

City of Mississauga Internal Audit Report

PLANNING & BUILDING DEPARTMENT
BUILDING DIVISION
INSPECTION SERVICES SECTION
BUILDING PERMIT INSPECTION PROCESSES AUDIT

April 16, 2021

City Manager's Department
Internal Audit Division

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BUILDING DIVISION
INSPECTION SERVICES SECTION
BUILDING PERMIT INSPECTION PROCESSES AUDIT**

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**Planning & Building Department
Building Division
Inspection Services Section
Building Permit Inspection Processes Audit**

BACKGROUND

The Building Division Inspection Services team is responsible for building, plumbing, HVAC, sign, and enforcement inspections, while fire inspections are conducted by MFES (Fire) inspections staff. Inspections are performed under the authority of Ontario's Building Code Act, and include building permit inspections for new construction, additions and alterations; the investigation and enforcement of illegal construction, and unsafe building conditions; and, the review, approval, and inspection of sign permits. At the City of Mississauga, the Chief Building Officer, who by law oversees the process, is the Director of the Building Division, which is part of the Planning and Building Department.

Internal Audit completed an audit of the Building Permit Inspection processes according to Internal Audit's approved work plan.

The Inspection Services Section advised that it is currently comprised of 45 management and staff, with a total annual expenditure of approximately \$5.35M.

SCOPE

The audit examined the business objectives and key risks related to the Building Permit Inspections Process (building, mechanical, sign, fire), in terms of governance, service delivery, quality control, technical resources, recordkeeping, and compliance.

Not in scope

The process for obtaining and approving permits was not part of the scope of this review. Being a process review, the audit scope also excluded a review of controls related to budget, accounting and any financial matters.

OBJECTIVES

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and was guided by the risk assessment performed in conjunction with management. The purpose of the audit was to ensure that the risks related to the key objectives of the inspection process are properly addressed by its system of internal controls and mitigated within the tolerance level acceptable to management.

The key business objectives identified as relevant to this audit are:

- A) Building inspection process is conducted in accordance with the legislated requirements, including in relation to timeframes, recordkeeping and technical

qualifications and that situations of non-compliance are identified and resolved in a timely manner.

- B) Processes are documented and roles and responsibilities of all employees that intervene with the process are adequately defined and clearly communicated.
- C) Complaints, incidents and inquiries from internal and external stakeholders, related to building activities, are addressed and resolved in a timely manner.

SUMMARY OF OBSERVATIONS

The audit revealed that the building permit inspection process is generally well managed, with good oversight by management. Inspections are generally completed on time and the complaints administration process is documented and complaints addressed in accordance with legislated requirements.

A comprehensive list of observations and recommendations was provided to management. The observations and recommendations are summarized below. Appendix A outlines all detailed recommendations and the corresponding actions proposed by management.

Implement periodic reports to monitor and keep evidence of file completion within legislated timeframe

Building inspection files are required to be completed within a legislated timeframe. Even though a review of a representative sample of files did not reveal any non-compliance, denoting that inspectors and supervisors are following the requirements, we noted that a monitoring process, based on periodic reporting, has not been implemented. Without periodic reporting and analysis, it is not possible to ensure that all files have been completed on time and, more importantly, identify potentially negative trends early.

Centralize repository of information regarding fire inspections with other MAX building permit inspection data

The processes of identifying, assigning, conducting, documenting and reviewing fire inspections are different from other types of required building permit inspections.

The Fire & Emergency Services inspection team completes their process regarding inspection approvals and retains the associated approval documentation and evidence outside of the MAX system, which is the system adopted for all other types of Building Permit Inspections.

Develop procedural documentation for building permit inspection processes

Although the Ontario Building Code Act and Ontario Building Code regulations outline the requirements with respect to various related building permit inspection processes, other internal processes, from an administrative or operational nature, built to support the achievement of process goals, are not documented in process/procedure documents.

Develop a sign-off for the Code of Conduct for Building Officials

Management and personnel with building permit inspection responsibility are expected to adhere to the Code of Conduct for Building Officials of the City of Mississauga. Currently, a copy of the document is provided at onboarding, but there is no formal acknowledgement by the employee, nor is there a periodic sign-off to ensure awareness of and commitment to the Code.


CONCLUSION

The control environment around Building Permit Inspections is generally effective. The process will benefit from centralizing the data into one system and the implementation of some monitoring controls to permit early detection of potential problems; however, no significant issue was observed at present.

