

Design and implementation of new "One Stop" DRP organization model is 90% complete. Final major step is implementing revised office location/space plan to configure all interdisciplinary team members in appropriate locations/configurations. Space configuration for DRP teams has been made a top corporate space management priority.

"Go Live" transition towards new "One Stop" applications processing by interdisciplinary teams is now proceeding.

Management: % complete**90%****OAG's Follow-up Audit Findings regarding Recommendation 3**

Following the DRP audit, the creation of a "One Stop" organization model became a City corporate priority to be implemented in parallel with the broader City Wave 1-3 restructuring process. Our independent assessment concludes overall follow-thru has been comprehensive and rigorous.

Dedicated resources (staff and external expertise) were assembled to drive the implementation of the "One Stop" model forward. The new Planning and Growth Management Branch was created – with DRP participants from multiple branches consolidated in one business unit dedicated to efficient/effective review of DRP applications. Throughout 2008 and 2009 business processes have been re-designed, new geography based processing zones have been consolidated and inter-disciplinary staff teams have been created. New benchmarking and performance measurement tools have been designed. Staffing has been rationalized via the departure of some and the addition of others to ensure cultural and performance fit with the new model. Rigorous industry consultation has occurred.

New Planning and Growth Management application intake staff specialists (formerly located exclusively in Building Permit services) are being considered to deal with both Building Permit and Planning Act applications with regard to DRP file completeness content issues. City Client Service Centre staff will deal only with payment processing matters and not more complex content/completeness issues.

OAG: % complete**100%****2007 Recommendation 4**

That Planning and Infrastructure Approvals Branch management team make terms of reference accessible for special studies. Issuing the terms of reference for these studies, so that they are accessible to all potential proponents, will provide valuable up-front guidance on the City's expectations.

2007 Management Response

Management agrees with this recommendation.

PTE agrees that providing all potential proponents with access to the terms of reference for special studies will provide upfront guidance on the City's expectations. PTE will consult with Client Services and Public Information Branch (CSPI) and Information Technology Services branch (ITS) to post terms of reference documents on ottawa.ca. Terms of reference for studies that are currently complete are being translated and will be posted on ottawa.ca by Q4 2008. Relevant links to terms of reference related to other agencies will also be provided online. Studies such as hydrogeological guidelines and guidelines for heritage impact statements

that are in progress will be posted online as they are finalized and approved by Council.

In order to maintain up-to-date online versions of City-approved terms of reference, as well as those of other agencies and the provincial government, further resourcing will be required. This resource is estimated to cost \$70,000 and is subject to budget approval in the 2009 budget. This is tied to recommendations 17 and 18.

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

Implementation is 100% complete.

Management: % complete 100%

OAG's Follow-up Audit Findings regarding Recommendation 4

Special study terms of reference now available online. The online URL availability/functionality has been confirmed.

OAG: % complete 100%

2007 Recommendation 5

That Planning and Infrastructure Approvals Branch management team ensure better timeline documentation and "stopping of the clock".

2007 Management Response

Management agrees with this recommendation.

During 2007, the Municipal Applications Partnership (MAP) tasking data completion rates improved to 70-80%. Considerable training related to the April launch of the project to post development application information on ottawa.ca, has reinforced the importance of regular MAP tasking to staff. Planning Branch management will continue to utilize management reports from MAP to conduct regular reviews. Current staff will be trained on the use of MAP and 'on hold' i.e., 'stopping the clock' processes and comprehensive training will be made available for new staff.

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

Implementation of this recommendation is 100% complete.

Management: % complete 100%

OAG's Follow-up Audit Findings regarding Recommendation 5

MAP application documentation practices can be evaluated using "completion rate reports", which we requested and reviewed. These reports demonstrate significantly improved documentation performance since the original 2007 post-audit levels. The most recent report demonstrates 78% staff completion rates in

MAP – down from a 90% peak but better than previous historic levels. Corrective direction in correspondence from the General Manager has indicated 100% target levels. New emphasis on performance measurement indicators and related performance targets (# of controllable file processing business days versus standard) will require ongoing high levels of MAP documentation rigor.

OAG: % complete 100%

2007 Recommendation 6

That the Planning and Infrastructure Approvals Branch initiate improvement of the IT system/support for both City and proponent monitoring of applications.

2007 Management Response

Management agrees with this recommendation.

