

To: Chair & Committee Members, Audit Committee

Date: May 24, 2019

Areas Responsible: Jason Sinyard, DCM – Planning, Engineering and
Regulatory Services
Randell Carew, Manager Regulatory Services

The table below summarizes the pending issues from the Internal Audit of Inspection Services #12-04.

Recommendation	Status Update	Date
<p>1.5 (i) Management should review the departmental policies/procedures and forward them to the appropriate governance committee of council for their information in line with best practices for corporate governance.</p>	<p>Policy and procedures are continuing to be reviewed. Meetings have taken place with the City's Policy Analyst with policies developed for review by the committee. The Inspection Services Division has implemented 13 new Standard Operating Procedures with several more in draft stages. Management will continue to review and bring new policies before the Policy Analyst and continue to develop new procedures for the Division. No policies have yet gone to the committee and it is difficult to provide an implementation date for completion as this is a long-term project.</p>	<p>TBD</p> <p><u>Previous Date:</u></p> <p>May 2019 Sep 2017 Dec 2016 May 2014</p>

Recommendation	Status Update	Date
1.5 (ii) Management should include reference in the policy/procedures of a follow-up of expired permits and conditional occupancy permits for building, electrical and plumbing.	Management continues to report on Conditional Occupancies regularly. There are currently approximately 125 Conditional Occupancies active with 75% current to previous year. Reference for a follow-up of expired permits and conditional occupancy permits will be included in the policy and procedures.	TBD <u>Previous Date:</u> May 2019 Sep 2017 Dec 2016 Dec 2013
2.7 (i) Management should determine the standard number of inspections required for each construction category. This should be documented and added to the Inspection Services Division Internal Policy Manual.	New procedures have been implemented with building, electrical and plumbing which set a maximum number of inspections for certain work types. This has not yet been documented in the policy manual.	Oct 2019 <u>Previous Date:</u> Dec 2018 Mar 2017 Dec 2016 Mar 2014
2.7 (ii) Management should consult with the Legal Department to determine if the By-Law should be revised to include the standard number of inspections required for each construction category.	The by-law will have to be adjusted to reflect the new procedures. We are waiting to meet with the Legal Division to start the process.	Oct 2019 <u>Previous Date:</u> Dec 2018 Mar 2017 Dec 2016 Mar 2014

Recommendation	Status Update	Date
<p>2.9 (i) Management should inform the appropriate governance committee of Council of the current process of utilizing the Plans Review Masterlist as a compensating control instead of supervisory review and approval of the Certificates of Grade and Plans Review Letter. The committee should be informed of the risks to the City of issuing incomplete and inaccurate Letters so that the Committee Members can decide if, in their opinion, the risks are adequately controlled.</p>	<p>A decision note will be prepared for review by the Committee of the Whole.</p>	<p>Aug 2019</p> <p><u>Previous Date:</u></p> <p>Dec 2018 Mar 2017 Jan 2016 Mar 2014</p>
<p>3.1 (iii) Management should review the By-Law, Policy and actual inspection practices and depending on the outcomes of i) and ii), decide if amendments should be made to the By-Law and Policy.</p>	<p>Wording between all has been changed to be consistent. As well, management will be meeting with the Legal Division to update wording of by-laws.</p>	<p>Oct 2019</p> <p><u>Previous Date:</u></p> <p>Dec 2018 Mar 2017 Dec 2016 Mar 2014</p>
<p>3.2 (i) (Electrical) Management should consistently charge permit holders for repeat inspections in an effort to deter builders/contractors from repeatedly calling for an inspection prior to ensuring their work is up to code. The electrical repeat inspection fee should be applied using the same method that is developed for the building repeat inspection fee under Issue 2.1. An alternative to charging the repeat inspection fee during each inspection stage is to charge the full amount of the repeat inspection fees during the Occupancy Certificate stage.</p>	<p>New procedures have been implemented which set a maximum number of inspections for certain work types. MS Govern will allow easy monitoring for compliance. The repeat inspection fee is not yet consistently charged for various reasons; however, management will continue to periodically review the fee with the goal of achieving consistency.</p>	<p>TBD</p> <p><u>Previous Date:</u></p> <p>Dec 2018 Mar 2017 Dec 2016 Jan 2014</p>

