



INTERNAL AUDIT REPORT

Development Engineering Audit

September 2023

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

CONCLUSION AND SUMMARY

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 legislation.
- 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.

In 2022, the Province introduced Bill 109 and Bill 23, which enact significant changes to the Planning Act and the development process. Bill 109 requires municipalities to refund fees if decisions are not made within the specified timeframe. These changes will impact the City's budget and planning reporting timelines. The Development Engineering Department (DE) anticipates increased pressure to meet the reduced timelines and the need for process improvements. DE is working with stakeholder departments on implementing changes and assessing the impact of these legislations to mitigate potential risks.

Oversight is an important element of the City's overall governance framework. There are increased operational, legal, financial, health and safety, and reputational risks to the City when they are absent or focused on activities that are not crucial to meeting the City's organizational objectives. DE management primarily exercises oversight through regular meetings, risk management discussions, and continuous support from managers and supervisors. Opportunities for improvement include implementing periodic reviews of work tasks, consolidating records storage for better operational efficiency, establishing a calculation sheet for fees, enhancing KPI performance monitoring, and developing Standard Operating Procedures (SOPs) with defined review cycles. Lack of oversight can lead to inconsistencies, inefficiencies, and reduced effectiveness in achieving organizational goals.

While DE has been committed to providing engineering services to the Vaughan community through digital means, paper-based and manual processes still exist for many processes. Opportunities were identified to leverage advances in technology to improve overall process efficiency, service quality and availability.

In pursuance to the Ontario Municipal Act (the Act), the City has the power to conduct inspections and may require the production for inspection of documents or things relevant to the inspection. The audit revealed that inspection documentation needs to be centralized. There is a lack of specific details and consistency in inspection results. There is a need for better remote inspection technology for inspectors to document inspection results on site. Inspection documentation

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

standards are essential to ensure accurate and complete inspection documentation to minimize risks to the City.

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

During the audit, management has already taken steps to improve processes. Internal Audit will follow up on the status of outstanding management action plans related to this audit and will report the status to a future Audit Committee meeting.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

BACKGROUND

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. 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 applications and 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 Division 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.

OBJECTIVES AND SCOPE

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 units, review of relevant programs, legislation, policies and procedures, use of technology, and interviews with staff and management.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

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*.

Auditor and Author: Hemingway Wu, CPA;CA, CIA

Director: Kevin Shapiro CIA, CFE, CRMA

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

DETAILED REPORT

1. *Continue Collaborating with Stakeholder Departments to Address the Impacts of New Legislation*

In 2022, the Province introduced Bill 109, More Homes for Everyone Act, 2022 and Bill 23, the More Homes Built Faster Act 2022. Bill 109 and Bill 23 enact significant changes to the Planning Act and the development process, among which Bill 109 requires municipalities to provide refunds for zoning by-law amendment and site plan application fees where no decision is made during the statutory timeframe. Several other municipalities identified the impacts of these new legislations. Accordingly, they determined the additional resource needs and developed overall strategies to address them.

On April 26th, 2022 Council approved the staff report entitled, "[Bill 109, More Homes For Everyone Act, 2022](#)" (Committee of the Whole Report No.19, Item 18). According to the report, the proposed changes to the Planning Act will have many implications for the City. In terms of budget, any shortfall in fee recovery will impact the property tax base which may result in tax increases. Planning reporting timelines will also be affected.

DE management anticipates more pressure on staff to deliver technical review comments in a timely manner as timelines are reduced and development applications will increase. The audit revealed that a significant portion of engineering comments on development application files were provided outside of the current timeline. Management indicated that many of these were related to delays in getting comments back from internal and external stakeholder departments and groups. It would be very challenging to achieve the reduced timeline without significant improvement of the current process and increased resources.

At the time of the audit, the City engaged an external consultant to review process changes and the applicable tools/templates for the processes in response to Bill 109. The consultant identified opportunities to help the City improve its development review process and address the changes associated with Bill 109, including eliminating unnecessary process steps and accelerating application review timelines.

DE is working with stakeholder departments, primarily Development Planning (DP), to confirm and implement the proposed changes. DP and DE are planning to move the development application file circulation process to AMANDA, the City's case and licensing management information system, to improve review efficiency. DE is also assessing the additional resource needs required for these changes.