Several projects have been identified to improve the IT system/support for monitoring of applications. Planning and ITS are currently working on a project (#2367) that will make development application details, including status information, available to the public and proponents via ottawa.ca for applications that require public consultation. This is scheduled for release in early April 2008. A project (#1071) to provide more detailed information and application status information to proponents via ottawa.ca was delayed pending completion of the abovementioned project. PTE will work with ITS to renew project #1071, scope the requirements and identify timelines in Q4 2008.

Planning and PWS staff is also working on project #941, which is related to inspections and release of securities (see recommendation 7).

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

Implementation of this recommendation is 100% complete.

Management: % complete 100%

OAG's Follow-up Audit Findings regarding Recommendation 6

Online DRP status tracking application is fully functional and highly utilized by the development applicants that we contacted.

OAG: % complete 100%

2007 Recommendation 7

That the City implement on an urgent basis, the required MAP application expansion to manage inspection activity and condition timeline performance as required by the compliance enforcement requirements associated with 1,700 active development agreements.

2007 Management Response

Management agrees with this recommendation.

ITS project #941, currently in progress, will provide updates on inspection activity related to development applications for the purposes of managing financial securities. This project, involving PTE, PWS and ITS, is moving to the testing phase in the spring of 2008 and is expected to be fully operational by Q4 2008.

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

Implementation is 50% complete. Forecast Q3 2009 completion seems realistic based on project plan critical path review.

Management: % complete *50%*

OAG's Follow-up Audit Findings regarding Recommendation 7

We interviewed the Project Manager associated with IT Project 941 – a project to expand MAP functionality to include post-development agreement infrastructure assumption and condition enforcement activities. These activities were previously executed by Public Works, but are now executed by Planning and Growth Management. Interview confirmed scope adjustments have slowed the project.

OAG: % complete *50%*

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 partially complete.

This project was implemented for Infrastructure Approvals staff in mid-September 2009 and has been active and in use since that time. Due to the time delay from development approvals to construction inspections, training for Construction Inspectors was not undertaken until November 2009, with immediate implementation. Management considers implementation of this recommendation to be complete.

Management: % complete *100%*

2007 Recommendation 8

That the City implement and enforce new development agreement timing / compliance targets for streetlights, sidewalks and parks. The City should also impose park provision timing/compliance targets upon itself, as was the case when developers were responsible for supplying parks as per past development agreements.

2007 Management Response

Management agrees with this recommendation.

Management will work with all internal and external stakeholders to develop and reaffirm timing and compliance targets for streetlights and sidewalks. Management will establish a system for enforcing compliance with targets, in conjunction with the review of the subdivision/site plan standard agreements and conditions, scheduled for Q1 2009. It should be noted that aggressive monitoring will be required during the inspection phase to ensure compliance.

Due to the relationship between recommendations 8, 9, and 10, and the internal/external stakeholders involved, PTE will undertake work on these recommendations simultaneously.

Timing and compliance targets for parks development have been implemented for all new subdivision agreements since 2007. The City does not currently complete all park development. There are subdivision agreements on file that predate the 2004 Council decision to bring park development to the City. Requests for “Front Ending Agreements” for park development are still received and handled on a case-by-case basis as requested by the developer and the local Councillor. To consistently manage these requests for Front Ending Agreements, Parks and Recreation Branch are preparing a policy report to Committee and Council for consideration in Q3 2008.

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

Implementation of this recommendation has not yet begun.

Management: % complete *0%*

OAG’s Follow-up Audit Findings regarding Recommendation 8

Recommendations 8-10 are closely inter-related. They each deal with establishing sub-division development agreement condition compliance timeframes for various amenities.

Management’s explanation is that “One Stop” DRP organization restructuring needed to be undertaken (i.e., staffing, process re-engineering and new team configurations established) before ongoing special projects such as the “Standardized Development Agreement” initiative could be expanded to include audit recommendations 8-10.

OAG: % complete *0%*

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

Management disagrees with the OAG’s follow-up audit finding that there has been little or no action taken to implement this recommendation.

The necessary conditions will be reflected in the new standard Plan of Subdivision Agreement and Standard Conditions of Draft Plan Approval scheduled to be before Council in April 2010. In addition, a revised Parks Front-Ending policy is currently under review and is scheduled to be before Planning and Environment Committee in Q2 2010.

Management: % complete

50%

2007 Recommendation 9

That the City design development agreement absorption targets for sidewalks, streetlights and parks that move forward in stages within a given subdivision – for instance, once 50% of lots are sold then all sidewalks in blocks featuring five or more sold units must be installed within a certain amount of time.

2007 Management Response

a) Management agrees with this recommendation in relation to streetlights and sidewalks.

