Ottawa

Office of the Auditor General

**AUDIT OF BY-LAW ENFORCEMENT
AND INSPECTIONS**

2005 REPORT

Chapter 7

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Executive Summary

Introduction

The Enforcement and Inspections Division (EID) of the By-law Services Branch protects health, safety, and property through the enforcement of a series of regulatory by-laws including, but not limited to: noise; signage on private and public properties; fences; zoning; property standards; pool enclosures; animal care and control; taxi licensing; parking control; and, smoke-free areas. In 2004, approximately 49,000 "Requests for Service" (RFS) were received and responded to. The major RFS categories were parking (16,300); animals (11,300), and noise (8,100).

The objective of this audit was to assess the adequacy of the management and operational practices including: the economy, effectiveness and efficiency of operations; compliance with all laws, regulations and policies; and financial management and controls. The audit was conducted in accordance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing.

The examination was conducted during the period of April 2005 to August 2005. The scope of the audit included the Enforcement and Inspections Division. The Licensing and Programs Division was included with respect to the administrative support it provides to EID. The scope also included by-law revenue reconciliation procedures conducted by Courthouse & Provincial Offence Services Division of Corporate Services, and discussions with other municipalities (Calgary and Mississauga) regarding best practices. Criteria were discussed with and agreed to by the Director, By-law Services prior to the conduct of the detailed audit procedures. The conclusions were based on a comparison of the situations as they existed at the time of the audit engagement against the audit criteria.

Key Findings and Recommendations

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

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

The New Deployment Model and Harmonization projects had generally well prepared, communicated and monitored project plans. However, the pace of change, due diligence

expectations and other drivers are creating a need for systematically managing risk in key areas such as major projects and health and safety.

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

Recommendations and Management Responses

Recommendation 1

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

> **Management Response**
>
> Management agrees with this recommendation.
>
> To date, Management has concentrated on setting and monitoring performance standards for the timely prioritization and dispatch of calls.
>
> As set out in the audit findings, by-law requests-for-service (RFS) are categorized as priority 1, 2 or 3 calls in accordance with the urgency of the infraction: for priority 1 calls, complainants are contacted and calls actioned within 24 hours; for priority 2 calls, complainants are contacted and action commenced within 48 hours, and; for priority 3 calls, complainants are contacted within 48 hours and action commenced within 7 days.
>
> Management will undertake to establish completion standards / performance targets and will work to improve staff utilization through a 2006 efficiency review. Given technology upgrades required for tracking purposes, it is expected that completion standards and performance targets will be completed and in place by the end of 2007.
>
> It should be noted that the longer timelines needed to establish those standards are due to the wide variability in the nature and sophistication of different requests for service.   For example, one dog bite call may be resolved within a day based on cooperation of the parties, reliability of information and other factors, while another dog bite call may take several months to close based on availability of witnesses, appeal processes and other factors.

Recommendation 2

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

Management Response

Management agrees with this recommendation.

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

Recommendation 3

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

Management Response

Management agrees with this recommendation.

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

Recommendation 4

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

Management Response

Management agrees with this recommendation.

The Licensing and Programs Division operates a cash handling operation for the sale, renewal and transfer of taxi and other licenses. An internal audit of revenue collection

procedures was conducted in 2004 that examined: segregation of duties and end-of-day procedures; timely processing and recording of receipts; custody of cash; secure storage; centralized receipt of cash; and, supervisor/manager oversight. The (current) 2005 audit found that all 2004 recommendations had been implemented with the exception of surprise cash counts.

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

Recommendation 5

The Director, By-law Services Branch, in conjunction with a counterpart in Corporate Services, should:
   a) **formally agree who has overall responsibility for ensuring that appropriate revenue cycle controls for all by-law revenues are in place, and are reviewed, reconciled and evaluated on a regular basis; and**
   b) **ensure a plan is established to identify and correct control weaknesses including an up-to-date universe of deputized organizations and reconciliation of issued parking tickets.**

Management Response

Management agrees with these recommendations.

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

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

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

Recommendation 6

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

Management Response

Management agrees with this recommendation.

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

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

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

Recommendation 7

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

Management Response

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

Recommendation 8

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

Management Response

Management agrees with the intent of this recommendation.

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

Recommendation 9

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

Management Response

Management agrees with this recommendation.

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

Recommendation 10

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

Management Response

Management agrees with this recommendation.

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

Recommendation 11

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

Management Response

Management agrees with this recommendation.

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

Recommendation 12

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

Management Response

Management agrees with this recommendation.

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

Recommendation 13

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

Management Response

Management agrees with this recommendation.

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

Recommendation 14

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

Management Response

Management agrees with this recommendation.

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

General Management Response

The amalgamation of the City of Ottawa in 2001 resulted in the establishment of the By-law Services Branch, which brought together 12 different regulatory frameworks supported by 67 full-time equivalents (FTEs) collectively responsible for administering and enforcing approximately 500 different by-laws. As part of the 2004 budget process, Council in an effort to find additional efficiencies and cost savings approved the restructuring of By-Law Services by consolidating most of the enforcement and inspection services into one area. This resulted in the transfer of parking, zoning and property standards enforcement as well as the transfer of lottery licensing and special event services creating a new By-Law Services Branch comprised of 147 FTEs.

Initially located in 10 different locations operating under several different collective agreements and different service models, the By-law Services Branch has been working very hard to consolidate and harmonize its regulations and polices to ensure that services are delivered in a cost efficient and effective manner. Although approximately 85% of the regulations have been consolidated, By-law Services has faced significant challenges in harmonizing its numerous by-laws and is the only city of comparable size that has had to undergo an amalgamation exercise which has included consolidating and harmonizing various regulations and processes within an urban and rural setting. Even Toronto did not have as extensive a process given that their licensing regulations were already harmonized under an upper tier system. Nor did they have to cope with such diverse urban/rural geography.

The Branch is appreciative and supportive of the audit exercise undertaken in 2005 and generally concurs with the recommendations put forward. The Branch intends to take the opportunity to achieve these objectives through the Branch efficiency review that will be undertaken in 2006.

Résumé

Introduction

La Division de l'application des règlements et des inspections de la Direction des services des règlements municipaux protège la santé, la sécurité et les propriétés par la mise en application d'un ensemble de règlements traitant de sujets comme : le bruit, la signalisation sur les propriétés privées et publiques, les clôtures, le zonage, les normes de biens-fonds, les clôtures de piscine, le soin et contrôle des animaux, la délivrance des permis de taxi, le contrôle du stationnement et les zones libres de fumée. En 2004, on a répondu à environ 49 000 « demandes de service ». Ces demandes de service portaient principalement sur des questions de stationnement (16 300), d'animaux (11 300) et de bruit (8 100).

Cette vérification avait pour objectif l'évaluation de la pertinence des pratiques opérationnelles et de gestion, y compris : l'économie, l'efficience et l'efficacité des opérations; la conformité aux lois, règlements et politiques; et la gestion et les contrôles financiers. La vérification a été conduite dans le respect des normes professionnelles de la vérification interne de l'Institut des vérificateurs internes.

L'évaluation a été faite entre les mois d'avril et d'août 2005. La vérification visait la Division des règlements et des inspections. La Division de la délivrance des permis et programmes a été inclus à l'égard des services administratifs fournis à la Division des règlements et des inspections. La vérification visait aussi les procédures de rapprochement des recettes provenant des infractions aux règlements, procédures qui furent mises en œuvre par les Services de la cour et des infractions provinciales de la Direction des services généraux, et visait également les discussions avec d'autres municipalités (Calgary et Mississauga) au sujet des pratiques exemplaires. Après discussion avec la directrice des Services des règlements municipaux, nous nous sommes entendus sur les critères à utiliser dans l'exécution des procédures détaillées de la vérification. Nous avons basé nos conclusions sur la comparaison des situations au moment de la mission de la vérification aux critères de vérification.

Principales constatations et recommandations

Au moment de la vérification, le nouveau projet de déploiement avait déjà amorcé des changements pour permettre à la Division de l'application des règlements et des inspections de fournir ses services de façon plus efficace et efficiente. Pour que la Direction des services des règlements municipaux soit en mesure de répondre aux attentes d'efficacité et d'efficience dans l'établissement, la prestation et la surveillance des Services des règlements et inspections, et de le démontrer, il faudra apporter d'autres modifications aux pratiques de gestion, à la fonctionnalité des systèmes et aux outils technologiques.

Au cours de la vérification, nous avons observé un renforcement des procédures de rapprochement des recettes et de manutention de la caisse. Cependant, l'absence de responsabilisation claire relative à la mise en place de contrôles adéquats de tous les éléments du

cycle des recettes crée de la vulnérabilité quant à l'intégralité, la précision et l'opportunité des reçus.

Les plans des projets du nouveau modèle de déploiement et d'harmonisation ont généralement été bien préparés, bien communiqués et bien suivis. Néanmoins, la vitesse du changement, les attentes par rapport à la diligence raisonnable et autres moteurs créent la nécessité de gérer les risques de façon systématique dans des secteurs-clés comme les grands projets, la santé et la sécurité.

