

Audit Committee Report

DATE: Monday, April 25, 2022

WARD(S): ALL

TITLE: BUILDING STANDARDS AUDIT: PHASE 2

FROM:

Kevin Shapiro, Director of Internal Audit

ACTION: FOR INFORMATION

Purpose

To communicate the findings from the Building Standards Audit: Phase 2.

Report Highlights

- The mission of Building Standards Department is to ensure the safe and lawful use of lands and buildings through administration of the Building Code Act, enforcement of the Ontario Building Code regulations, Zoning By-law requirements, as well as applicable laws. The principal mandate of the Inspection Section is to enforce the Building Code Act, 1992 and the Ontario Building Code which regulates the construction of all buildings in Ontario.
- While the department has made significant progress on several initiatives over the past number of years, opportunities were identified to improve management oversight and ensure risks related to the inspection and compliance processes are efficiently and effectively mitigated.
- Management has developed action plans which will mitigate the identified risks and address the recommendations outlined in the report.
- This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.
- Internal Audit will follow up with management and report on the status of management action plans at a future committee meeting.

Recommendations

1. That the Internal Audit Report on Building Standards: Phase 2, be received.

Background

Based on the variety and depth of the programs and activities that Building Standards is responsible, we conducted this audit in phases. We started by reviewing the Business Administration, Permit Issuance and other Zoning Services related processes (Phase 1), followed by the Inspection and Compliance Processes (Phase 2). The Phase 1 Audit report was presented to the Audit Committee on November 22, 2021.

The objective of Phase 2 is to evaluate the adequacy and effectiveness of the internal controls, processes and procedures in place to mitigate the business risks associated with the management and administration of the Inspection and Compliance Related Processes.

The audit approach included a review of the strategic goals, objectives and oversight of the business unit, review of relevant programs, legislation, policies and procedures, use of technology, on-site observations and interviews with staff and management.

The audit scope included department related activities that occurred in January 2020 to September 2021 and historical records prior when necessary.

Previous Reports/Authority

Not applicable.

Analysis and Options

The mission of Building Standards Department (BSD) is to ensure the safe and lawful use of lands and buildings through administration of the Building Code Act (BCA), enforcement of the Ontario Building Code (OBC) regulations, Zoning By-law (ZBL) requirements, as well as applicable law. BSD enforces OBC regulations including health and life safety standards, building by-law requirements, and zoning regulations. BSD realizes this mission through four core business units: Zoning Services, Customer Services and Administration, Technical Services and Inspection Services.

The principal mandate of the Inspection Section is to enforce the Building Code Act, 1992 and the Ontario Building Code which regulates the construction of all buildings in Ontario. The City's enforcement of the Building Code is required under the Building Code Act and allows the City to inspect buildings for compliance with standards in the areas of health and safety, fire protection, structural sufficiency, accessibility, conservation, environmental integrity, zoning compliance and applicable laws.

Financial Impact

There are no direct economic impacts associated with this report.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

While the department has made significant progress on several initiatives over the past number of years, opportunities were identified to improve management oversight and ensure risks related to the inspection and compliance processes are efficiently and effectively mitigated. The following opportunities were identified:

- Improve oversight and the controls over outstanding violations and investigations.
- Develop and implement a policy to guide the preparation, documentation, supervision and follow-up of prosecution files.
- Develop inspection documentation standards and leverage technology to ensure that inspection records are complete and reliable.
- Develop and implement an action plan to monitor and resolve inactive permits.

For more information, please contact: Kevin Shapiro, Director of Internal Audit, ext. 8293

Attachments

1. Internal Audit Report – Building Standards: Phase 2
2. Presentation Materials

Prepared by

Kevin Shapiro, Director of Internal Audit, ext. 8293

Approved by

A handwritten signature in black ink, appearing to be 'K. Shapiro', with a long horizontal flourish extending to the right.

Kevin Shapiro, Director of Internal Audit