



**CITY OF HAMILTON**  
**CITY MANAGER'S OFFICE**  
**Audit Services Division**

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	September 12, 2016
<b>SUBJECT/REPORT NO:</b>	Follow Up to Audit Report 2014-02 Planning and Economic Development – Building Inspections (AUD16020) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Brigitte Minard CPA, CA, CIA, CGAP 905-546-2424 x2088 Amanda Pavao 905-546-2424 x7398
<b>SUBMITTED BY:</b>	Charles Brown CPA, CA, CPA (Illinois) Director, Audit Services City Manager's Office
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That Report AUD16020, respecting the follow up of Audit Report 2014-02, Planning and Economic Development – Building Inspections, be received.

**EXECUTIVE SUMMARY**

Audit Report 2014-02 was originally issued in August, 2014 and management action plans with implementation timelines were included in the Report. In late 2015, Audit Services conducted a follow up exercise to determine if appropriate and timely actions had been taken, with some additional work conducted during the first half of 2016. Of the 11 recommendations made in the original Report, three recommendations have been completed. A further five are in progress, two have been initiated and one remains not completed. Details of implementation specific to each recommendation are included in Appendix "A" to Report AUD16020.

***Alternatives for Consideration – Not Applicable***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)**

Financial: None.  
 Staffing: None.  
 Legal: None.

### **HISTORICAL BACKGROUND (Chronology of events)**

Audit Report 2014-02, Planning and Economic Development – Building Inspections was originally issued in August, 2014. The report provided 11 recommendations to strengthen administrative controls, ensure that enforcement processes were consistently occurring and documented, identify opportunities for administrative efficiencies and improve management oversight.

It is normal practice for Audit Services to conduct follow up reviews within 12-18 months following the issuance of the original report in order to determine whether action plans committed to by department management have been implemented.

### **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

- Ontario Building Code Act, 1992 and Regulations; Building Code Statute Law Amendment Act, 2002
- City of Hamilton By-law 08-161 (under the Building Code Act, 1992 respecting permits and related matters) and subsequent relevant amendments
- Other pertinent City By-laws (e.g. Zoning, Swimming Pools, etc.)

### **RELEVANT CONSULTATION**

The results of the follow up were provided to management responsible for the operational administration of Building Services Division of the Planning and Economic Development Department.

### **ANALYSIS AND RATIONALE FOR RECOMMENDATION (Include Performance Measurement/Benchmarking Data if applicable)**

The report attached as Appendix “A” to Report AUD16020 contains the first three columns as originally reported in Report 2014-02 along with an added fourth column indicating Audit Services’ comments as a result of the follow up work.

There were 11 recommendations. Three recommendations were “Completed” and five were “In Progress” (policies and procedures, two relating to premature inspection requests, updating AMANDA and supervision of building inspectors). Two were “Initiated” (two related to timeliness of building inspections). One additional recommendation was “Not Completed” (use of a checklist for occupancy inspections). Appendix “A” to Report AUD16020 should be examined for details of implementation by recommendation.

Audit Services conducted this follow up assignment in conformity with the *International Standards for the Professional Practice of Internal Auditing*. Audit Services believes that the work performed provides a reasonable basis for the follow up comments and conclusions.

#### **ALTERNATIVES FOR CONSIDERATION**

**(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)**

Not applicable

#### **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

##### **Healthy and Safe Communities**

*Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.*

##### **Built Environment and Infrastructure**

*Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.*

##### **Our People and Performance**

*Hamiltonians have a high level of trust and confidence in their City government.*

#### **APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report AUD16020