Au cours de la vérification, nous avons demandé à l'équipe de gestion de s'évaluer elle-même; elle s'est cotée comme étant « *assez efficace* ». Cette autoévaluation reconnaît le besoin de renforcer les pratiques de gestion. Nous avons observé que le développement des pratiques et des contrôles de gestion et des opérations ne fait pas l'objet d'une approche structurée. Pourtant, une approche structurée pourrait contribuer à établir un sain équilibre entre les caractères formels et informels des pratiques employées pour gérer l'application des règlements et les inspections.

Recommandations et réponses de la direction

Recommandation 1

La directrice des Services des règlements municipaux devrait élargir les normes de service existantes pour inclure des normes d'achèvement et des objectifs de rendement pour mieux utiliser les ressources humaines et améliorer les rapports et le suivi des activités d'application des règlements et d'inspection.

Réponse de la direction

La direction est d'accord avec cette recommandation.

À ce jour, la direction s'est concentrée sur l'établissement et le suivi des normes de rendement relatives à la mise en priorité opportune et à la répartition des appels.

Tel que décrit dans les conclusions de la vérification, les demandes de services relatives aux règlements sont cotées comme priorité 1, 2 ou 3 en fonction de l'urgence de l'infraction : pour les appels de priorité 1, on communique avec les plaignants et on répond à la plainte dans les 24 heures; pour les appels de priorité 2, on communique avec les plaignants et on commence le traitement de la plainte dans les 48 heures; et pour les appels de priorité 3, on communique avec les plaignants dans les 48 heures et on commence le traitement de la plainte dans les 7 jours.

La direction établira des normes d'achèvement et des cibles de rendement. Elle fera un examen de l'efficacité en 2006 dans le but d'améliorer l'utilisation du personnel. Étant donné les mises à niveau de la technologie nécessaire pour faire le suivi, on prévoit que les normes d'achèvement et les cibles de rendement seront en place vers la fin de 2007.

À noter qu'il faut plus de temps pour établir ces normes vu la diversité et la complexité des demandes de service. Par exemple, on peut résoudre en une journée une situation relative à la morsure d'un chien si les parties collaborent, si l'information est fiable et si d'autres facteurs sont présents. Par contre, le cas d'une autre morsure de chien peut exiger plusieurs mois à cause de la disponibilité des témoins, des processus d'appel et d'autres facteurs.

Recommandation 2

La directrice des Services des règlements municipaux devrait s'assurer que les coordonnateurs et les superviseurs élargissent leurs activités de suivi pour inclure le suivi du rendement global comparé aux normes établies, et cela afin de documenter les conclusions sur leurs activités de suivi, et qu'ils produisent des rapports périodiques au besoin sur ces résultats avec des suggestions d'amélioration du rendement global.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Tel que noté à la recommandation 1, la direction établira des normes d'achèvement et s'engage à en faire le suivi et à présenter des rapports. Il faudra faire des améliorations technologiques pour mettre en œuvre les normes et en faire le suivi électroniquement.

Recommandation 3

La directrice des Services des règlements municipaux, en collaboration avec la Direction des services de technologie de l'information, devrait trouver des moyens d'améliorer l'efficacité opérationnelle par l'utilisation des outils technologiques disponibles, et s'assurer que les possibilités technologiques sont notées et évaluées périodiquement.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services de technologie de l'information ont déjà amorcé des discussions avec la Direction des services des règlements municipaux pour examiner ses besoins en technologie et en outils connexes afin d'aider la Direction à réaliser des économies opérationnelles. On prévoit que des discussions officielles et des séances de planification commenceront au cours du premier trimestre de 2006 afin de définir les possibilités technologiques, les exigences budgétaires et d'établir un plan de mise en œuvre d'ici à la fin de 2006.

Recommandation 4

La directrice des Services des règlements municipaux devrait s'assurer que les comptes de caisse surprise font partie intégrante des activités de manutention de l'argent comptant

effectuées par la Division de la délivrance des permis et des programmes, tel que recommandé par la vérification interne de 2004.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La Division de la délivrance des permis et des programmes traite de l'argent comptant pour les activités reliées à la vente, au renouvellement et au transfert des permis de taxi et autres permis. En 2004, la vérification interne des processus de recouvrement des recettes a examiné : la séparation des responsabilités et des procédures de fin de journée, le traitement et l'enregistrement des reçus en temps opportun, le rangement sécurisé de la caisse, la réception centralisée des espèces, et la surveillance par les superviseurs et les gestionnaires. La vérification actuelle (2005) a constaté que toutes les recommandations ont été mises en œuvre sauf les comptes de caisse surprise.

La direction a déjà entamé le processus visant à faire une vérification interne des pratiques de gestion de caisse et s'assurera d'établir une approche officielle avant la fin du premier trimestre de 2006.

Recommandation 5

La directrice des Services des règlements municipaux, avec son homologue des Services généraux, devrait :
   a) s'entendre officiellement sur qui a la responsabilité globale de s'assurer que les contrôles du cycle des recettes de tous les règlements municipaux sont établis, examinés, rapprochés et évalués régulièrement; et
   b) s'assurer d'établir un plan pour dépister et corriger toute faiblesse des contrôles y compris une mise à jour des organismes délégués et le rapprochement des contraventions de stationnement émises.

Réponse de la direction

La direction est d'accord avec ces recommandations.

La directrice des Services des règlements municipaux a rencontré le trésorier municipal et le greffier de la Ville pour clarifier et confirmer les responsabilités relatives aux processus et au contrôle des recettes.

Plusieurs modifications ont été mises en œuvre par le biais du programme ParkSmart et des processus de l'administration des contraventions dans le but d'améliorer la responsabilisation globale.

La direction reconnaît que d'autres améliorations sont nécessaires pour assurer des contrôles et des processus adéquats visant l'optimisation et le rapprochement des recettes.

En conséquence, un comité interservices a été mis sur pied et commencera à se réunir régulièrement en 2006 pour s'assurer que les contrôles appropriés sont en vigueur d'ici le quatrième trimestre de 2006.

Recommandation 6

La directrice des Services des règlements municipaux devrait s'assurer que les risques pour la santé et la sécurité auxquels sont exposés les agents d'application et d'inspection sont évalués annuellement, y compris l'évaluation de l'efficacité des mesures prises pour contrer ces risques.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Selon la vérification de 2005, les Services des règlements ont entrepris « un bon ensemble de mesures proactives et réactives pour assurer la conformité aux règlements et pour répondre de façon efficace aux préoccupations de santé et de sécurité ». Par contre, la vérification a indiqué aussi qu'il serait souhaitable d'évaluer tous les ans les 5 ou 6 dangers principaux et d'instaurer des mesures correctives adéquates.

La direction s'assurera de compléter cet examen annuel d'ici le quatrième trimestre de 2006. À l'appui de cet examen, la direction a commencé le processus de formation d'un comité conjoint de santé et sécurité au travail, composé de membres de la direction et du personnel de chaque secteur de service, qui se penchera sur les risques pour la santé et la sécurité.

De plus, la direction reconnaît le fait qu'une meilleure formation réduira les risques pour la santé et la sécurité auxquels sont régulièrement exposés les agents. Par conséquent, le modèle de déploiement comprend la création d'un poste d'agent de formation et de coordination responsable de la formation et de l'évaluation des agents. Le bureau de formation devrait être en place d'ici le quatrième trimestre de 2006.

Recommandation 7

La directrice des Services des règlements municipaux devrait prévoir un examen officiel des réalisations réelles liées à la mise en œuvre du nouveau modèle en rapport à ses objectifs de rendement d'origine, dans les 12 à 18 mois suivant le début du projet, et lorsque les éléments principaux seront en place.

Réponse de la direction

La direction est d'accord avec cette recommandation. La direction a déjà prévu, pour le quatrième trimestre de 2007, un examen du déploiement après sa mise en œuvre.

Recommandation 8

La directrice des Services des règlements municipaux devrait exiger des évaluations officielles, opportunes et périodiques (au moins tous les trimestres) des dates d'achèvement des projets importants comparées aux objectifs des autres règlements à harmoniser, et cela jusqu'à ce que ces projets soient réalisés.

Réponse de la direction

La direction est d'accord avec l'intention de cette recommandation.

La direction a mis sur pied une équipe de projets distincte qui se réunit tous les mois et examine continuellement les dates d'achèvement et les priorités des projets. Ces informations sont inscrites au tableau « radar » de l'équipe de projets qui est distribué à tous les membres de l'équipe. Ce tableau est examiné par l'Équipe de haute direction et l'équipe de gestion de la Direction, puis présenté au Conseil sous forme de mises à jour régulières et de présentations à divers comités comme celui des SPU et le CAAR.