Management will work with internal/external stakeholders to design development agreement absorption targets based upon constructed works (not units sold as suggested in the example provided) by Q1 2009. Targets based on units sold are problematic due to construction staging. General practice is to install sidewalks after units are constructed and rough graded to avoid damaging the sidewalk during construction of the home. This also ensures that the sidewalk is constructed at the proper elevation to avoid drainage problems. It follows that a sidewalk should be installed when the need arises, not based on sales. That way, the City is not responsible for maintaining a sidewalk that is not required.

Streetlights must also be staged such that they are coordinated with the construction of other utilities to avoid constructor issues. The same would generally apply to home sales and placement of streetlights. It could be possible, however, to pick a defined point in time where a streetlight must be installed, such as prior to issuance of a specified number of building permits, or prior to first occupancy.

Due to the relationship between recommendations 8, 9, and 10, and the internal/external stakeholders involved, PTE will undertake work on these recommendations simultaneously.

b) Management disagrees with this recommendation in relation to parks.

City policy states that a deficit cannot be incurred for “soft services”, such as the construction of parks (Ref No: ACS2006-CRS-FIN-0011). Park development is 90% funded from development charges (DC) and 10% from the tax base. DC money is collected at the time of building permit issuance. Therefore, the funds required to develop the park are not in place until the subdivision, or phase of a subdivision, is substantially complete.

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

Implementation has not yet begun.

Management: % complete *0%*

OAG's Follow-up Audit Findings regarding Recommendation 9

See Recommendation 8 commentary.

OAG: % complete *0%*

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

Management disagrees with the OAG's follow-up audit finding that there has been little or no action taken to implement this recommendation.

A best practice review has been undertaken and consultation has occurred with key stakeholders in the development industry. Further discussion and consultation will be undertaken in Q1 2010. The results of these discussions will inform the development of new conditions to be included as part of subdivision agreements in Q2 2010.

A revised Parks Front-Ending policy is currently under review and is scheduled to be before Planning and Environment Committee in Q2 2010. This policy will provide an opportunity to accelerate the construction of local parks.

Management: % complete *50%*

2007 Recommendation 10

That the City design and implement small/medium/large subdivision bundles of development agreement timing targets for amenities like sidewalks, streetlights, parks and sod. This will avoid an arbitrary "one size fits all" single set of targets being applied to differing servicing and amenities realities across diverse subdivisions.

2007 Management Response

a) Management agrees with this recommendation in relation to streetlights and sidewalks.

PTE will work with internal/external stakeholders to design and implement small/medium/large subdivision bundles of development agreement timing targets for amenities like sidewalks, streetlights, and sod for Q1 2009.

Due to the relationship between recommendations 8, 9, and 10, and the internal/external stakeholders involved, PTE will undertake work on these recommendations simultaneously.

b) Management disagrees with this recommendation in relation to parks.

City policy states that a deficit cannot be incurred for “soft services”, such as the construction of parks (Ref No: ACS2006-CRS-FIN-0011). Park development is 90% funded from development charges (DC) and 10% from the tax base. DC money is collected at the time of building permit issuance. Therefore, the funds required to develop the park are not in place until the subdivision, or phase of a subdivision, is substantially complete.

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

Implementation has not yet begun.

Management: % complete *0%*

OAG’s Follow-up Audit Findings regarding Recommendation 10

See Recommendation 8 commentary.

OAG: % complete *0%*

Management Representation of Status of Implementation of Recommendation 10 as of Winter 2010

Management disagrees with the OAG’s follow-up audit finding that there has been little or no action taken to implement this recommendation.

A best practice review has been undertaken and consultation has occurred with key stakeholders in the development industry. Further discussion and consultation will be undertaken in Q1 2010. The results of these discussions will inform the development of new conditions to be included as part of subdivision agreements in Q2 2010.

A revised Parks Front-Ending policy is currently under review and is scheduled to be before Planning and Environment Committee in Q2 2010. This policy will provide an opportunity to accelerate the construction of local parks.

Management: % complete *50%*

2007 Recommendation 11

That the City should require a “success feasibility” assessment from Legal staff for Council prior to embarking on each Ontario Municipal Board case, in order to maintain the City’s strong win-lose performance at the OMB. This assessment will function as a quality control check; thereby ensuring fiscal resources associated with the case are being expended prudently.

2007 Management Response

Management agrees with this recommendation with respect to cases where Council is not accepting the advice of PTE staff.

The audit reveals that where Council is acting on the advice of PTE staff, the success rate at the OMB, should an appeal be received, is very high. To require a legal opinion be filed with Council for each such appeal would seem, therefore, to be an unwarranted use of resources.