Formal Service Level Agreements (SLAs) and process mapping, both with stakeholder departments and inside DE, are underway to assist in demonstrating timelines to stakeholders and ensuring turnaround times which may be reduced. It was also noted, when DE recommends Completion Approvals, it is not unusual to wait for months for clearances from stakeholder departments.

In addition, it is still uncertain whether the Development Engineering fees are subject to the refunds introduced by Bill 109. At the time of the audit, DE management is collaborating with Legal Services to assess the impact.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

Per discussion with management, DE was only involved in the assessment process at a later stage. With a provincially imposed objective to effectively cut review timelines, it is imperative that the City secure resource capacity to process applications faster, reprioritize how applications are accepted and, where possible, streamline or reduce the application review process. Without a thorough assessment of the impact of the new legislation, and an overall implementation strategy, these issues could pose potential legal, reputational and financial risks to the City.

Recommendations

It is recommended that management:

- Continue to work with stakeholder departments to fully understand and identify the impacts of the new legislation. Engage in the development and implementation of an overall strategy.
- Benchmark against peer municipalities' best practices and following the consultant's recommendations, explore alternatives to achieve compliance, including improved organizational structures and process efficiency, and leveraging of technology.
- Continue with formal SLA's and process mapping with stakeholder departments to clarify roles, responsibilities, and service delivery expectations, for development application file circulation and completion approval clearances.
- Implement a process to proactively monitor and assess the impact of any future legislative and related regulatory changes.

Management Action Plan

The Development Engineering (DE) Department agrees with the recommendations that we continue to work with stakeholder departments to fully understand the impacts of Bill 109 and Bill 23 and continue to reach out and request further dialogue and learning sessions in order to bring staff up to date on changes that may affect work processes and efficiency. This will be ongoing into Q2 2024 as more development applications are submitted and we have a better understanding of how the new legislation may impact our strategy.

Staff have and will continue to seek opportunities to benchmark structure, processes and best practices with other municipalities through professional working group collaborations such as the Municipal Engineer's Association (MEA) Development Engineering Committee and York Region technical advisory committees. This will align us with other GTA area municipalities and strengthen consistency and efficiencies related to all our deliverables. MEA meetings typically occur on a quarterly basis throughout the year but the first opportunity to continue the dialogue with other municipalities will be in Q4 2023.

The Development Engineering Department agrees that Service Level Agreements (SLA) between stakeholder departments is needed. Currently, there are no SLA's. The

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

Development Engineering Department is looking to establish working session meetings with other groups to establish formal SLA's by the end of Q4 2024 to clearly define roles, responsibilities, and other service delivery expectations, for development application file circulation and completion approval and assumption clearances.

The DE Department will support the City and offer suggestions in developing a process and identify responsible groups when new legislation is introduced. We will work collaboratively with legal to further define this process and intend to implement this action plan in Q2 2024.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

2. *Strengthen Overall Governance and Oversight of the Department and Key Processes*

Oversight is an important element of the City's overall governance framework. There are increased operational, legal, financial, health and safety, and reputational risks to the City when they are absent or focused on activities that are not crucial to meeting the City's organizational objectives. In DE, management oversight is primarily exercised over regular management and staff meetings to discuss any issues or concerns with processes or specific files and identify, discuss and manage risks at high levels, and through continuous manager and supervisor support. Key processes are monitored using consolidated spreadsheets and system reports.

Our review of the governance and oversight processes identified the following opportunities for improvement:

- Per discussion with management, detailed review and approval of every application is impractical due to the nature of the business. DE managers usually review development and permit applications with unusual and special conditions. However, there are no formal document review processes in place to ensure the quality and consistency of standard applications.
- Currently the DE reviewers assigned are responsible for calculating the file review fees. Some fees are flat, and the others are based on variables such as construction size. Managers leave it to the reviewers' discretion on how they calculate the fees. However, the reviewers do not necessarily maintain the fee calculation for future reference. Verification of the fee is currently not standard practice as management relies on the DE reviewers assigned to perform the calculation correctly.
- Inadequate management oversight also contributes to issues in records management, monitoring spreadsheets, SOPs and inspection documentation, which are discussed in more details later in the report.

In general DE management relies on staff integrity and competence for work quality and adherence to standards and procedures. While staff have the sufficient professional knowledge and ethics to apply the laws and regulations properly, without management oversight, staff may develop their own approaches and practices, which can result in inconsistencies across different teams or individuals. This lack of standardization can lead to inefficiencies, confusion, and reduced effectiveness in achieving organizational goals.