Recommandation 9

La directrice des Services des règlements municipaux devrait évaluer et surveiller systématiquement les éléments de risque qui pourraient retarder encore le projet d'harmonisation.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Pour faire suite à la réponse à la recommandation 8, la directrice rencontre (et continuera à rencontrer), une fois par mois, les équipes de projets et de gestion de la Direction pour faire le suivi et évaluer les zones de risque liées à l'harmonisation des règlements municipaux. La direction attend également une réponse du gouvernement provincial sur la promulgation de la *Loi sur la Ville d'Ottawa* qui permettra l'application différente des règlements en fonction de la situation géographique. À cause des défis posés par la diversité rurale/urbaine relative à la promulgation de nouveaux règlements, le gouvernement provincial a repoussé jusqu'à la fin de 2007 la date d'échéance de l'harmonisation des règlements restants sur les permis. On prévoit que toute l'harmonisation sera terminée à ce moment-là.

Recommandation 10

La directrice des Services des règlements municipaux devrait mettre en œuvre une initiative pour définir les secteurs-clés stratégiques, opérationnels et de projet qui sont à haut risque et où des techniques systématiques de gestion des risques pourraient être appliquées.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les pratiques de gestion actuelles comprennent la gestion des risques sous forme de limitation du risque de responsabilité et le confinement des risques négatifs dans les secteurs qui affectent le personnel de la Direction et les clients, de même que la gestion efficace des risques des possibilités. On reconnaît que la présentation de la bonne information à l'équipe de gestion de la Direction est nécessaire à la prise de décisions efficaces relatives à la gestion des risques. On prévoit que l'examen de l'efficacité de 2006 aidera à la réalisation de cet objectif et qu'il fera partie du plan de travail des Services des règlements municipaux.

Recommandation 11

La directrice des Services des règlements municipaux devrait inclure la gestion des risques dans les plans de formation des gestionnaires et du personnel de la Division de l'application des règlements et des inspections.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Pour faire suite à la réponse à la recommandation 10, les risques opérationnels clés seront définis au cours de l'examen de d'efficacité de 2006 et intégrés aux plans de formation des gestionnaires et du personnel.

Recommandation 12

La directrice des Services des règlements municipaux devrait assurer une approche plus structurée pour produire et justifier les résultats de rendement des opérations et des programmes de la Division de l'application des règlements et des inspections, y compris des rapports de rendement périodiques qui comparent les rendements réel et prévu et requièrent une évaluation des écarts significatifs et des mesures correctives.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Le cadre général de mesure du rendement a établi des mesures OMBI comme priorité pour la mesure du rendement. Le plan de responsabilisation annuel de la Direction sera renforcé en 2006 pour tenir compte du rendement stratégique, opérationnel et de programmes. En 2005, la direction avait déjà mis en œuvre 17 mesures de rendement OMBI sur l'application des règlements et 7 mesures de rendement sur les permis. Au cours du premier trimestre de 2006, la direction prévoit établir d'autres mesures OMBI : 22 sur l'application des règlements et 10 sur les inspections. Le suivi sera fait tous les mois au sein de la Direction et par les membres de l'équipe de la haute direction du département.

Recommandation 13

La directrice des Services des règlements municipaux devrait introduire une approche plus structurée pour améliorer les pratiques de gestion en utilisant un cadre de contrôle de la gestion et un modèle logique.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction prévoit compléter un modèle logique de la Direction au cours du premier trimestre de 2006. Cela servira à illustrer les liens de cause à effet entre les activités, les extrants et les résultats, et aidera la direction à déterminer les questions critiques d'évaluation et les secteurs à privilégier. Les services et la Direction sont en train de renforcer le cadre existant de contrôle de la gestion. Les secteurs qui doivent faire l'objet de rapports, la nature et la fréquence des rapports ont été documentés et seront examinés par des gestionnaires individuellement et en groupe par l'équipe de gestion de la Direction.

Recommandation 14

S'assurer que l'équipe de gestion de la Division de l'application des règlements et des inspections utilise le cadre de contrôle de la gestion pour autoévaluer ses pratiques de gestion tous les ans au moment de la planification pour déterminer les priorités d'amélioration de la nouvelle année.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Pour faire suite à la recommandation 13, la Direction utilisera le cadre amélioré de contrôle de la gestion pour évaluer tous les ans l'efficacité de ses pratiques de gestion. Les résultats des suivis continus, des rapports réguliers d'activités et des rapports périodiques sur les programmes (p. ex., l'examen de 2006 sur l'efficacité), de même que les rapports de rendement des finances et des ressources humaines serviront de base à l'exercice de planification entrepris par la Direction.

Réponse générale de la direction

En 2001, à la suite de la fusion de la Ville d'Ottawa, la Direction des services des règlements municipaux a été créée. Celle-ci a réuni 12 cadres de réglementation différents et 67 équivalents à temps plein (ÉTP) chargés d'administrer et d'appliquer quelque 500 règlements municipaux différents. Au cours du processus du budget de 2004, le Conseil a approuvé la restructuration des Services des règlements municipaux en consolidant la plupart des services d'application des règlements et d'inspection dans un secteur, et cela afin de réaliser plus d'efficacité et d'économie. Cela a provoqué le transfert de l'application des règlements relatifs au stationnement, au zonage, aux biens-fonds, ainsi
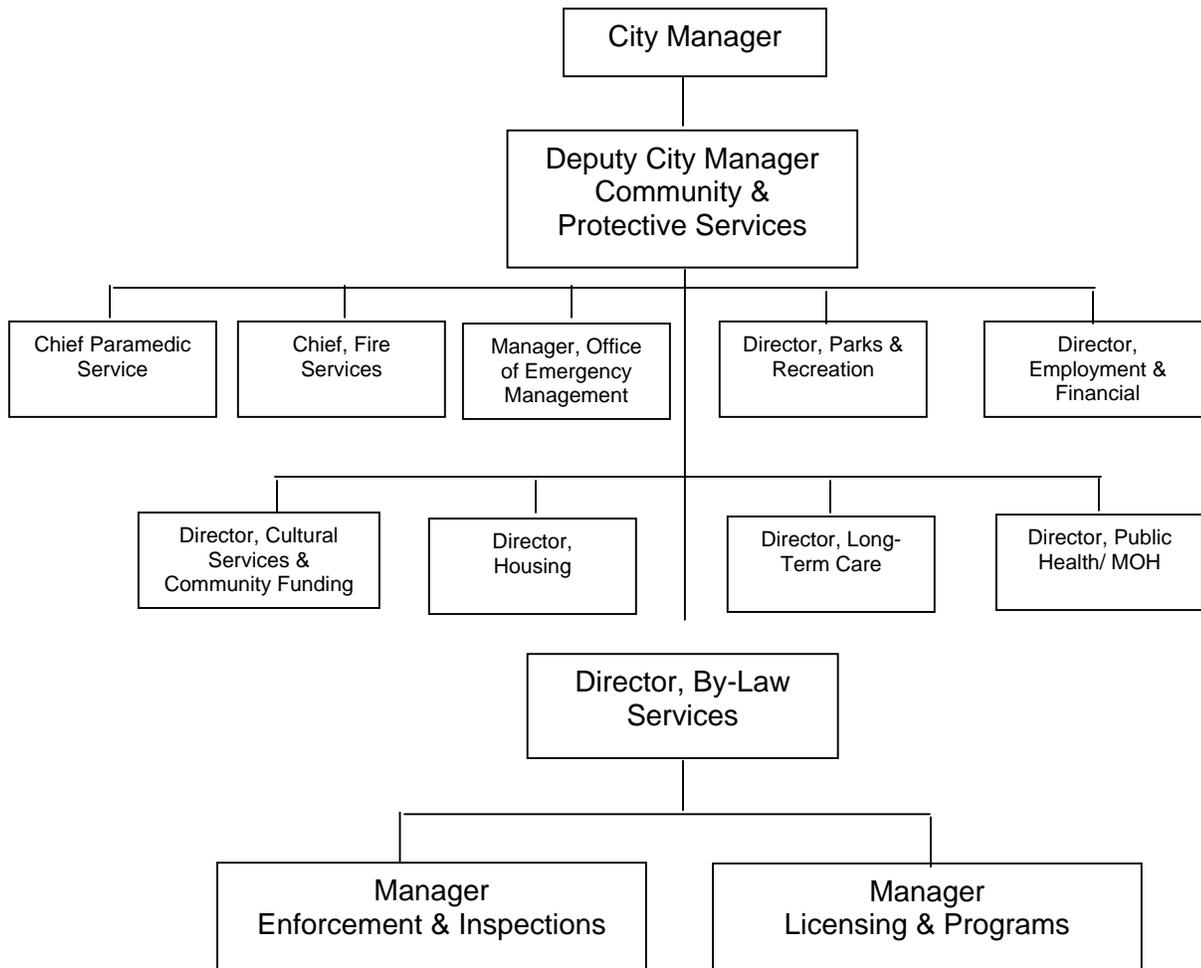
que le transfert des licences de loterie et d'événements spéciaux, et a créé ainsi une nouvelle Direction des services des règlements municipaux avec 147 ÉTP.