However, where Council does not accept the advice of PTE, or it appears from a committee recommendation that Council may not accept the advice of PTE staff, a legal opinion on the merits of the case will be provided.

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

Implementation of this recommendation is considered 100% complete.

Management: % complete **100%**

OAG's Follow-up Audit Findings regarding Recommendation 11

We obtained and reviewed examples of OMB "success feasibility" assessments. The timing of these assessments vis-à-vis subsequent Council decisions re: OMB appeal has been appropriate and consistent with the recommendation. Staff's decision to limit the provision of legal assessments to development issues/decisions where City planning staff and Council perspectives differ is consistent with the intent of the original audit recommendation.

OAG: % complete **100%**

2007 Recommendation 12

That the Chief Building Official, in exercising his/her legal discretion to issue conditional building permits and conduct required statutory inspections, should establish an on-going business rule that building permits not be issued prior to legal lot creation/registration.

2007 Management Response

Management agrees with this recommendation.

The current policy and procedure will be revisited, in Q1 2009, upon completion of the review and revision to the early servicing agreement system (see recommendation 23), and will be amended as necessary.

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

Implementation of this recommendation has not yet begun.

Management: % complete **0%**

OAG's Follow-up Audit Findings regarding Recommendation 12

Legal opinion obtained from the City Solicitor in late 2007 supported the audit finding to discontinue the use of conditional building permits for subdivision generated residential development.

Management has agreed with the recommendation; however the Chief Building Official acknowledges that no action to change conditional permit policy or practice has been implemented as of June 2009 - 18 months after the City Solicitor's legal opinion confirmed the audit recommendation. Building staff were not heavily impacted by the implementation of Wave 3 restructuring or the One Stop Service initiative.

We have confirmed that more than 300 conditional building permits for subdivision related residential buildings have been issued since the December 2007 provision of the City Solicitor's legal opinion on this matter.

OAG: % complete ***0%***

Management Representation of Status of Implementation of Recommendation 12 as of Winter 2010

Management disagrees with the OAG's follow-up audit finding that there has been little or no action taken to implement this recommendation.

The 2007 Management Response clearly noted that the Chief Building Official would revisit the current policy and procedure upon completion of the review and revision to the early servicing agreement system (see Recommendation 23), and amend the policy and procedure as necessary. The review could only proceed once staff had completed their review of the early servicing agreement system and the revisions, if any, implemented. The development of an early servicing policy is scheduled to be before Planning and Environment Committee in Q2 2010 and subject to its approval and implementation, the Chief Building Official will be able to commence the review of the current policy and procedure and make revisions as necessary during the remainder of 2010.

In the interim, the department has taken steps to reduce the number of conditional building permits through time efficiencies achieved through the implementation of One Stop Service in the area of development review of plan of subdivisions. In fact, the number of conditional permits subject of this audit has dropped from 13% when the audit was first undertaken to a mere 3% of all permits.

From a risk management perspective, conditional permits are only issued to firms that have demonstrated diligence and capacity to meet the plan of subdivision conditions. The Chief Building Official has not been required to revoke any of these permits nor has there been any event where works were ordered to be removed as a result of failure to comply with any conditions.

Management: % complete ***50%***

2007 Recommendation 13

That the Chief Building Official and Legal Services Branch should jointly respond to the audit by demonstrating that Ontario Building Code Act (OBCA) residential conditional permits (issued under the ESA regime) meet the Section 34 zoning applicable law review obligations of the City at the time of permit issuance.

2007 Management Response

Management agrees with this recommendation.

The current policy and procedure will be revisited, in Q1 2009, upon completion of the review and revision to the early servicing agreement system (see recommendation 23), and will be amended as necessary.

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

Implementation has not yet begun on the joint response.

The City Solicitor has responded as required.

The Chief Building Official has not responded as required.

Management: % complete *0%*

OAG's Follow-up Audit Findings regarding Recommendation 13

Legal opinion obtained from the City Solicitor in late 2007 supported the audit finding to discontinue the use of conditional building permits for subdivision generated residential development.

Management has agreed with the recommendation; however the Chief Building Official acknowledges that no action to change conditional permit policy or practice has been implemented as of June 2009 – 18 months after the City Solicitor's legal opinion confirmed the audit recommendation. Building staff were not heavily impacted by the implementation of Wave 3 restructuring or the One Stop Service initiative.

We have confirmed that more than 300 conditional building permits for subdivision related residential buildings have been issued since the December 2007 provision of the City Solicitor's legal opinion on this matter.