Recommendations

We recommend that management:

- Leverage best practices and based on risk, improve management oversight of the related processes by establishing a program with periodic reviews of work tasks completed by each staff member, where review results are formally documented.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

- Enact a calculation sheet for file review fees and centrally saving it with other file circulation information to provide better visibility and tracking. Alternatively, consider utilizing built-in fee tables in AMANDA. Decide the appropriate oversight on the fee calculation process based on the risk assessment (e.g., complexity of calculation, history of errors etc.).

Management Action Plan

DE concurs with the recommendations set forth in this section in support of overall governance and oversight of the department and key processes. The Managers of the Development Engineering Department currently conduct 1:1 meetings to be certain quality and consistency of development application review is maintained with each staff member every 3-4 weeks to ensure that periodic reviews of work tasks are completed. The meetings with staff are extended when applications are ready for approval and sign-off from management. Halogen and performance goals will be created and linked to these reviews for staff and occur at the end of each quarter starting Q4 2023.

Key processes practiced by DE have also been evaluated to ensure efficiency. This includes the Agreement Modernization Template project being led by DE that reviews and evaluates the agreements prepared and administered by the department for the city including Subdivision, Development and Spine Servicing Agreements. The DE Review division has enacted a standard memorandum when responding to Planning Applications that include standard conditions of approval from the first submission review not limited to zoning holding provisions and draft plan/site plan conditions. Certain processes have been eliminated in review of the workflow of securing infrastructure and their accompanying lands including the elimination of pre-perfect submissions, which was largely consultant driven, that derived little value in the approval process of detailed design submissions.

In November 2022, DE worked closely with the City Environmental Services Department to become the first municipality in York Region to be granted a permit to conduct Consolidated Linear Infrastructure Environmental Compliance Approvals from the Ministry of Environment, Conservation and Parks. By adopting this program, it is estimated that infrastructure approvals will be granted within 4 weeks, whereas previously it would have been 4-6 months for Applicants to receive approval from the Region of York under the previous Transfer of Review program.

DE has also created a fee calculator for agreements and planning applications that require staff to complete a table to determine the costs to be collected from applicants. The table is then forwarded to the Manager and Administrative Assistant for review and record keeping. The calculator templates were circulated to Staff on June 16, 2023.

DE will continue to look for methods to strengthen overall governance and oversight of the department and key processes in the future.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

3. *Continue Developing Dashboards and Other Mechanisms to Measure Department Performance and Public Satisfaction*

KPIs help organizations understand how well they are performing in direct relation to their strategic goals and objectives and therefore help to monitor the execution of strategy. They should clearly demonstrate the cause-and-effect relationship between departmental processes and outcomes to the results the city wants to achieve from the strategic plan. It helps all levels of the organization see the impact of their work on performance and trace that impact all the way up to organizational performance. This ensures everyone is working together to execute strategy and achieve high performance.

The DE Business Plan reports on the accomplishment of key strategic priorities. Currently DE primarily monitors the service levels set by the department for the core services and programs, including the development related processes (Development Application File Circulation, Completion Approval Notices and Assumptions) and engineering permit applications and inspections. Key processes are monitored using consolidated spreadsheets and system reports.

Our review of the KPI and performance measurement processes identified the following opportunities for improvement:

- DE does not perform benchmarking against other municipalities or industry average. In the absence of performance benchmarking against the industry average, management may not be able to assess service levels in comparison with its peers and may miss the opportunities to further improve efficiency and effectiveness.
- Currently there is no mechanism to gauge the public's or the development industry's satisfaction of DE's services.
- According to DE's tracking sheet, at the time of the audit, approximately 50% of DE comments for planning applications provided to DP in 2023 were reviewed outside of the required timeline. In addition, the tracking sheet does not document or analyze the reasons for the delays.
- DE is responsible for producing the agreements required to facilitate land development including Subdivision, Development, Spine Servicing and Pre-Servicing agreements. These agreements are important legal documents to ensure that the proposed development is in compliance with local zoning, land use regulations and approved conditions, however, a process is not in place to track and monitor their status.
- AMANDA reports capture average permit processing dates for various permit categories; however, no data is readily available to monitor and measure DE review time.
- While Excel spreadsheets are a useful tool for organizing and analyzing data and easy to use, they have some limitations, such as manual data entry errors, unintended changes, and lack of collaboration features. Instances were noted where there were omissions and errors.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

Developing comprehensive performance measures requires significant effort and investment, and management has devoted to this task when there are allowable resources, such as time, funding, or expertise. Development files are currently not processed within AMANDA, and therefore service levels are being monitored manually.