Situés à l'origine dans 10 lieux différents, régis par plusieurs conventions collectives différentes et différents modèles de service, les Services des règlements municipaux tâchent de consolider et d'harmoniser leurs règlements et politiques afin de fournir des services de façon économique et efficace. Même si environ 85 % des règlements ont été consolidés, les Services des règlements municipaux ont surmonté d'importants défis pour harmoniser leurs nombreux règlements. Ottawa est la seule ville fusionnée de sa taille qui a dû consolider et harmoniser divers règlements et processus dans des milieux urbains et ruraux. Même la ville de Toronto n'a pas eu à appliquer un processus aussi large puisque ses règlements de délivrance de licences étaient déjà harmonisés en vertu d'un système de palier supérieur. De plus, Toronto n'a pas eu à faire face à une géographie urbaine/rurale aussi diverse.

La Direction apprécie et appuie la vérification de 2005 et approuve de façon générale les recommandations proposées. La Direction a l'intention de profiter de l'examen de l'efficacité de la Direction qui sera entrepris en 2006 pour réaliser ces objectifs.

1.0   Background

By-Law Services is a Branch within the Community & Protective Services Department of the City. The Branch is comprised of two Divisions: Enforcement & Inspections and Licensing & Programs. In 2005, there were 146.4 full-time equivalent positions in By-Law Services. The overall structure of the Branch is presented below.

```
                          ┌──────────────────┐
                          │   City Manager   │
                          └──────────────────┘
                                   │
                          ┌──────────────────┐
                          │ Deputy City Manager │
                          │   Community &    │
                          │ Protective Services │
                          └──────────────────┘
      ┌──────────┬──────────┬──────────┬──────────┬──────────┐
┌──────────┐ ┌──────────┐ ┌──────────┐ ┌──────────┐ ┌──────────┐
│  Chief   │ │  Chief,  │ │ Manager, │ │ Director,│ │ Director,│
│ Paramedic│ │   Fire   │ │ Office   │ │ Parks &  │ │Employment│
│ Service  │ │ Services │ │   of     │ │Recreation│ │&Financial│
│          │ │          │ │Emergency │ │          │ │          │
│          │ │          │ │Management│ │          │ │          │
└──────────┘ └──────────┘ └──────────┘ └──────────┘ └──────────┘
      ┌──────────┬──────────┬──────────┐
┌──────────┐ ┌──────────┐ ┌──────────┐ ┌──────────┐
│ Director,│ │ Director,│ │ Director,│ │ Director,│
│ Cultural │ │ Housing  │ │Long-Term │ │  Public  │
│Services &│ │          │ │  Care    │ │Health/MOH│
│Community │ │          │ │          │ │          │
│ Funding  │ │          │ │          │ │          │
└──────────┘ └──────────┘ └──────────┘ └──────────┘
                  ┌──────────────┐
                  │Director, By-Law│
                  │   Services   │
                  └──────────────┘
          ┌──────────────┴──────────────┐
   ┌──────────────┐            ┌──────────────┐
   │   Manager    │            │   Manager    │
   │ Enforcement &│            │ Licensing &  │
   │ Inspections  │            │  Programs    │
   └──────────────┘            └──────────────┘
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The Enforcement and Inspections Division protects health, safety, and property through the enforcement of a series of regulatory by-laws including, but not limited to: noise; signage on private and public properties; fences; zoning; property standards; pool enclosures; animal care and control; taxi licensing; parking control; and, smoke-free areas. Other related services and activities performed by the Branch include:

- Project and policy work to develop, implement and maintain municipal by-laws;

- Prevention of by-law contraventions through educational programs;

- Officer dispatching;

- Monitoring and enforcement at special events;

- Operation of the municipal spay/neuter clinic; and

- Development and administration of agreements with external agencies (e.g. Pound Services).

In 2004, approximately 49,000 "Requests for Service" (RFS) were received and responded to. The major RFS categories were parking (16,300), animals (11,300), and noise (8,100).

The following table summarizes the key components of the 2004 and 2005 operating budgets for the By-Law Services Branch:

By-Law Services	2004 Budget	2005 Budget
By-Law Enforcement & Licensing	5,609	$6,027
Parking Enforcement	4,799	5,005
Other Programs	1,338	1,367
Total Gross Expenditures	**$11,746**	**$12,399**
Recoveries and Revenues	($17,510)	($17,610)
Net Requirement	**($5,764)**	**($5,211)**

2.0 Objective

The objective of this audit was to assess the adequacy of the management and operational practices of By-Law Enforcement & Inspections within the By-Law Services Branch, including:

- Compliance with all laws, regulations and policies;
- Financial Management and controls; and
- The economy, effectiveness and efficiency of operations.

3.0   Audit Scope

The scope of the audit included an examination of management and operational practices of the Enforcement and Inspections Division (EID).   The Licensing and Programs Division (LPD) of By-Law Services was included in the scope of the audit with respect to the administrative support services it provides to enforcement and inspection (dispatch, financial management, database maintenance).   The scope also included by-law revenue reconciliation procedures conducted by the Courthouse & Provincial Offence Services Division of Corporate Services.

In addition, the scope will include discussions with other municipalities (Calgary and Mississauga) regarding best practices.

4.0   Approach and Methodology

At the outset of this audit, the auditors were to review all operational and management aspects of Enforcement and Inspections including:

- The Division's management framework;
- Examination of operations to assess whether resources are used (staffing and equipment) in an economical and efficient manner;
- Evaluation of performance measures;
- Assessment of compliance to internal policies and procedures;
- Assessment of the strategic alignment of the Division's objectives to overall corporate objectives;
- Follow-up on applicable recommendations arising from the 2001 Audit of Parking Ticket Revenue and Processes;
- Benchmarking services and activities, and expenditures against similar operations in other municipalities; and
- Identifying opportunities to improve the effectiveness, efficiency, or economy of EID activities.

During the conduct of the planning phase of this audit, we refined the audit scope and produced a set of audit issues to be addressed with related audit criteria.

During the detailed examination phase of this audit, we relied upon the following techniques to collect audit evidence regarding current practices for all of the various issues as appropriate for the issue at hand:

- Conducted interviews with a sample of managers and staff;
- Conducted reviews of pertinent files or documentation;
- Selected a sample of files for review of specific transaction practices;

- Conducted a physical walk-around of facilities to get a first-hand impression of the layout and security considerations, etc.;
- Established contact with, interviewed, and obtained copies of pertinent documentation from, a sample of municipal government administrators with respect to identifying best practices; and, finally
- Participated in "ride-alongs" with a sample of Enforcement and Inspection Officers to gain a first-hand impression and flavour of their working environment and the types of problems and issues they encounter when conducting their duties.

5.0 Findings & Recommendations

5.1 Service Delivery

5.1.1 Efficient and Effective Utilization of Staff

Key changes are underway to deploy the Enforcement and Inspection Division's (EID) resources in a more efficient and effective manner. Further changes in management practices, systems functionality and technology tools are required for the By-law Services Branch to be able to fully establish, monitor and provide assurance that the delivery of services meets or exceeds expectations of efficiency and effectiveness.

With almost 50,000 RFSs annually, it is an immediate and prominent issue that EID resources will need to be used efficiently and effectively to meet the needs of residents, visitors and Council members on a timely basis. Accordingly, one of the first issues examined was to identify what objectives had been set for staff resource utilization. It was noted that no formal definition of what constituted economic and efficient utilization of EID staff has been established.

While there were no resource utilization objectives (e.g. RFSs completed per day /per officer), the following sets of priorities are in use including standards for "response" and "action commenced by" for these different priority sets. All of the different by-laws and related by-law circumstances are categorized under three different sets of priorities and service standards as follows:

- Priority 1 - these by-laws have a "response" standard (Officer to establish contact with a complainant that they are the Officer responsible for actioning the complaint) of within one day. Under this category, the Officer must also advise the complainant that they have begun to take "action" (an "action" standard) on the complaint within the same one-day standard;

- Priority 2 - these by-laws have a "response" and an "action" standard of "within 48 hours", i.e. they must both respond to the complainant and commence action to resolve the complaint within the same standard of 48 hours; and finally

- Priority 3 - under these cases the "response" standard is "within 48 hours" but the "action" standard is "within 7 days".

In further discussions with management representatives we determined that:

i. actions taken by the Officers to resolve complaints must be "reasonable" without a precise definition as to what that meant except that it was desirable that the actions satisfy both the complainant and the "defendant";

ii. actions should be "completed" (or the case closed either by mutual consent of the complainant and the defendant or by the issue of a ticket to the defendant) on a "reasonably timely" basis. Here again this remained undefined. Management indicated that there was too wide a range of individual circumstances surrounding cases that it was not practical to set a standard for "completion" of cases.

It was noted in our discussion with another municipality (Calgary) that completion standards are in use with such standards as 90% completion by 10 days, 95% completion by 30 days and 100% completion by 60 days.

As far as establishing standards to help with identifying workload, management stated that they do not attempt to establish standards for person-hours required to process the different categories of by-law "request for service" (RFS) situations. They stated that they try to consider workload and case assignments based on a "gut-feel" approach considering the differing volumes of the various RFS categories and their knowledge of the work required.