OAG: % complete *0%*

Management Representation of Status of Implementation of Recommendation 13 as of Winter 2010

Management disagrees with the OAG's follow-up audit finding that there has been little or no action taken to implement this recommendation.

This recommendation is tied to Recommendation 23 for which staff have developed a draft Early Servicing protocol for consultation with industry stakeholders. This protocol is currently under consultation with the development industry and a report is scheduled to be brought forward to Planning and Environment Committee in Q2 2010.

Management: % complete

50%

PROCESS EFFICIENCY

2007 Recommendation 14

That the City consider the impact of geographic location of key staff when creating a “One Window Team” for DRP. For the “One Window” to be effective, geographic barriers may need to be removed where they have posed a hindrance to the timely sharing workload and data across the entire City portfolio of DRP files.

2007 Management Response

Management agrees with this recommendation.

PTE understands ‘One Window’ in this recommendation to be above and beyond the intake of development applications as identified in recommendation 3, and to mean co-locating all DRP staff in one location. It is also understood that recommendation 25 has a bearing on this recommendation.

Depending on the ultimate service delivery model selected for the DRP, costs will be associated with the accommodation of the ‘One Stop Service’. These costs will range from nominal if staff moves are involved within existing work areas, to substantial if leasing new space and renovations are required to accommodate staff locating in one area. A detailed analysis will need to be undertaken in 2008 with implementation occurring in 2009, subject to budget approval in the 2009 Budget.

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

Implementation of this recommendation is 80% complete.

Management: % complete

80%

OAG’s Follow-up Audit Findings regarding Recommendation 14

The consolidation of Planning and Growth Management staff involved in DRP has been identified as a top space management priority by EMT. A space management plan/schedule has been developed to reflect PGM input on team based consolidation requirements.

The plan needs to be implemented during Q3-Q4 2009.

Space management staff has indicated plan/move preparedness.

EMT direction is the final pending step.

One Stop DRP service model cannot succeed without team-based consolidation in a single office location.

OAG: % complete **100%**

Management Representation of Status of Implementation of Recommendation 14 as of Winter 2010

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

Accommodation of Development Review Process staff is approximately 80% complete and has been delayed by the deployment of accommodations staff to the City's response to the H1N1 pandemic. The revised completion date is March 2010.

Management: % complete **80%**

2007 Recommendation 15

That Planning and Infrastructure Approvals Branch clearly identify a lead planner (Project Chief) for all DRP files.

2007 Management Response

Management agrees with this recommendation.

PTE will ensure that the roles and responsibilities of the lead planner (i.e., project chief) are clear and are understood both internally and externally.

Management Representation of the Status of Implementation of Recommendation 15 at December 31, 2008

Implementation of this recommendation is 100% complete.

Management: % complete **100%**

OAG's Follow-up Audit Findings regarding Recommendation 15

Cross-disciplinary staff teams have been created from DRP staff pools attached to urban, suburban and rural service delivery zones and org-charts. Lead Planners trained in logistics and leadership are assuming an accountable, leadership role on the file for its duration. Program Managers within each service delivery zone will mentor/advise file leaders and ensure appropriate distribution of workload across teams. Managers in each zone will build technical capacity, oversee operational planning and team based performance benchmarking.

OAG: % complete **100%**

2007 Recommendation 16

That Planning and Infrastructure Approvals Branch arrange project/logistics management training for DRP Project Chiefs. This training will strengthen staff's ability to manage process and address conflict. Ideally, all key DRP team members should receive project/logistics management training, but as a minimum, all DRP Project Chiefs must receive training during 2008.

2007 Management Response

Management agrees with this recommendation.

While procedures are in place to outline the various steps involved in the review and approval process, PTE supports the provision of project/logistics management training for all staff managing project files. Additional funding, estimated at \$120,000, is required for this training, which will be provided on an intact team basis.

PTE will consult with ITS about the potential for the purchase and/or development of leading edge project management software. An estimate of costs and timelines will be developed following consultation, by Q4 2008.

Management Representation of the Status of Implementation of Recommendation 16 at December 31, 2008

Implementation is 100% complete.

Management: % complete 100%

OAG's Follow-up Audit Findings regarding Recommendation 16

Team based training curriculum has been designed, training experts in team based performance retained, and training widely delivered across DRP. Specific materials and historic dates for training have been independently confirmed and visually reviewed. Staff feedback has been enthusiastically positive. Team based training rollout is being expanded across PGM beyond the DRP teams/staff.