Recommendation	Status Update	Date
3.2 (ii) (Electrical) Management should revise the Division's Policy A-4-37 to reflect the same terminology as the Electrical By-Law.	Management is working toward ensuring the wording between all is consistent. As well, management will be meeting with the Legal Division to update wording of by-laws.	Nov 2019 <u>Previous Date:</u> Dec 2018 Sep 2017 Dec 2016 Jan 2014
4.1(iii) (Plumbing) Management should review the By-Law and Policy and depending on the outcomes of other recommendations made in the report, determine if amendments should be made to the By-Law and Policy.	This will be reviewed with the Legal Division as part of the by-law review process.	Dec 2019 <u>Previous Date:</u> Dec 2018 Dec 2017 Dec 2016 Mar 2014
4.2 (i) Management should consistently charge permit holders for repeat inspections in an effort to make certain that the fee is effective in deterring builders/contractors from repeatedly calling for an inspection prior to ensuring their work is up to code. The plumbing repeat inspection fee should be applied using the same method that is developed for the building repeat inspection fee under Issue 2.1. An alternative to charging the re-inspection fee during each inspection stage is to charge the full amount of all re-inspection fees during the Occupancy Certificate stage.	New procedures have been implemented which set a maximum number of inspections for certain work types. MS Govern will allow easy monitoring for compliance. The repeat inspection fee is not yet consistently charged for various reasons; however, management will continue to periodically review the fee with the goal of achieving consistency.	TBD <u>Previous Date:</u> Mar 2019 Mar 2017 Dec 2016 Nov 2013

Recommendation	Status Update	Date
4.2(ii) Management should reference the \$100 fee for plumbing repeat inspections in the Inspection Services Division's Policy and Procedures Manual.	Policy and procedures are continuing to be reviewed. Meetings have taken place with the City's Policy Analyst with policies developed for review by the committee. The Inspection Services Division have implemented 13 new procedures with several more in draft stages. Management will continue to review and bring new policies before the Policy Analyst and continue to develop new procedures for the Division.	TBD <u>Previous Date:</u> Apr 2019 Sep 2017 Dec 2016 Mar 2014

The following table summarizes the current status of all issues identified in the Internal Audit of Inspection Services #12-04.

Total Recommendations	Closed	Pending
60	49 (82%)	11 (18%)

Recommendation:

This is the fifth follow-up of the Inspection Services report dated June 25, 2013. Due to the limited resources available to the Office of the City Internal Auditor and the fact that the report is now over five years old it is recommended to remove it from Internal Audit's follow-up list as per standard procedure.

The Table below summarizes the closed issues from the Internal Audit of Inspection Services #12-04.

Recommendation	Status Update	Date
1.1(i) Management should develop a checklist for the inspectors to complete indicating all necessary documentation is contained in the file.	Completed	Implemented Closed
1.1 (ii) Management should ensure that files are reviewed and approved by a manager/supervisor. If a review of all files is determined to not be feasible, then management should review a sample of files on a regular basis to verify that the information contained in them is accurate and complete. The outcome of the reviews should be documented.	Completed	Partially Implemented Closed
1.2 (i) Management should investigate the feasibility of developing a program whereby contractors/electricians/plumbers could qualify to be approved to certify their own work. Management should contact the provincial government to determine how they instituted their program for the certification of registered contractors in regard to electrical work and to discover if they are having any problems. Management should also contact the Canadian Home Builder's Association and any other relevant industry associations to determine if they have any certification programs in place to help ensure the quality of the work of their members.	Management indicated CHBANL is developing a voluntary master builder program; however, the program is not fully developed and the industry at present is not ready for self-regulation for Building, Electrical or Plumbing inspections.	Not Implemented Closed