We are concerned that the failure to set standards for workload and for completion times for the different categories of RFS situations leaves management in a position where they cannot give a complete and reliable accounting for key aspects of EID performance. They are put in the position of being unable to ensure that resources are utilized in the most efficient and effective manner and to objectively set a basis for reliably accounting for EID performance based upon calendar time taken to complete actions on the different categories of cases undertaken. Further observations regarding Performance Management are presented in Section 5.4 of this report.

Recommendation 1

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

Management Response

Management agrees with this recommendation.

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

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

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

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

Monitoring of Service Delivery

To ascertain the monitoring practices of EID Coordinators and Supervisors (C/S), we discussed these matters with a sample of C/S's and determined that their monitoring activities focused on the following:

- Monitoring of Officer shift start times;
- Monitoring the timeliness of Officer responses to RFS cases;
- Reviewing the commencement and completion of RFS cases;
- Reviewing the MAPP system information to identify all open cases so they could review with the respective responsible Officer as appropriate and as necessary;
- Reviewing all still active cases to ensure that there was an active on-duty officer responsible for continuing action on them; and, finally
- Reviewing the various logs that have to be completed by the Officers on-duty to ensure that they were appropriately completed and accounted for.

In our opinion these are all acceptable monitoring practices. However, if completion standards are established, then C/Ss can monitor cases that have not met the standards and therefore require attention.

In addition, monitoring could be enhanced with additional attention paid to the achievement of overall performance by Officer and by Organization in terms of things like: (i) the percentage of time that overall targets were achieved (such as the number of days required to resolve a particular category of RFS case, e.g. "dog bites", resolved within 3 days, 90% of the time, etc.); and (ii) performance in case "completion" times.

Recommendation 2

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

Management Response

Management agrees with this recommendation.

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

Technological Support of Service Delivery

Our approach here was to interview a sample of managers and staff to determine existing practices which seek to use technology in support of effecting improvements in service delivery performance.

We determined that there has been no recent formal assessment carried out of the technological needs of Enforcement and Inspection Officers and management to support the effective and efficient delivery of EID activities. In addition, we found out that management is not aware of any feasibility studies underway with respect to adopting or adapting new uses of technology to support improved service delivery.

While there may be no formal studies or assessments underway, we can state that there is no shortage of ideas from staff with respect to possible uses of technology that could result in potentially very dramatic impacts in Enforcement and Inspection activities and service to the public. Examples include:

- Providing EID Officers with on-line access to the MAPP computer information system for purposes of entering case resolution and performance information (One supervisor estimates that the average Officer spends up to half of their time maintaining records on case resolution and subsequently re-entering that same information to the MAPP system when they get access to a computer back at the

Office.)   Another potential advantage to on-line access is more timely Officer access to key case information on file if it is relevant to their case. In our best practices review, we determined that the Cities of Calgary and Mississauga currently provides on-line access to all of their EID Officers; and,

- Examining the functionality of the MAPP system with respect to providing Bring Forward (B/F) information automatically to Coordinators and Supervisors once completion targets are established. This would ensure more timely and complete control over RFSs that have outstanding actions.

Recommendation 3

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

Management Response

Management agrees with this recommendation.

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

5.1.2   Financial Management Practices

Lack of clarity over who has the overall responsibility for ensuring appropriate controls over all aspects of the revenue cycle related to by-law revenue creates vulnerability in the controlling of completeness, accuracy and timeliness.

We reviewed a sample of EID transactions for compliance to payment cycle requirements. We found that purchase order requirements were appropriate and the payments were subject to appropriate receiving and payment validation procedures before invoices were paid.   The financial officer performing most of the payment cycle controls is part of Licensing & Programs Division (LPD).

EID generates a significant amount of revenue through enforcement and licenses, parking tickets and other sources. The revenue projection for 2005 is $17.6M. Revenue cycle practices and controls related to this income for the City is shared between the By-law Services Branch and Courthouse & Provincial Offences Services (CPOS) which is part of Corporate Services.

Licensing

The Licensing and Programs Division (LPD) operates a cash handling operation for the sale, renewal and transfer of taxi and other licenses. In July 2004, an internal audit of revenue collection procedures at LPD was conducted by the City. As part of the audit of EID, we followed up on the actions taken by LPD to address the recommendations of the internal audit which covered:

- Segregation of Duties and End-of-Day Procedures
- Timely Processing and Recording of Receipts
- Custody of Cash
- Secure Storage
- Centralized Receipt of Cash
- Supervisor/Manager Oversight

The actions taken to implement the recommendations were reviewed with the LPD supervisor and a walk through was made of the cash handling area and secure storage. For the most part, the recommendations have been implemented with the exception that surprise cash counts and recommendations relating to additional documentation for custody of cash are not yet done.

Parking Tickets

As a result of Corporate re-structuring in 2004, responsibility for the issuance of parking tickets and the administration of the deputization program was transferred to the By-law Services Branch. As part of this restructuring, responsibility for the City's Parking Ticket Management System was transferred to the Courthouse & Provincial Offences Services Division within Corporate Services.

The City has conducted two previous internal audits, in 2001 and in 2003, with a series of recommendations made. The major issues outstanding from the structural changes and previous internal audits are discussed below.

We noted that By-Law Services and CPOS now share roles in the revenue cycle related to controls for completeness, timeliness and accuracy of revenue recording. Responsibilities for completeness and timeliness of recording starts with By-law Officers working in EID who must ensure their parking tickets are input to the Auto Proc system on a timely basis. To facilitate timeliness and accuracy, EID makes maximum use of electronic ticket units that can be uploaded to Auto Proc each day.

LPD is responsible to maintain records of local organizations (e.g. condominiums, universities, property management companies, etc) that are deputized to hand out manual tickets. Deputized organizations are often not timely about submitting information regarding the tickets they have issued. When this occurs, reconciliation difficulties can arise if a payment is received before a record of the revenue is recorded.

CPOS has collection roles where parking tickets are unpaid beyond the due date or are contested in court. To ensure CPOS has accurate information to manage its collection roles, CPOS also has responsibilities to reconcile revenue received as recorded in Auto Proc to revenue received as recorded in SAP, the City's financial system. During our fieldwork we observed that CPOS had succeeded in completely reconciling revenue received as recorded in the two systems for the first time for the month of July 2005. Numerous system problems and lack of timely uploading related to EID and LPD responsibilities had prevented a complete reconciliation since CPOS took on the reconciliation responsibility in 2004.

We were advised that an Early Payment initiative to collect revenues faster is planned for the Fall 2005. As part of this initiative, parking ticket amounts will change such that older tickets held by deputized organizations will need to be replaced. Because the total number of deputized organizations is not fully known, further reconciliation difficulties will occur when old tickets are used.

Currently, the reconciliation performed by CPOS ensures that the details of revenue received according to the operational and financial systems are consistent. As yet, there is no reconciliation of every ticket "issued" to ensure it can be traced to a logical disposition which could be: revenue received; revenue in collection process; revenue cancelled; etc.

The current situation of the sharing of roles in the revenue cycle leaves overall responsibility for revenue management somewhat unclear. While By-law Services and CPOS have been working in cooperation to improve controls over completeness, timeliness and accuracy, it is unclear who has the overall responsibility for ensuring appropriate controls over all aspects of the revenue cycle related to by-law revenue are in place.

Recommendation 4

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

Management Response

Management agrees with this recommendation.

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

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

Recommendation 5

The Director, By-law Services Branch, in conjunction with a counterpart in Corporate Services, should:
   a) **formally agree who has overall responsibility for ensuring appropriate revenue cycle controls for all by-law revenues are in place and are reviewed, reconciled and evaluated on a regular basis; and**
   b) **ensure a plan is established to identify and correct control weaknesses including an up-to-date universe of deputized organizations and reconciliation of issued parking tickets.**

Management Response

Management agrees with these recommendations.

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

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

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

5.1.3 Compliance with Corporate and Branch Policies

Health and safety of By-law Officers represents one of the most important areas of compliance and overall management attention. While there was a good combination of pro-active and re-active measures to ensure compliance and that health and safety concerns are effectively addressed, the top 5-6 occupational safety and health hazards faced by EID officers are not systematically assessed each year to ensure appropriate mitigation measures are in place.