Additional specialized training in project management for lead planners is being initiated as a second phase of training.

OAG: % complete 100%

2007 Recommendation 17

That Planning and Infrastructure Approvals Branch provide improved feedback and advice during pre-consultation by using a detailed pre-consultation form/checklist.

2007 Management Response

Management agrees with this recommendation.

Management is currently preparing pre-consultation guidelines and associated documents, including a detailed form/checklist. PTE will consult with CSPI and ITS in order to post this information on ottawa.ca. This project is scheduled for completion by Q4 2008. The pre-consultation guidelines are linked to recommendations 4 and 18.

Management Representation of the Status of Implementation of Recommendation 17 at December 31, 2008

Implementation is 95% complete.

Management: % complete *95%*

OAG's Follow-up Audit Findings regarding Recommendation 17

The checklist form has been prepared and posted online. The online test site has been independently confirmed and visually reviewed.

OAG: % complete *100%*

Recommendation 18

That Planning and Infrastructure Approvals Branch publicly issue its Development Manual, by making it available on the City's Website and making hard copies available for purchase at all Client Service Centres. If portions of the manual cannot be issued publicly because certain criteria are those of other agencies, the manual should be issued with the City-only criteria immediately; a full manual with agency criteria should be issued within a specified timeframe.

2007 Management Response

Management agrees with this recommendation.

PTE agrees that providing all potential proponents with access to the Matrix of Required Studies and Assessments will provide up-front guidance on the City's expectations. PTE will consult with CSPI and ITS to make documents more prominent on ottawa.ca.

Due to ongoing changes to these documents, and the need to ensure updated information is available on ottawa.ca, additional staff resources will be required. Resources are estimated to cost \$70,000 and are subject to budget approval in the 2009 Budget. This is tied to recommendations 4 and 17.

Management Representation of the Status of Implementation of Recommendation 18 at December 31, 2008

Implementation of this recommendation is 100% complete.

Management: % complete *100%*

OAG's Follow-up Audit Findings regarding Recommendation 18

We visually reviewed the City Development Manual which is posted online at a test site. (See recommendations 4 and 17 above.)

OAG: % complete *100%*

2007 Recommendation 19

That Planning and Infrastructure Approvals Branch implement mandatory pre-consultation requirements through Planning Act provisions.

2007 Management Response

Management agrees in principle with this recommendation.

The implementation of mandatory pre-consultation requires an Official Plan amendment. PTE will review the concept of mandatory pre-consultation in the context of the Official Plan review and will bring recommendations forward for Committee and Council consideration in Q4 2008.

Management Representation of the Status of Implementation of Recommendation 19 at December 31, 2008

Implementation of this recommendation is 100% complete.

Management: % complete *100%*

OAG's Follow-up Audit Findings regarding Recommendation 19

Mandatory pre-consultation has been implemented by Council direction in Q1 2009. This has been confirmed by DRP staff, review of Council report and accepted staff recommendations.

OAG: % complete *100%*

2007 Recommendation 20

That City staff conduct a DRP workshop with Hydro Ottawa to identify turnaround time reduction and process re-engineering opportunities.

2007 Management Response

Management agrees with this recommendation.

Consultation between Hydro Ottawa, Hydro One and the development industry has been identified on the PTE work plan for 2008. Through this consultation, turnaround times and process engineering opportunities will be reviewed. This consultation and any related changes are targeted for completion by Q4 2008.

Management Representation of the Status of Implementation of Recommendation 20 at December 31, 2008

Implementation of this recommendation is 25% complete.

Management: % complete *25%*

OAG's Follow-up Audit Findings regarding Recommendation 20

Initial meetings between Hydro and PGM management have led to development of a 2009 summer schedule of numerous meetings to resolve various technical issues. Expected resolution and full implementation by Q4 2009.

OAG: % complete *25%*

Management Representation of Status of Implementation of Recommendation 20 as of Winter 2010

Management disagrees with the OAG's follow-up finding that action has been initiated to implement this recommendation but it is not yet considered partially complete.

Staff continue to work with Hydro Ottawa to establish revised protocols and anticipate that this work will be completed by Q3 2010.

A member of Hydro Ottawa staff now sits on the Planning and Growth Management department's Engineering Liaison subcommittee (made up City staff and development industry representatives), which has contributed towards better City-agency-developer collaboration on issues.

Management: % complete *50%*

2007 Recommendation 21

That Planning and Infrastructure Approvals Branch advise clients of the name of the Project Chief responsible on DRP files in the letter deeming the application complete.

2007 Management Response

Management agrees with this recommendation.