Recommendation	Status Update	Date
<p>1.2 (ii) Management should make certain that the City's self-regulation program, if developed, includes the right for the City to perform inspections on a test basis to help ensure compliance with the program. In addition, management should involve the City's Legal Department in the development of the program to make certain that the City's interests are protected.</p>	<p>Management indicated CHBANL is developing a voluntary master builder program; however, the program is not fully developed and the industry at present is not ready for self-regulation for Building, Electrical or Plumbing inspections.</p>	<p>Not Implemented Closed</p>
<p>1.3 Management should determine if it is feasible to have staff call the building superintendents/contractors on the day of the inspection to give the builders the opportunity to have a representative on site. However, it should be made clear to the builders that the purpose of this courtesy is to have the inspector available to answer any questions after the inspection and not for the representative to accompany the inspector during the inspection.</p>	<p>Management advised for new construction, if an inspector has a homeowner or contractor standing over his shoulder asking questions while conducting the inspection, this will slow down the process. There is also an intimidation factor there and the inspector may be asked to wait around while the deficiencies are corrected.</p>	<p>Not Implemented Closed</p>
<p>1.4 Management should review the number of telephone calls and inquiries handled by the Inspector on Duty, along with the response times, and decide if another position is warranted at least during the busier times of the construction season.</p>	<p>Completed</p>	<p>Implemented Closed</p>

Recommendation	Status Update	Date
<p>2.1 Management should ensure that the fee for repeat inspections is charged on a consistent basis. In order to make the repeat inspection fee process work on a more equitable basis for the contractor and the Inspection Services Division, management may want to consider allowing for a number of free repeat inspections before the penalty fee is applied. In addition, management should monitor the number of repeat inspections being performed on, at least, a yearly basis.</p>	<p>Management noted that a new procedure was implemented that restricts the number of inspections for Single Dwellings.</p>	<p>Implemented Closed</p>
<p>2.2 (i) In order to avoid confusion and ensure consistent application of the By-Law, Policy, etc., management should review the By-Law, the Policy, the Schedule of Fees and Rates and the Plans Review Letter and determine the appropriate wording for the fees to ensure that they are consistent with each other and that they are not open to interpretation. (Plans Review Letter & Sched of Fees)</p>	<p>Completed</p>	<p>Implemented Closed</p>
<p>2.2 (ii) In order to avoid confusion and ensure consistent application of the By-Law, Policy, etc., management should review the By-Law, the Policy, the Schedule of Fees and Rates and the Plans Review Letter and determine the appropriate wording for the fees to ensure that they are consistent with each other and that they are not open to interpretation. (By-Law)</p>	<p>Completed</p>	<p>Implemented Closed</p>

Recommendation	Status Update	Date
2.2 (iii) In order to avoid confusion and ensure consistent application of the By-Law, Policy, etc., management should review the By-Law, the Policy, the Schedule of Fees and Rates and the Plans Review Letter and determine the appropriate wording for the fees to ensure that they are consistent with each other and that they are not open to interpretation. (Policy)	Completed	Implemented Closed
2.3 (i) Management should review the expiry dates provided for each type of permit to determine if they should be changed to reflect the current construction environment in the City and to ensure they are equitable and consistent. If required, section 30 of the St. John's Building By-Law and Internal Policy A-3-06 should be updated to reflect this change. (Expiry Date)	Completed	Implemented Closed
2.3 (ii) Management should review the expiry dates provided for each type of permit to determine if they should be changed to reflect the current construction environment in the City and to ensure they are equitable and consistent. If required, section 30 of the St. John's Building By-Law and Internal Policy A-3-06 should be updated to reflect this change. (Policy)	Completed	Implemented Closed

