

Audit Committee Report

DATE: Monday, October 02, 2023

WARD(S): ALL

TITLE: DEVELOPMENT ENGINEERING AUDIT

FROM:

Kevin Shapiro, Director of Internal Audit

ACTION: FOR INFORMATION

Purpose

To communicate the findings from the Development Engineering Audit.

Report Highlights

- The Development Engineering Department facilitates and supports the City's growth. Development Engineering staff are responsible for the expeditious review, approval, and inspection and processing of municipal services for land development. The Department completes a timely engineering review and approval of development applications and engineering submissions related to the construction of new municipal services, such as roads, sewers and watermain, and construction management and inspections for all development throughout the City.
- 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 Development Engineering are efficiently and effectively mitigated.
- Management has developed action plans which will mitigate the identified risks and address the recommendations outlined in the report.
- Internal Audit will follow up with management and report on the status of management action plans at a future committee meeting.
- This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Recommendation

1. That the Internal Audit Report – Development Engineering be received.

Background

The objective of the audit 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 Development Engineering.

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, and interviews with staff and management.

The audit scope included department related activities that occurred from January 1, 2021, to March 30, 2023.

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Previous Reports/Authority

Not applicable.

Analysis and Options

The Development Engineering Department (“DE”) facilitates and supports the City's growth. Development Engineering staff are responsible for the expeditious review, approval, and inspection and processing of municipal services for land development. The Department completes a timely engineering review and approval of development applications and engineering submissions related to the construction of new municipal services, such as roads, sewers and watermain, and construction management and inspections for all development throughout the City. DE realizes this mission through four core business units: Development Services and Environmental Engineering, Development Engineering Review, Development Inspection and Grading and Development Transportation Engineering.

The Development Services and Environmental Engineering (DSEE) Division provide development engineering review for Committee of Adjustment applications and minor site plan development applications. The DSEE Division also provides technical review and expertise for development planning applications in the areas of municipal water/wastewater infrastructure design, stormwater management design, noise impact, air quality, and environmental site assessments.

The Development Engineering Review (DER) Division is responsible for the engineering review and approval of Planning Act Applications including Official Plan Amendment (OPA), Zoning By-law Amendment (ZBA), Draft Plan of Subdivision, Site Plan and Plan of Condominium. The DER Division also produces the agreements required to facilitate

land development including Subdivision, Development, Spine Servicing and Pre-Servicing agreements.

The Development Inspection and Grading Division oversees construction and maintenance requirements for new development and provides detailed site inspections for all municipal works constructed. It also reviews and approves site alteration work, lot grading/drainage and pool permit inspections. It recommends Completion Approval and Assumption with respect to lot grading and municipal service constructed as part of development project and provides clearance for letters of credit release for infill lots, additions and pools.

The Development Transportation Engineering reviews transportation and mobility aspects of development applications. The objective is to ensure proposed infrastructure as part of the development applications are following City's policies, standards, and regulations, as appropriate.

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 Development Engineering are efficiently and effectively mitigated. The following opportunities were identified:

- Continue collaborating with stakeholder departments to address the impacts of new legislations.
- Strengthen overall governance and oversight of the department and key processes.
- Leverage advances in technology to enhance business processes, records management, and online services.
- Develop inspection documentation standards to ensure that inspection records are complete and reliable.

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

Attachments

1. Internal Audit Report – Development Engineering
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