After discussion with representatives of management, we identified the following actions that are taken by management to ensure that staff are aware of and are in compliance with all-important issues that affect the health and safety of the Enforcement and Inspection Officers in the conduct of their duties:

- After the development of standard operating procedures (SOP's) or acceptance of significant changes to these procedures, management takes steps to ensure that the new SOP's are circulated to all staff and staff are expected to be fluent with the new procedures or the significant changes in procedures;

- The SOP's are written in such a way that they reflect the key health and safety issues that may apply under a given set of circumstances and include specific actions that must be taken by the Officers to protect them from harm when there is any possibility of a health and safety risk to the Officers;

- If there are any significant instances of non-compliance by staff with the SOP's, that these instances are raised at the regularly scheduled Coordinator/Supervisor (C/S) and staff meetings for discussion. If any staff member is found to be in non-compliance on a consistent basis, then it becomes a disciplinary matter between the respective C/S and the staff Officer;

- The C/Ss review all Health and Safety incident reports and personally review these with the Officer or Officers involved to assess the adequacy of the remedial actions taken;

- The C/Ss will review all Quarterly Health and Safety Committee reports; and finally,

- The C/Ss will review all applicable seasonal SOP's that could cause Health and Safety problems and they will review these with the staff at their regularly scheduled staff meetings.

In our opinion, the above actions represent a good combination of: (i) pro-active and re-active measures; (ii) communication with the staff; and (iii) actions initiated by management representatives to help ensure that health and safety concerns will be effectively addressed. However, given the critical health and safety exposure of EID officers and given that exposures change and evolve over time, it would also be beneficial to annually assess the top 5-6 occupational safety and health hazards faced by EID officers and ensure appropriate mitigation measures are in place.

Recommendation 6

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

Management Response

Management agrees with this recommendation.

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

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

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

5.2   Organizational Capacity

5.2.1   New Deployment Model
The project plans for the New Deployment Model project are well prepared and well communicated. In addition, the means to monitor project progress has been established. A formal review of the initiative once it has been implemented has not been scheduled but would prove helpful.

Within the past 12 to 18 months, the responsibility for conducting several new services were transferred to the By-Law Services Branch. These services were as follows: (i) Parking; (ii) Property Standards; (iii) Zoning; (iv) Tobacco Control; (v) Special Events; and (vi) Lotteries.

The transfer of these services presented the management of the By-Law Services Branch with an opportunity to reorganize itself and to alter the present deployment practices of the various enforcement components of the new By-Law Services Branch. Branch Management concluded that reorganization was essential in order to streamline the service delivery and ensure efficiencies by eliminating, or significantly reducing, duplications of service.

With these objectives in mind, the Branch set up a "New Deployment Model" (NDM) project to achieve the above objectives. A team was set up and started work on developing and getting Branch approval for an appropriate scope document in June 2004. A final scope document was submitted and approved by Branch management in July 2004. A final deployment and an implementation plan were submitted by the project team in February 2005 just prior to the commencement of this audit. The implementation plan was based upon dates for deliverables for four different components or sets of issues: (i) Human Resources; (ii) Communication and Change Management; (iii) Training; and, finally, (iv) Information Technology issues.

One of the objectives of this audit was to review the plans for the implementation of the NDM project and assess the extent to which milestones, roles and resources are clearly identified and

status reporting is prepared, reviewed and adjustments made on a timely basis. Another objective of the audit was to assess the effectiveness of project communication practices to ensure a reliable and timely understanding of how the new deployment model would impact on the delivery of Branch services and on the staff delivering those services and to gain staff support for a successful transition to the new deployment model.

We reviewed the project plans documentation for this project (project charter documentation) and determined that the project plans were well prepared and well communicated. The project planning documents for this project indicate that they supplied sufficient and appropriate information on project plans to enable the project to be well managed and controlled. Project plans provided detailed information on such things as: (i) Project phases; (ii) major activities; (iii) project milestones; (iv) project deliverables; (v) start dates; (vi) finish dates; (vii) duration of activities and phases; and, finally, on (viii) resources assigned to complete the project. Also, a review of the milestone status summary sheets showed that additional information was planned to be provided on such things as: (i) Status of activities (planned but not complete); (ii) Concerns and early warnings; and, finally, (iii) High risk issues. All of this would supply more than enough information to enable management to exercise effective review and control over project status.

When we discussed this project with By-Law Services Branch Management, they indicated that successful implementation of this project was critically important for the Branch. However, when we reviewed the detailed minutes of the bi-weekly By-Law Services Branch Management Team (BMT) meetings it was not clearly apparent that the NDM project had been subjected to a formal status review at any BMT meetings in 2004 or 2005. We also had been informed by Branch Management that there had been no formal risk analysis undertaken on factors that might adversely affect successful completion of the project even though there was provision in the planning documents for identification of such issues.

On the positive side again, there were plenty of signs, through review of the BMT minutes, that management had given considerable attention to understanding the new deployment model being proposed through discussion at BMT and through several scheduled separate meetings with project team members. It was also obvious that management wanted to ensure that staff would be given an excellent opportunity to understand and question the new model through a detailed presentation to all staff at an all-day "Town-Hall" type meeting with the new model given significant prominence on the agenda at a meeting scheduled in February 2005. In addition, in four separate half-day ride-along sessions with By-Law Officers there was no sign of negative response from staff to the new model being proposed. It appeared as if staff viewed the new model as an opportunity for service improvements and for possible personal job advantages.

Recommendation 7

The Director, By-Law Services Branch should schedule a formal review of the actual achievements of implementation of the new model against its original performance

objectives within 12 – 18 months after project initiation and once major aspects are considered implemented.

Management Response

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

5.2.2   Harmonization Project

Harmonization project plans were well prepared and well communicated with a well thought out strategy paper including information to address and assess project risk areas. However, it was not apparent that there were formal periodic reviews of all project completion dates versus targets now that the project will likely continue for two years if the Province grants an extension.

In January 2001, the new City of Ottawa was formed out of an amalgamation of twelve (12) municipalities.   The new city inherited all of the by-laws that had been adopted by the previous municipalities. All of the previous municipalities had more or less the same by-law structure with much duplication but also many differences among the 500 or so different by-laws. Action was required to ensure that there was consistency in how the citizens of the new City would be treated instead of administering eleven different sets of by-laws covering basically the same topics.

With this in mind, the new city decided that one of their first orders of business had to be to develop a project which would aim to harmonize all of the different by-laws to eventually end up with one set of by-laws for all of its citizens. Early in 2001, work commenced on a By-law Harmonization project.

Under the issue of organizational capacity, this audit was asked to assess the status of the Harmonization Project and the prospects for effective review and management of the status of the project.

As per the NDM project discussed above, we found that the project plans were well prepared and well communicated with a well thought out strategy paper presented early for management's consideration. The planning documents and the milestone status summary sheets called for similar information as was presented for the NDM project. This included information to address and assess project risk areas.   Again, all of this provides management with an excellent base for exercising effective review and control over the project status.

It is our understanding that there were originally about 150 business licensing by-laws and schedules involving approximately 20,000 provisions and some 10,000 licensees to address. The strategy paper set out priority criteria to help in selecting and scheduling by-laws to be

harmonized. Four years into this process, Branch management has estimated that over 99% of the relevant regulations have been addressed through harmonization efforts to date and that approximately 85% of business licensing harmonization issues have been addressed as well.

From the Harmonization Project plans documentation that we reviewed, it appeared to us that the Harmonization project team had early and clearly laid out some difficulties that would be faced, particularly when attempting to address business licensing harmonization issues, and this included the need for extensive consultation with the business clients over details.

From our review of the BMT minutes, it was apparent that the status of the "Harmonization" Project was a frequent item on the BMT agenda over the last four plus years. It is not clear from the minutes just exactly what was discussed at these meetings but it was clear that progress was being made in harmonized by-laws being presented to the Emergency and Protective Services Committee and ultimately to City Council for final approval.