Recommendation	Status Update	Date
<p>2.3 (iii) Management should review the expiry dates provided for each type of permit to determine if they should be changed to reflect the current construction environment in the City and to ensure they are equitable and consistent. If required, section 30 of the St. John's Building By-Law and Internal Policy A-3-06 should be updated to reflect this change. (By-Law)</p>	Completed	<p>Implemented</p> <p>Closed</p>
<p>2.4 (i) In order to ensure that the expired permits/deficiencies are followed up on a timely basis, renewal fees are collected and Conditional Occupancy Permits are being cleared in a reasonable period of time, management should generate reports showing expired permits where the files are still active.</p>	Completed	<p>Implemented</p> <p>Closed</p>
<p>2.4 (ii) In order to ensure that the expired permits/deficiencies are followed up on a timely basis, that renewal fees are collected and that Conditional Occupancy Permits are being cleared in a reasonable period of time, management should generate reports from the AS400 computer system showing a list of Conditional Occupancy Certificates which are outstanding. Senior management should review the reports and ensure that the files are followed up on a timely basis.</p>	Completed	<p>Implemented</p> <p>Closed</p>

Recommendation	Status Update	Date
2.5 (i) In an effort to improve consistency in inspection outcomes, management should review, modify (if required) and implement the checklist for inspectors to complete while conducting their inspections.	Management selected and implemented a program called City Reporter. The IT Department provided I-Pads to the Inspection Division staff.	Implemented Closed
2.5 (ii) In an effort to improve consistency in inspection outcomes, management should monitor and document all instances where a repeat inspection has found deficiencies that were not noted during the original inspection in an effort to determine the cause and frequency of occurrence.	Completed	Implemented Closed
2.6 (i) Management should revise the Schedule of Fees and Rates to include the estimated construction value of \$650 per square meter for garages on one and two family dwellings.	Completed	Implemented Closed
2.6 (ii) Management should revise the Schedule of Fees and Rates to include clarification that electrical and plumbing permit fees will be charged in addition to building fees. Consideration should also be given to charging one fee to cover the building, electrical and plumbing permits. This will eliminate the appearance of double billing for these items and may also help to speed up the permitting process for both the applicant and the City.	Management advised the Schedule of Fees and Rates has been updated to include the recommended statements.	Implemented Closed

Recommendation	Status Update	Date
2.6 (iii) Management should revise the Schedule of Fees and Rates to include guidance on what costs (design fees, HST, bonding, etc.) are to be included in the estimated value of the project that is required to be entered on the building permit by the applicant to help ensure consistency.	Completed	Implemented Closed
2.6 (iv) Management should revise the Schedule of Fees and Rates to include a statement that permit fees will be adjusted and charged if the actual cost of the project differs from the estimated cost supplied by the applicant on the permit application.	Completed	Implemented Closed
2.6 (v) Management should revise the Schedule of Fees and Rates to include a statement that applicants for commercial building permits must provide an estimated cost in writing signed-off by the contractor.	Completed	Implemented Closed
2.8 Management should re-visit the stock plans submission process to determine if it can be utilized.	After consultation, management determined that the industry was not utilizing the Stock Plan Submission process; therefore, it was discontinued, and Inspection Services started sorting and assigning like plans to a smaller group of inspectors/plans examiners. Also, the larger residential builders were asked to note on their new applications the locations where they have already built a similar plan.	Implemented Closed (process reviewed)

Recommendation	Status Update	Date
2.9 (ii) Management should ensure the copy of the Certificate of Grade that is kept on file is signed by the Senior Building Inspector.	Completed	Implemented Closed
2.10 (i) Management should advise inspectors to identify the inspection stage on the Field Notices and initial and date all deficiencies noted in the previous inspection that were corrected.	Completed	Implemented Closed
2.10 (ii) Management should advise inspectors when they do an inspection based on an existing Field Notice to prepare a new Field Notice indicating 1) what items are outstanding from the previous notice and 2) if they found any additional deficiencies. Also, if all the deficiencies are corrected, then a Field Notice should be given to the builder indicating so.	All divisions are now on City reporter and this issue seems to be resolved. No complaints from industry in the past year.	Implemented Closed
3.1(i) (Electrical) Management should decide if electrical permits should be given for a specific time period to ensure consistency and fairness for all applicants.	Completed	Implemented Closed
3.1 (ii) (Electrical) Management should review the By-Law, Policy and actual inspection practices and decide on the inspection classifications (stages) to be used and the number of inspections that are required for each construction category.	Management informed a new procedure was implemented that restricts the amount of inspections for Single Family Dwellings. It will continue to review all files periodically for compliance.	Implemented Closed