Without tracking and analyzing the reasons for delays in development file circulation, decision-makers may lack the necessary insights to make informed choices about project management strategies, resource allocation, and risk mitigation efforts. Not meeting performance target and service levels may lead to sub-optimal customer experience and non-compliance with the requirements of new legislations, which could post legal, financial, and reputational risks to the City.

At the time of the audit, a DE Metric Dashboard is being developed. The dashboard will extract data from different sources and track metrics critical to the achievement of DE's business objectives. Management also acknowledged the need for peer benchmarking and is aware of good venues to obtain benchmarking metrics, such as the Municipal Engineers Association (MEA). The MEA is a professional association that represents municipal engineers and their interests across Canada. The MEA provides a forum for members to network and share ideas with other municipal engineers, allowing them to learn from each other's experiences and collaborate on projects. The MEA provides members with access to information and resources related to municipal engineering, including best practices, case studies, and research.

Recommendations

We recommend that management:

- Leverage technology to track and monitor performance metrics utilizing an integrated information system such as AMANDA.
- Continue to develop dashboards and other mechanisms to gather relevant data to track and monitor service level for all key processes and services, including various agreements.
- Perform regular review of performance data against the set performance target and benchmarking metrics. Take corrective and follow-up measures if needed.
- Establish mechanism and metrics to collect data concerning public and the development industry's satisfactions of DE services.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

Management Action Plan

DE Management agrees with these recommendations.

The Development Engineering Department has established the CRM, which went live in 2023. However, the dashboard is still under development and is aiming for completion by the end of Q2 2024. This dashboard will allow the Development Engineering Department to collect customer complaint data and set performance targets and benchmarking metrics and also take corrective and follow up measures if needed. This will better help us understand which type of complaints we receive the most, from what areas of the City, from what types of developments, and what time of the year. Until the automated dashboard is complete, management staff are able to generate the necessary reports to monitor performance.

The DE Dashboard has been expanded to cover planning application reviews alongside corresponding agreement tracking. This will ensure data is collected on both external and internal inputs to determine future areas of opportunities and improvements to the process. As of July 2023, the data collection improvements have been completed to account for these tracking measures at various stages and number of submissions received. Legacy data has also been transferred in to ensure data is consistent and accounts for a longer period of time to establish patterns and trends. Moving forward, staff will be continuously updating the dashboard with the administrative assistant responsible to review the data entered and ensure consistency with the tracking of applications and agreements.

The comprehensive DE dashboard currently under development will have a 4 phased approach to deliver metrics as listed below:

Phase 1 : Permits and inspection revenue along with permit status by the end of Q4 2023

Phase 2: Development application review time for responses to planning along with financials at the end of Q2 2024

Phase 3: Comprehensive financials including Qwestica revenue (a monthly financial outlook to monitor expenditures and revenue from an operating perspective) at the end of Q4 2024, and

Phase 4: Service requests complaint/CRM also at the end of Q4 2024

The dashboard has also been updated to report delays or issues by stakeholders. A comment field is now added for justification of late deliverables for future files with staff instructed to update and include reasons for delays. Staff have been instructed to upload their work including memorandums and comment matrices into the dashboard, acting as a central repository for management and other to refer to.

A Satisfaction Survey was created and released on July 20, 2023 to measure and collect data concerning both public and development industry's satisfaction of services.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

4. *Leverage Advances in Technology to Enhance Business Processes, Records Management, and Online Services*

The DE Business Plan identifies a strategic objective to advance implementation of digital strategy initiatives to enhance citizen experience and operational performance. With implementation of the AMANDA interface, DE now provides permit intake and information for most permit services online. AMANDA and Microsoft CRM are the major information systems utilized by DE.