Having said all this, it was not apparent to us from our review of documentation relating to the project that there was a formal periodic review of all project completion dates versus targets. Nor, in spite of the indications that risk information was addressed in the planning documents, was it apparent that in fact there had been a thorough assessment of risks and the implications that these had in terms of successful completion of the Harmonization Project.

At the time of our drafting of this report document, we were made aware that the City will be asking the Province for a two-year extension to the law permitting the city to review and harmonize its licensing by-laws. If this request is approved, it would extend the timeframe for the Harmonization Project to be completed by December 31, 2007.

Recommendation 8

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

Management Response

Management agrees with the intent of this recommendation.

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

Recommendation 9

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

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

5.3 Risk Management

Risk management is a discipline that seeks to anticipate future events and circumstance that may impair or disrupt the achievement of organizational objectives. The pace of change, due diligence expectations and other drivers are creating a need for systematically managing risk in key areas of the City such as by-law enforcement and inspection.

We noted some examples of risks being explicitly identified including the Project Charter for the Deployment Model. However, for the most part, risks are being managed informally/initiatively.

The operations of EID pose considerable health and safety risks for By-law Officers and the potential to create considerable reputation loss for the City. In addition, there are significant projects such as by-law harmonization where delays and consultations can lead to additional cost and frustrated residents and visitors.

The benchmarking survey conducted by the audit team on EID practices noted risk management initiatives in other municipalities at the operational level. For example, in Calgary, businesses that are licensed are rated as high, medium and low risk. In addition, Calgary has an organization-wide initiative on risk management and training has been provided the EID managers.

The City of Ottawa does not yet have a corporate level project to strengthen risk management practices. Considering the inherent risk in EID operations and projects, there is no reason to wait for central direction before initiating a more systematic and structured approach to risk management.

Recommendation 10

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

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

Recommendation 11

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

> **Management Response**
>
> Management agrees with this recommendation.
>
> Further to the response to Recommendation 10, as part of the 2006 efficiency review, key operational risks will be identified that can be built into training plans for managers and staff.

5.4 Performance Management

By-law Services Branch collects and reports information on its enforcement and inspection activities (e.g. number of requests for a particular service), however, it has not yet established an approach to collecting, monitoring and reporting on how well it performs its activities.

Our review of performance management determined that there was a two-page set of performance indicators and measures identified for the By-Law Services Branch that was created during the Universal Program Review (UPR) exercise conducted for the City of Ottawa in 2003. According to EID Management however, these indicators and measures have never been formally adopted for official use in the management of EID activities.

The set of indicators and measures presented in the UPR paper are measurable in most cases, but they are not always useful for assessment of performance. For example, identifying the absolute average number of RFS cases handled per Officer per year tells you nothing about performance except in a relative way. If the number of cases is rising from year to year, that is about all you

know because you require some further information regarding standards and the meeting of those performance standards before such information becomes useful for performance purposes.

From another perspective, there is some useful information provided about standards set for resolving certain types of RFS situations. For example, it is stated that 3 days has been identified as a standard for resolving "dog bite" cases. Again this is interesting information but one really needs to know the actual number of days being taken to resolve "dog bite" cases before starting to consider actions that will be useful to improve EID performance.

Another example of interesting information is the case where management has set a general target that they will reduce the number of dogs and cats sheltered. This will give you a general indication of which direction your performance is headed but it says nothing about what you can do and what you aim to do. This is also an example of the type of information that limits accountability for results because of the absence of an objective target being set for say reducing the number of dogs and cats sheltered. If a target is not set in advance then there is no objective basis for assessing actual performance.

Performance Reporting Practices

When we discussed this matter with EID Management, they stated that they were not aware of any Branch in the City of Ottawa administration that was required to submit periodic performance reports to City Management. They stated that the Quarterly Activity Report is the key report used relating to the management of EID activities. This report is apparently used to help enlist support (from Council members) for any proposed resource requirements or actions proposed by EID Management.

The Quarterly Activity Report is just that, a report on the number of EID activities conducted. It can be used to tell one whether numbers are increasing or decreasing but it fails to tell you important information on workload as opposed to volumes. Actual workload is determined by multiplying volumes for activities by unit efficiency standards to give you a total workload by activity and by rolling all of these up to give you an indication of the total workload requirements.

Performance Reports

From the above, it is apparent that there are no formal requirements for EID Management to submit periodic reports on their effectiveness and efficiency to higher-level management in the Branch or within the City of Ottawa administration. We were not made aware of any type of performance reports, formal or informal, produced with respect to the management of EID activities. A complete set of performance reports would address: (i) significant aspects of the effectiveness and efficiency of EID operations; (ii) significant aspects of quality and level of service; and, (iii) other significant aspects of numbers or costs that were relevant to proper management of EID operations and good performance.

Recommendation 12

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

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

5.5   Governance

The current approach to the development of management and operational practices and controls does not follow a structured approach. A structured approach can help strike the correct balance between informality and formality in the practices used to manage enforcement and inspections.

Management practices refer to the overall approach and methods used to establish and communicate organizational objectives and outcomes, manage risk, maintain sufficient organizational capacity, efficiently and effectively deliver services, and monitor the achievement of results.

Most organizations have a mixture of formal and informal practices by which they manage day-to-day delivery of services, and periodically set objectives and account for resources used in the achievement of results. Part and parcel of organizational maturity is striking the correct balance of informality/formality that ensures that service is not impaired by excessive control and vice versa.

Maintaining an effective balance between informality and formality in terms of management practices can be efficiently addressed using a set framework management controls or Management Control Framework (MCF). The MCF is a structured approach that organizes management practices into a logical series of groupings. The MCF set out below in Exhibit 1 has five (5) groups of management controls, namely: Governance; Risk Management; Organizational Delivery; and Monitoring & Learning.   Additional details regarding each of the eighteen (18) management practices set out in the five (5) groups can be found in Appendix A.

Exhibit 1: Management Control Framework

Interviews and reviews of documentation revealed EID's approach to development of management practices does not follow a structured approach incorporating a MCF. Using the MCF above, the management team for EID (Director, By-law Services, Manager, Enforcement and Inspections, and Manager, Licensing and Programs) completed a self-assessment of the effectiveness of management practices. Their self-assessment, illustrated below in **Exhibit 2**, indicated room for improvement in many management practices. Over the five (5) areas of self-assessment, the average assessment was 2.78 on a scale of 5. According to the assessment rating scheme, a 2.78 would roughly equate to an assessment of *"fairly effective practices – some formalized"*.

Exhibit 2

Management Control Framework Self-Assessment
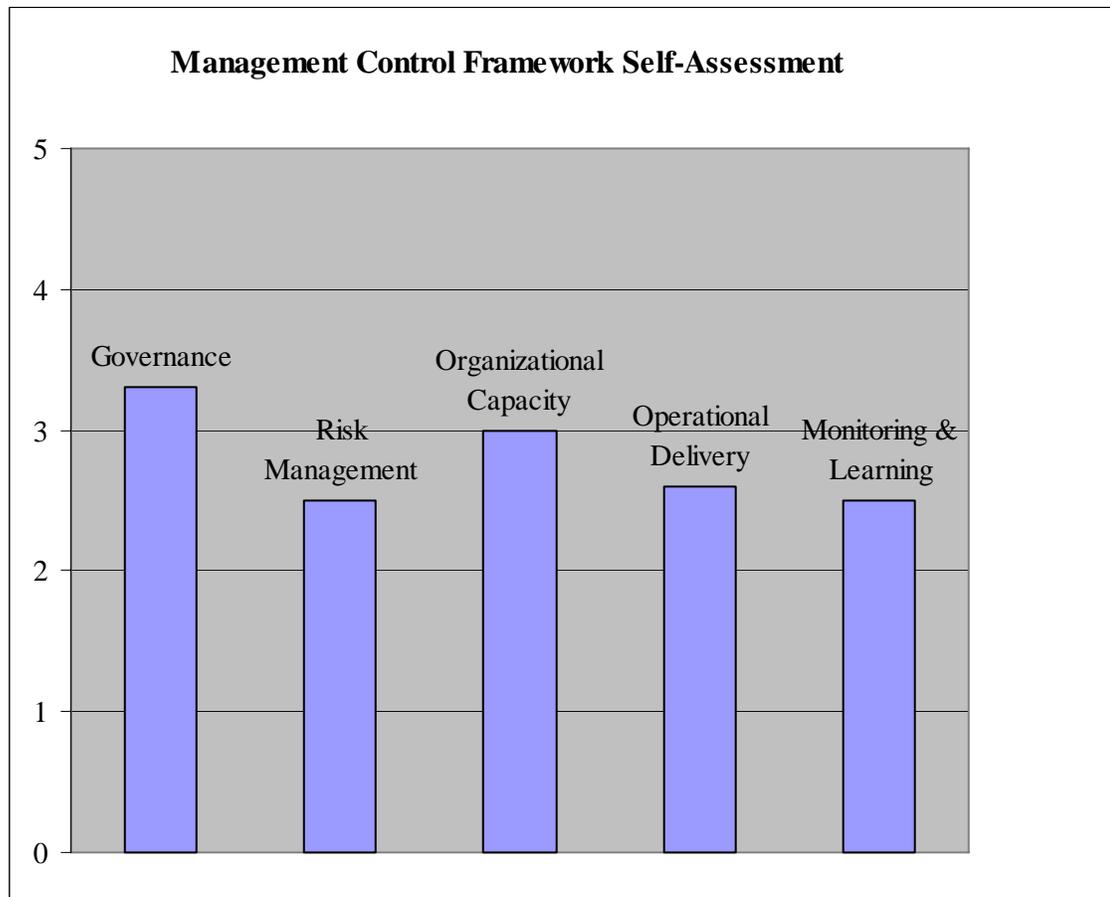
The rating scheme is 1 = poor practices – lots of gaps; 2 = some good practices but ad hoc and unstructured; 3 = fairly effective practices – some formalized; 4 = effective practices – most formalized and structured; 5 = very effective practices, well structured, regularly evaluated and updated.

Logic Model

The self-assessment in **Exhibit 2** above indicates management practices for Monitoring & Learning were rated the lowest overall. The focus of this group involves the use of measurable performance targets and indicators to track and provide accountability for results. Interviews and document reviews revealed that EID has activity tracking (e.g. # of Requests for Service (RFS) for a given by-law) and some service standards (e.g. respond within one day to Priority 1 incidents).

We did not note any inconsistency in terms of EID objectives to corporate objectives. However, we observed that EID did not make use of any tools such as a Logic Model to tell their performance story by linking how EID resources ($ and FTEs) are used to conduct key activities (e.g. respond to RFSs), which in turn generate key outputs (e.g. tickets, charges, resolutions) which in turn contributes to compliance to by-laws and broader City objectives for a safer and healthier community for residents and visitors.

The Logic Model provides an architecture for guiding the development of performance indicators by highlighting the organization's <u>key</u> activities, outputs and outcomes. Using a structured approach such as a Logic Model can ensure efficiency and effectiveness in maturing and improving management practices for Monitoring & Learning.

An initial sample Logic Model was developed by the Audit Team and is included as **Appendix B.**

Recommendation 13