Recommendation	Status Update	Date
3.3(i) Management should ensure that applications for electrical permits are attached to the copy of the permit forwarded to the Inspection Services Division.	Completed	Implemented Closed
3.3(ii) Management should instruct staff to place permits in the “open” file in numerical sequence (civic number) by street name for ease of accessibility.	Completed	Implemented Closed
3.3(iii) Management should instruct Electrical Inspectors to give the original of the Field Alteration Notices to the contractor / homeowner, attach the copy to the permit and place it in the “closed” file when the project has been completed. This is similar to the building inspections process.	Completed	Implemented Closed
3.3(iv) Management should ensure electrical permits relating to building files are placed in the “Building File” so that there is one file that contains all permits and inspections. (Note: management should review the filing system once the reorganization has taken place to determine if one file for building, electrical and plumbing would be practical.)	Completed	Implemented Closed
3.3(v) Management should ensure that the letters sent to electrical contractors for follow-up of expired permits are signed.	Completed	Implemented Closed

Recommendation	Status Update	Date
4.1(i) (Plumbing) Management should decide if plumbing permits should be given a specific expiry date in the case of new buildings; and if so: a) generate a report of expired plumbing permits on a regular basis; and b) ensure that expired permits are followed-up and that the applicants are charged a permit renewal fee, if appropriate.	Completed	Implemented Closed
4.1(ii) Management should decide on the number of plumbing inspection stages that are required.	Completed	Implemented Closed
4.3(i) Management should ensure that applications for plumbing permits are attached to the copy of the permit forwarded to the Inspections Services Division.	Completed	Implemented Closed
4.3(ii) Management should re-design the plumbing inspection forms to be similar to the Field Notices for building inspections and have specific sections clearly identified for each stage of inspection.	Completed	Implemented Closed
4.3(iii) Management should ensure that the plumbing inspectors sign and date each inspection.	Completed	Implemented Closed
4.3(iv) Management should ensure plumbing inspection deficiencies are in writing with a copy given to the contractor and a copy retained by the inspector.	Completed	Implemented Closed

Recommendation	Status Update	Date
4.3(v) Management should ensure plumbing permits related to building files are placed in the "Building File" so that there is one file that contains all permits and inspections. (Note: management should review the filing system once the reorganization has taken place to determine if one file for building, electrical and plumbing would be practical.)	Completed	Implemented Closed
4.3(vi) Management should ensure all requests for plumbing inspections are recorded in the Active Citizen Request system.	Completed	Implemented Closed
5.1(i) Management should ensure CSR's sign and date all applications for building permits in the space provided.	Completed	Implemented Closed
5.1(ii) Management should ensure CSR's check the permits for the signature of the owner or authorized agent before processing.	Completed	Implemented Closed
5.1(iii) Management should review section 5 of the City-1003 Building Permit & Development Application Forms and determine if it should be deleted or modified.	Completed	Implemented Closed
5.1 (iv) In an effort to address these deficiencies, management at Access St. John's should ensure the permit fee calculation is verified for accuracy by a second employee.	Completed	Implemented Closed

Recommendation	Status Update	Date
5.1(v) Access St. John's management should meet with management of Inspection Services to discuss the possibility of revising the City's Schedule of (Fees &) Rates to include square feet for calculating the building permit fee as well as square meters. This will provide more useful information to those individuals still using square feet and should also lower the risk of miscalculating the permit fee as the CSR's will not have to convert the measurements to square meters from square feet.	Completed	Implemented Closed
5.1(vi) Management should deposit cheques upon receiving them at Access St. John's and if required, issue a refund at a later date.	Completed	Implemented Closed
5.2(i) Management should ensure staff record reasons as to why building permits are issued for no fees in the AS400 computer system.	Completed	Implemented Closed
5.2(ii) Management (Access St. John's) should have a manager or supervisor review and approve all zero fee building permits issued each day. The copy of the permit forwarded to Inspection Services should be signed and dated by the manager or supervisor in Access St. John's to indicate approval of the no fee permit.	Completed	Implemented Closed