A total of five (5) recommendations resulted from this audit. Details of the audit recommendations and management comments can be found in Appendix A.

Management has agreed to all the recommendations. One (1) recommendation will be completed by June 30, 2021; three (3) will be completed by December 31, 2021; and the remaining recommendation will have its first step completed by December 31, 2021 with final completion by June 30, 2022.

Internal Audit would like to thank the Director, Building & Chief Building Officer, Building Division staff, Fire Chief, Assistant Chief - Fire Prevention & Life Safety, and Division Chief - Inspections & Enforcement for their time and assistance during the audit.



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Director, Internal Audit

Auditor: Yianni Foufas, Senior Internal Auditor, with support from Grant Thornton staff

**Planning & Building Department
Building Division
Inspection Services Section
Building Permit Inspection Services Audit
Summary of Audit Recommendations**

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Rec	Recommendation	Priority (H/M/L)	Comments/Status	Classification
1	That the Inspection Services Section create a monitoring control, such as a periodic (monthly or quarterly) report, detailing the scheduled inspections which were not completed on time in accordance with legislated requirements. This report should be reviewed by the Manager, Inspection Services & Deputy CBO, or the Director, Building and Chief Building Officer to identify any instances of non-compliance with legislative requirements.	M	To ensure prescribed building permit inspections are consistently completed in accordance with legislated timelines, along with daily review of MAX inspection planners by Supervisors/Senior Inspectors, Building Division Inspection Services will implement a quarterly monitoring control. The implementation of this control will involve coordinating the creation of a standard MAX report, identifying any instances of non-compliance, which will be reviewed by the Inspection Services leadership team on a quarterly basis; the Chief Building Official will be advised of any such instances where non-compliance with legislated timelines has occurred. To be completed by December 31, 2021	Compliance with and Clarification of Corporate Requirements
2	That Fire & Emergency Services inspections documentation and approvals be housed within the MAX system in a similar fashion to other building permit inspections documentation and approvals. The Fire & Emergency Services team should ensure accessibility to and transparency of this inspection information by utilizing the MAX system so as to provide additional comfort that all inspection steps have been taken in accordance with organizational standards and practices.	M	Inspection Services Section: The Building Division Manager, Inspection Services, concurs that the MAX database be utilized as a central repository of all building permit inspection related information and approvals relating to all disciplines: Building, Plumbing, HVAC, Signs, and Fire. Further review and commentary on this matter deferred to the Division Chief, Inspections & Enforcement. Fire Prevention & Life Safety: Agreed. To be completed by December 31, 2021	Efficiency and Effectiveness
3	That the Inspection Services Section develop procedures documenting key operational steps, particularly for processes that support adherence to building inspection legislative requirements.	L	Further to the 'Legislated Controls' prescribed in the Ontario Building Code Act and Ontario Building Code regulations, and performance expectations established in PDP Performance Agreements, Building Division Inspection Services will compile and document key existing 'Operational Controls' to ensure consistent application and knowledge transfer	Compliance with and Clarification of Corporate Requirements

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			to future leadership team members. To be completed by December 31, 2021	
4	That the Code of Conduct for Building Officials be reviewed and signed by building officials on annual basis.	L	<p>Building Division Inspection Services will amend the Performance Goal of 'Perform Field Inspections' in PDP Agreements to include reference to: Adherence to Code of Conduct for Building Officials.</p> <p>As this requirement would apply to all appointed Mississauga Building Officials, including Plan Examiners and Fire staff, and not just Building Division Inspection Services staff, the Chief Building Official will review accordingly. To be completed by: December 31, 2021</p> <p>Division Chief, Inspections & Enforcement: The department will continue to work with Human Resources in consultation with Legal Services to ensure that the particular components of the Building Code Act in relation to any Code of Conduct provisions will be reviewed with all relevant stakeholders, and enforced as required.</p> <p>To be completed by: June 30, 2022</p>	Compliance with and Clarification of Corporate Requirements
5	That a second individual besides the Supervisor, Business Systems be trained to access the relevant systems (such as MAX) that house the Building Permit Inspections documentation. This second individual can address 'key person risk' associated with the Supervisor, Business Systems role, as well as alleviating some of the workload of the role.	L	<p>The ability to perform such queries resides with the Building Division's Business Systems Unit. The unit, led by the Supervisor, Business Systems, is newly created.</p> <p>The Building Division's Business Systems Unit is in the process of recruiting additional staff to provide additional support and resilience to the team.</p> <p>To be completed by: June 30, 2021</p>	Efficiency and Effectiveness