During the audit, the following opportunities were identified:

- Paper-based and manual processes still exist in areas within development application related processes, engineering fee calculations, permit application review checklist and engineering inspections. Capabilities of the integrated information system are not fully utilized:
 - Development application related processes (development application file circulation, Completion Approval, Assumptions and Subdivision Agreements) are not managed in an integrated information system, such as AMANDA.
 - The calculation of engineering review and permit application fees is currently a manual process that lacks supporting documentation. There is also no integration with the AMANDA system.
 - Built-in checklists for engineering permit application review in AMANDA were out-of-date, and therefore were not being utilized.
 - Paper-based work diaries are used to document routine development project inspections.

An integrated information system, such as AMANDA, enables organizations to operate more efficiently, make better-informed decisions, and deliver improved experiences to customers. It optimizes processes, enhances data accuracy, and supports the organization's growth and competitiveness in a dynamic business environment.

- The DE divisions store information on multiple locations, media, and information systems. Searching for and retrieval of records across multiple decentralized locations can be time-consuming and inefficient. It can result in delays, inefficiencies, and duplicated efforts.
- As discussed earlier, end-user computing, such as Excel spreadsheets, are employed for process monitoring. Excel relies heavily on manual data entry, which can lead to errors or unintended changes. Even small mistakes can have significant consequences when working with large datasets.
- One user having access to the DE AMANDA folders has been relocated to another department and therefore has no business need for this access. If an access control process is not implemented based on a “need-to-know” basis, users may have access to information not commonly needed to carry out their responsibilities. Access of inactive or terminated users may be misused to amend records without authorization or business needs.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

- The plan to provide online submission, review and issuance of Site Alteration, Encroachment and Pre-Development Servicing permits services was deferred due to resource constraints. Delay in providing online services may lead to citizen dissatisfaction and could lead to reduced efficiency and increased costs as more staff and resources are required to handle manual paperwork, phone calls, or in-person visits.
- Insufficient utilization of remote inspection technology, as discussed later in the report.

Leveraging advances in technology to further improve process and controls will help enhance overall efficiency, service quality and availability. Transitioning manual processes and paper-based documentation to digital platforms is an opportunity to enhance overall process and workflow efficiency.

Since the commencement of the audit, with the assistance of stakeholder departments such as DP and the City's Program Management Office (PMO), management has taken steps to improve the related processes.

Recommendations

We recommend that management:

- Continue enhancing processes, improving efficiency and consolidating business records leveraging advances in technology to transition manual processes and paper-based documentation to a digital platform.
- Make the most efficient and effective use of AMANDA's capabilities, including customized reporting for performance monitoring, built-in application checklists, fee tables and inspection notes.
- As the process and data owner of the DE AMANDA folders, establish periodic review of access permissions to ensure only those staff with a business need have access to folders and information.
- Continue to work with OCIO to provide more online services.

Management Action Plan

DE Management agrees with these recommendations.

The Development Engineering Department has started the process of migration and reorganization of files to the Development Engineering SharePoint site for centralized storage of records. We expect this to be completed in one year from this report in Q4 2024.

As technology business cases are OCIO dependent - DE is considering leveraging available funding to work on software development improvement. AMANADA will be considered as one of the possible platforms to conform with planning processes. Staff are currently engaging

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

other municipalities on this and full implementation of new digital process are expected to be in place in Q4 2025 as OCIO deliverables have to be considered.

Starting Q4 2023, a review of staff access to AMANDA and other software and sensitive information areas will include a bi-annual review in June and December.

Agreement submissions including encroachment and Pre-Development servicing are not anticipated to be placed online until the second phase of the DAMP project kicks off likely next year following a project charter being created by end of Q1 2024.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

5. *Develop Inspection Documentation Standards to Ensure that Inspection Records are Complete and Reliable*

In pursuance to the Ontario Municipal Act (the Act), the City has the power to pass by-laws providing that the City may carry out an inspection to determine whether the condition of a license/permit issued under a by-law passed under the Act are being complied with. The city may require the production for inspection of documents or things relevant to the inspection. DE's Grading and Inspection division provides detailed site inspections for all municipal works constructed.

Our review of inspection documentation identified the following:

- Inspection documentation is currently not stored centrally. The inspectors save their inspection notes in various locations, media and system, including paper-based inspection diaries:
 - DE inspectors visit the subdivision and site plan developments site regularly and document inspection results in their paper-based construction diaries. These diaries are not organized by projects and lack a systematic structure, making it difficult to retrieve information or track progress. In addition, the diaries do not necessarily document or log all inspections. There is no inspection process or documentation in AMANDA folders for the routine inspections.
 - Deficiencies are tracked and addressed using e-mails. They are not documented in AMANDA folders.
 - Construction photographs are stored on the network drive instead of the AMANDA permit application folders.
- There is lack of specific details and consistency in inspection results. While construction photographs are taken for Pool Enclosure Permits and Grading Permits, inspection notes usually contain minimal details.
- There is a need for better remote inspection technology for inspectors to document inspection results on site. Mature remote inspection technology has already been leveraged in other City departments.