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

Management Response

Management agrees with this recommendation.

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

Recommendation 14

The Director, By-law Services should ensure the EID management team uses the Management Control Framework to self-assess the effectiveness of management practices each year at planning time to determine priority areas for improvement in the coming year.

Management Response

Management agrees with this recommendation.

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

General Management Response

The amalgamation of the City of Ottawa in 2001 resulted in the establishment of the By-law Services Branch, which brought together 12 different regulatory frameworks supported by 67 full-time equivalents (FTEs) collectively responsible for administering and enforcing approximately 500 different by-laws. As part of the 2004 budget process, Council in an effort to find additional efficiencies and cost savings approved the restructuring of By-Law Services by consolidating most of the enforcement and inspection services into one area. This resulted in the transfer of parking, zoning and property standards enforcement as well as the transfer of lottery licensing and special event services creating a new By-Law Services Branch comprised of 147 FTEs.

Initially located in 10 different locations operating under several different collective agreements and different service models, the By-law Services Branch has been working very hard to consolidate and harmonize its regulations and polices to ensure that services are delivered in a cost efficient and effective manner. Although approximately 85% of the regulations have been consolidated, By-law Services has faced significant challenges in harmonizing its numerous by-laws and is the only city of comparable size that has had to undergo an amalgamation exercise which has included consolidating and harmonizing various regulations and processes within an urban and rural setting. Even Toronto did not have as extensive a process given that their licensing regulations were already harmonized under an upper tier system. Nor did they have to cope with such diverse urban/rural geography.

The Branch is appreciative and supportive of the audit exercise undertaken in 2005 and generally concurs with the recommendations put forward. The Branch intends to take the opportunity to achieve these objectives through the Branch efficiency review that will be undertaken in 2006.
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Appendix A – Audit Criteria

Audit Issue #1 – Governance practices ensure the adequacy of management controls and the alignment of EID Division's objectives with overall corporate objectives.

Criteria:
- Ongoing management of EID and its operations should be guided by a framework of management controls which are:
  - Clearly defined;
  - Consistent with overall By-Law Branch and City of Ottawa practices; and
  - Consistently applied.

- A Logic Model should be used to strengthen management controls. The Model should:
  - Illustrate the relationship between inputs ($, FTEs); major activities/ services; outputs and
  - Identify key partners, stakeholders and risks.

- Performance Information should clearly demonstrate support to EID, By-Law Services Branch and Corporate Objectives.

Audit Issue #2 – Organizational capacity is ensured through implementation of the New Deployment Model and appropriate communications.

Criteria:

- Implementation of the New Deployment Model should be managed systematically with explicit plans, milestones and responsible parties.

- The plans are reviewed and adjusted on a timely basis.

- Communication processes are effective, transparent and timely to support the achievement of EID desired outcomes.

Audit Issue #3 – Delivery of services ensures appropriate resource utilization, compliance to policies, procedures, monitoring of service delivery and use of technology tools.

Criteria:

- Economic utilization of EID staff should reflect the most appropriate choice for staff utilization.

- Efficient utilization of EID staff should reflect efforts to identify and minimize time loss given:
  - the routine associated with the chosen staff utilization alternative;
  - the technology associated with a given alternative and
  - targets for service and performance re compliance with by-laws.

- Staff should comply with all Corporate and Branch Policies, in particular Health and Safety and Finance (e.g. financial procedures should provide assurance that parking ticket revenue can be reconciled and every ticket issued be fully accounted for.)

- Monitoring of delivery should include quality control and quality assurance.

- Technology tools should be used to supports the efficient and effective delivery of by-law enforcement.

Audit Issue #4 – Risks to/from enforcement and inspection are identified and managed.

Criteria:

- Risk Management practices ensure risk is managed with an appropriate balance of formal and informal practices at all levels, and that mitigation measures are cost-effective to the level of risk involved and the organization's tolerance for risk.

Audit Issue #5 – Performance in achieving EID objectives is measured and used to adjust delivery

Criteria:

- Performance measures should be:
  - relevant to the achievement of objectives and management of the Division operations;
  - measurable;
  - designed to only include factors directly controllable by EID management and staff;

- reflective of standards established for EID performance based on management estimates and/or best practices;
- Actual performance measurement should be recorded, summarized, and reported to appropriate levels of management in a timely fashion;
- Performance reports should be compared against standards, significant variances identified, and corrective measures taken as appropriate;
- Performance indicators and measures should be assessed for changes periodically.

Audit Issue #6 – Follow-up of the 2001 Parking Audit

Criteria:

- Follow-up actions taken should have addressed the audit recommendations and eliminated or alleviated reported audit observations/problems.

Audit Issue #7 – EID practices in comparison to other municipalities.

Criteria:

- Lessons learned from other comparable Municipal Government Administrations should be investigated on a periodic basis to identify their best practices for By-Law Enforcement and Inspection.

Appendix B – Management Control Framework

MANAGEMENT CONTROL FRAMEWORK
Governance
1. Strategic Leadership Clear organizational objectives that set direction are established and communicated.
2. Governance Framework A governance framework to oversee the achievement of objectives is established.
3. Organizational Culture Organizational culture ensures values and ethics are defined, communicated and consistently reflected in practices and actions.
4. Monitoring and Reporting Performance Performance is monitored and reported against established objectives and outcomes.
Risk Management
5. Risk Management Infrastructure A risk management policy, guidelines, corporate risk profile, and recording and reporting capability are established to ensure explicit and systematic management of risk.
6. Risk Management Practices Risk management practices exist to ensure relevant and valid risks are identified timely, assessed appropriately and cost-effective mitigation strategies are established and monitored.
Organizational Capacity
7. Authority, Responsibility and Accountability Authority, responsibility and accountability are clearly defined and consistent with the organization's objectives so that decisions and actions are taken by the appropriate people.
8. Human Resource Management Human resource policies and practices enable recruitment, training and retention and overall management of human resources.
9. Financial Management Financial resources are budgeted, committed, properly authorized, monitored and reported.
10. Knowledge, Skills and Tools People have the necessary knowledge, skills and tools to support the achievement of the organization's objectives.
11. Communication Process Communication processes support the organization's values and the achievement of its objectives.
12. Information Management information systems provide sufficient and relevant information on resources, results and controls in a timely manner to enable people to perform their assigned responsibilities.
Operational Delivery

MANAGEMENT CONTROL FRAMEWORK
13. Operational Policies Policies are designed to support the achievement of objectives and are cascaded throughout the organization to ensure each unit understands its role and contribution.
14. Delivery Processes and Controls Delivery processes include basic and supervisory controls that ensure timely, accurate, authorized and completeness.
15. Monitoring of Delivery Quality control and assurance functions are established and operate as intended.
Monitoring and Learning
16. Monitoring Performance Objectives and related plans include measurable performance targets and indicators.
17. Integrity of Information Performance measurement system share valid, accurate, reliable, clear, relevant and comprehensive information for decision-making and reporting.
18. Decision-Making Decision-making incorporates performance information.

Appendix C – Sample Logic Model

Logic Model - City of Ottawa By-Law Enforcement and Inspection

What are we doing/proposing to do, what outcomes are we seeking, and how do these link to the City's strategic outcomes?

Resources (Inputs)	Key Activity Areas *(direct control)*	Outputs *(direct control)*	Immediate Outcomes (1-3 years) *(direct influence)*	Intermediate Outcomes (4-5 years) *(indirect influence)*	Final Outcomes *(limited influence)*
➤ E&I Division's FTE's ➤ L&P Division's FTE's ➤ $E&I Division's (O&M) ➤ $L&P Division's (O&M)	➤ Patrols to monitor and enforce regulatory by-laws /programs • Traffic and Parking • Property Standards; • General; • Special Events; • Tobacco Control; ➤ Respond to Requests for Service (RFS) ➤ Receive and deposit cash	➤ Tickets for infractions issued; ➤ Advisory warnings given; ➤ Issues/ complaints between parties are addressed between parties; ➤ Inspection reports	➤ Progress is made in raising the level of by-law awareness to acceptable levels; ➤ Progress is made in increasing the level of compliance to acceptable levels; ➤ Progress is made in achieving a reasonably balanced level of revenues generated from by-law infractions with overall satisfactory levels of compliance to by-laws	➤ Levels of compliance with by-laws reach reasonable and acceptable levels; ➤ Target levels of ticket revenues generated reach optimum levels; ➤	➤ Residents and visitors are safe and healthy (contributing influence) ➤ City residents and taxpayers are generally satisfied with the manner, costs and results of by-law enforcement and inspection activities.
	➤ Develop, distribute and provide educational materials and addresses to city groups potentially affected by specific by-laws	➤ Brochures ➤ Addresses given to city groups	➤ Progress is made in providing sufficient quality and easily understood materials on sufficient by-law topics to sufficient numbers of residents and visitors; ➤ Progress is made in improving the quality and ease of understanding of educational materials among target groups and individuals	➤ Progress is made in improving compliance with by-laws as a direct result of educational activities	