PTE has a process in place to advise DRP clients of the assigned planner responsible for the file. Existing protocols will be reviewed and revised by Q2 2008 to ensure that copies of the letters sent to the clients are placed on file.

Management Representation of the Status of Implementation of Recommendation 21 at December 31, 2008

Implementation of this recommendation is 100% complete.

Management: % complete *100%*

OAG's Follow-up Audit Findings regarding Recommendation 21

MAP application, the City's online DRP tracking tool, and City correspondence with the applicant all designate the lead planner on the DRP application file.

OAG: % complete *100%*

2007 Recommendation 22

That Planning and Infrastructure Approvals Branch and the Legal Services Branch review and if appropriate, consider amending the Site Plan By-law to exempt conversions to restaurant from Site Plan control.

2007 Management Response

Management agrees with this recommendation.

Planning and Legal Services will review and consider amending the Site Plan Control By-law to exempt conversions to restaurant from site plan control, and if appropriate, will bring forward a report to Committee and Council to change the Site Plan By-law by Q4 2008.

Management Representation of the Status of Implementation of Recommendation 22 at December 31, 2008

No implementation progress to date.

Management: % complete *0%*

OAG's Follow-up Audit Findings regarding Recommendation 22

See comments for Recommendation 8 noting primary focus on One Stop service model and Waves 1-3 corporate restructuring temporarily crowding out other DRP audit follow-up efforts.

OAG: % complete *0%*

Management Representation of Status of Implementation of Recommendation 22 as of Winter 2010

Management disagrees with the OAG's follow-up audit finding that there has been little or no action taken to implement this recommendation.

A report on this issue has been prepared and is scheduled to be before Planning and Environment Committee in Q2 2010.

Management: % complete *75%*

2007 Recommendation 23

That the City restructure the Early Servicing Agreement regime as directed in the audit, in order to mitigate financial risk while retaining legally compliant timeframe efficiencies.

2007 Management Response

Management agrees with this recommendation.

A review of the Early Servicing Agreements process (ESA) will be initiated with all internal/external stakeholders in conjunction with the review of the subdivision standard development agreements and conditions (see recommendations 8, 9, and

10). Any resulting changes will be brought to Committee and Council for consideration in Q1 2009.

Management Representation of the Status of Implementation of Recommendation 23 at December 31, 2008

No material progress made to date.

Management: % complete *0%*

OAG's Follow-up Audit Findings regarding Recommendation 23

Post Wave 1-3 restructuring an integrated project management approach to Recommendations 8-10 and 23 is required. Once City development agreements are standardized and a service level turnaround time "contract" is set with Legal Services, then the ESA regime can be modified and conditional building permits discontinued. This matter should be definitively resolved by the end of 2009.

OAG: % complete *0%*

Management Representation of Status of Implementation of Recommendation 23 as of Winter 2010

Management disagrees with the OAG's follow-up audit finding that there has been little or no action taken to implement this recommendation.

Staff have developed a draft Early Servicing protocol for consultation with external stakeholders. This protocol is currently under consultation with the development industry and a report is scheduled to be brought to Planning and Environment Committee in Q2 2010.

Management: % complete *50%*

2007 Recommendation 24

The City should implement periodic staff processing effort tracking against selected sample applications within the six benchmarked categories. Staff processing effort trends should be documented over time, and comparisons against peer municipalities should be initiated. This processing efficiency data should be integrated into an annual DRP balanced scorecard tool (i.e., results based performance measurement) and utilized to set business plan performance targets for DRP. The balanced scorecard and business plan should also address turnaround times for Planning Act applications and compliance based inspection coverage for development agreements.

2007 Management Response

Management agrees with this recommendation.

PTE will consult with ITS to develop and implement a system for periodic staff processing effort tracking to include all core components of the DRP. Timelines will be identified following consultation with ITS. PTE will work with internal

stakeholders to integrate this processing efficiency data, along with turnaround times for Planning Act applications and development agreements inspection compliance, into a results-based performance measurement tool that will be used to set business plan performance targets for DRP.

It should be noted that during our factual review of the audit report, the department identified to the auditor, errors that exist in the table entitled "Ottawa Capacity Analysis". The table does not recognize processing effort by PWS staff for both Major Rezoning and Infill Rezoning applications. For these application types, PWS staff undertakes capacity research to determine whether the infrastructure system can accommodate the proposed zoning request. Management believes this level of effort should be reflected in the table.

Management Representation of the Status of Implementation of Recommendation 24 at December 31, 2008

Implementation is 50% complete.