Per discussion, management exercises oversight through regular staff meetings and review of AMANDA reports for key inspection numbers. The absence of inspection documentation standards is cited as the primary cause of lack of details and consistency in inspection documentation.

Inspection results form the basis of City's inspection records. The accuracy and completeness of documentation is important in supporting inspection pass and fail decisions, particularly in view of potential legal liability. Centrally maintained inspection documentation with sufficient details provides management with continuous monitoring and oversight. Fragmented approach to documentation can hinder collaboration, efficiency, and accountability within the inspection process. Leveraging technology to record inspection activity while on a job site will improve inspector efficiency and effectiveness by providing strong evidence and backups to the visual inspections.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

Recommendations

We recommend that management:

- Develop and implement inspection result documentation standards and policies. Seek assistance from Legal Services if necessary. Provide municipal service inspectors with training on the new standards and policies.
- Centrally maintain inspection documentation in AMANDA folders for all inspection attempts, including the tracking of deficiencies, to support inspection conclusions and provide continuous monitoring and oversight.
- Leveraging best practices of other City departments, utilize remote inspection technology to improve inspection efficiency and effectiveness.

Management Action Plan

DE Management agrees with these recommendations.

The Development Engineering Department has started to look into external applications that integrate live digital documentation with AMANDA similar to what the Building Department uses with M-Inspect. As appropriate the search for new technologies is slated to be finished mid-2024 and implementation in 2025.

The Department has also started to update all inspection templates and checklists for standardization and storage in a centralized area on SharePoint. This will help support inspection conclusions and provide continuous monitoring and oversight. This includes developing standard inspection documentation policies/SOPS. We expect this to be completed by the end of 2024.

Based on the Department's continuous improvement, reviewing best practices of other city departments will be looked at to see what would be appropriate for our functions.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

6. *Ensure SOP's Remain Relevant and Current*

A Standard Operating Procedure (SOP) is a set of written instructions that document a routine or repetitive activity followed by staff. They document the way activities are to be performed to facilitate consistent conformance.

DE have developed a number of SOPs to guide staff in performing their duties.

During the audit, the following observations were made:

- DE is in the process of developing SOPs for all processes or business areas. Some policies and procedures are in draft form and incomplete.
- No formal review cycle has been established. Review dates have not been specified.
- Most DE SOPs are not in the standard City corporate procedure format, and thus missing essential components such as process owners, reference to relevant legislations and By-laws, effective and review dates and revision history. Some SOPs writing is informal and does not follow the best process writing practices.
- While DE maintains process maps (work flowcharts) for its core processes, there is a need to supplement them with detailed process narratives.
- There will be a need to update certain policies and procedures for the planned mitigation of development application related process to AMANDA.

The development and use of SOPs are an integral part of a successful quality system, as it provides individuals with the information to perform a job properly and facilitates consistent implementation in the quality and integrity of the end-result. Management has acknowledged the need to continue to develop and revisit their existing SOP documents to ensure that they are appropriate, up to date and comprehensive to help ensure consistency, quality and safety.

Recommendations

We recommend that management:

- Implement and record periodic reviews. Opportunities exist to improve the effectiveness of management oversight to ensure policies and SOPs are consistent with the best practices, reflect current business needs and reviewed periodically to assess their effectiveness and relevancy.
- Following best practices, develop SOPs for key business processes using the Corporate Procedure template. Provide training to staff members for new and updated SOPs.
- Supplement process flowcharts with process narratives to document and communicate key business processes more effectively.

INTERNAL AUDIT REPORT

DEVELOPMENT ENGINEERING AUDIT

Management Action Plan

DE Management agrees with these recommendations.

The Development Engineering Department agrees and has continued building upon our catalogue of SOP's within 2023. A review cycle has been established for the SOP's to coincide with new council/elections every 4-5 years and/or as required for technical standard updates.

Further flow charts with process narratives to document and communicate key business processes more effectively will be reviewed by the end of Q4 2023.