Management: % complete 50%

OAG's Follow-up Audit Findings regarding Recommendation 24

DRP performance indicators measuring application processing duration (# controllable business days to process the file) and intensity (DRP staff hours required to process the file) have been selected and reviewed with the development industry in a "One Stop Service" discussion held in Q1 2009.

A DRP docketing application to track intensity has been developed/independently reviewed with our input, and is currently under final testing. DRP staff docketing will proceed during Q3 2009 with reporting and benchmarking to follow in 2010. Docketing will be phased in across the rest of Planning and Growth Management staff in 2010.

MAP will be used to track DRP duration against targets by specific application category.

OAG: % complete 100%

2007 Recommendation 25

That cross-disciplinary staff teams should be created to manage applications from "cradle to grave" across both its Planning Act and development agreement condition compliance (i.e., servicing and amenities) stages.

2007 Management Response

Management agrees with this recommendation.

Management will create cross-disciplinary staff teams to manage applications from "cradle to grave", for implementation by Q4 2008.

Management Representation of the Status of Implementation of Recommendation 25 at December 31, 2008

Implementation of this recommendation is 100% complete.

Management: % complete **100%**

OAG's Follow-up Audit Findings regarding Recommendation 25

Cross-disciplinary staff teams have been created from DRP staff pools attached to urban, suburban and rural service delivery zones and org-charts. Lead Planners, trained in logistics and leadership, are assuming an accountable, leadership role on the DRP file for its duration. Program Managers within each service delivery zone will mentor/advise file leaders and ensure appropriate distribution of workload across teams. Managers in each zone will build technical capacity, oversee operational planning and team based performance benchmarking.

Space management planning needs to consolidate cross-disciplinary teams in a common location before end of Q4 2009

All elements of model independently verified.

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 | 8, 9, 10, 12, 13, 22, 23 | 7 | 28% |
| ACTION INITIATED | 25 – 49 | 1, 2, 20 | 3 | 12% |
| PARTIALLY COMPLETE | 50 – 74 | 7 | 1 | 4% |
| SUBSTANTIALLY COMPLETE | 75 – 99 | - | - | - |
| COMPLETE | 100 | 3, 4, 5, 6, 11, 14, 15, 16, 17, 18, 19, 21, 24, 25 | 14 | 56% |
| TOTAL | | | 25 | 100% |

5 CONCLUSION

The 25 recommendations contained in the Audit of the Development Review Process (DRP) conducted in 2006-07 were assembled as an integrated package. The overall purpose of the recommendations was to drive the transformation of a core City service that was performing at sub-optimal levels.

As of July 2009, City management has made significant progress in vigorously implementing the core recommendations at the centre of the DRP transformation

package. The highlights of management's "full implementation" accomplishments include the following:

- Creation of a Planning and Growth Management (PGM) department to implement the "One Stop" service delivery model as recommended in the audit. The new PGM department consolidates City staff from multiple DRP disciplines and previous City business units.
- Creation of three DRP service delivery zones in PGM. In each service delivery zone, multi-disciplinary DRP staff teams have been created. These teams are led by an empowered, accountable "File Lead" charged with the timely and rigorous consideration of development applications.
- The design of a performance measurement and benchmarking framework; whereby productivity and turnaround time performance indicators and results within/across multi-disciplinary teams will drive continuous improvement. Data tracking tools have been built and are being rolled out in support of this performance measurement framework.
- An on-line DRP tracking software application has been implemented to allow development applicants to monitor the progress/status of their applications.
- Extensive team based training in project management, logistics and leadership has been undertaken to ensure culture, not just processes, are driven by the need for continuous improvement.
- On-going Ontario Municipal Board (OMB) risk assessment reporting prior to launching an appeal/hearing.

Strong "foundation" progress has been made on the key recommendation for improved DRP cost-recovery. The 2008 and 2009 budget processes each featured fee adjustments to improve cost recovery performance. Final "full cost" fees will be achieved via a three stage implementation framework.

Remaining key recommendations concerning improved development agreement content/accountability triggers, as well as streamlined hydro authority review, require active and rigorous follow-up now that larger scale transformation initiatives have been completed.

In contrast to management's implementation effort, one problematic post-audit performance issue requires action. Management's agreement to discontinue the use of conditional building permits to artificially accelerate approval of sub-division driven residential units has not received meaningful follow-up. Attention from the Chief Building Official is required. Implementation by year-end, in co-ordination with Early Servicing Agreement and development agreement is both realistic and important from a risk management perspective.

6 ACKNOWLEDGEMENT

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