Building Permit Audit

Audit Committee
February 24, 2025

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BUILDING PERMIT AUDIT

Agenda

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2. Audit Objectives
3. Scope and Methodology
4. Audit Observations
5. Management Action Plans
6. Next Steps
7. Questions

Our Audit vs. 2024 BiLD Study

- The recent Greater Toronto Area Municipal Benchmarking Study, 3rd Edition or 2024 BiLD report by the Building Industry and Land Development Association highlighted significant improvements in Brampton's development application processing times, reducing them from 19.1 months to 14.1 months.

- The 2024 BiLD report addresses development applications and approval process **(Step I)** whereas Internal Audit examined the subsequent phase **(Step II)** —building permitting activities—and offers a roadmap for enhancing the City's permitting process.

Overall Planning, Development & Building Permit Practices

Step I: Planning & Development Process

Greater Toronto Area Municipal Benchmarking Study
3rd Edition

Altus Group / BILD

Main activities covered by the Study: The Development application review and approval process

Step II: Building Permit Process

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Main activities covered by our audit:
1. Submission of Permit Application
2. Plan Review for Compliance
3. Permit Issuance
4. Inspections During Construction

Audit Objectives

- Evaluate whether Building policies and procedures are sufficient and aligned with the Ontario Building Code, Building By-law, Zoning By-law, and city policies.

- Determine whether effective processes are in place for building permit pre-screening, payment collection, and plan reviews.

- Assess whether the Building division has established processes to ensure staff meet required qualifications.

Audit Objectives (Cont'd)

- Examine whether systems are in place to monitor and manage building permit-related callback requests effectively.

- Verify whether the Building division has effective mechanisms to coordinate, conduct, and monitor building permit inspections and Orders to Comply.

Scope and Methodology

Our audit scope covered building permit activity from January 1, 2021 to October 31, 2024.

The audit methodology included:

- Review of policies and standard operating procedures
- Interviews with staff involved in the building permit process
- Sample testing and data analysis to evaluate efficiency, effectiveness and compliance of building permit activities
- A ride-along with inspectors.

Audit Observation 1: Continue to Improve Monitoring of Open Building Inspections

The following monitoring processes have not been consistently enforced:

- Initial inspections have not always been scheduled within 6 months. For example, 12% of inspections were scheduled after 6 months or not at all.

- While building inspection inactivity should not exceed 12 months, 9% of permits have inspections with greater than 12 months of inactivity.

We recommend that the Chief Building Officer continue to improve monitoring of open building inspections and ensure timely permit revocation or completion of remaining inspections.

Audit Observation 2: Continue to Monitor Occurrences, Orders to Comply, and Prosecution Files to Ensure Timely Resolution

The process to monitor open occurrences and *Orders to Comply* is inconsistent:

- 80% of open occurrences and 81% of open orders were opened in 2023 or earlier. A sample review of these files showed that no recent notes indicated the reason for the delay or file status.

The process of monitoring open prosecution files is inconsistent:

- Out of 140 Orders to Comply assigned to be prosecuted, only 22 of them advanced to the prosecution stage.

We recommend that the Chief Building Officer continue to monitor open occurrences, Orders to Comply, and prosecution files to ensure timely resolution of unpermitted construction and mitigate the risk of unsafe structures.

Audit Observation 3: Continue to Monitor Inactive Building Permit Applications to Facilitate Timely Permit Issuance

The process for monitoring and following up on aged open permit applications lacks consistency.

Currently, most open permit applications (67%) are from 2024, while 33% remain open from 2023 or earlier. These permit applications are open because the applicant has not fulfilled a re-work request. Most of these files do not have any notes to indicate recent correspondence with the applicant.

We recommend that the Chief Building Officer continue to monitor open building permit applications to assess their status and facilitate timely permit issuance regularly.

Audit Observation 4: Improve the Process for Managing Callback Requests

Managing callback requests through Outlook email is inefficient given the high volume, with over 12,000 requests received in 2024.

The manual process lacks centralized record-keeping and reporting capabilities.

We recommend that the Chief Building Officer develop a tracking system for inquiries and complaints that integrates with the portal and AMANDA to enable effective management of callback requests.

Audit Observation 5: Review and Update Standard Operating Procedures to Align with Current Practices

Standard Operating Procedures are outdated:

- Most SOPs have not been reviewed in years, with the exception of those related to the Brampton Building and Business Portal.
- The majority of the 99 SOPs predate 2010, including 13 that were created before 2000.
- All SOPs are based on an outdated template and lack proper review tracking mechanisms.

We recommend that the Chief Building Officer ensure all Standard Operating Procedures align with current practices, technology, and compliance requirements.

Audit Observation 6: Conduct Regular Technical Employee Audits to Verify Employee Compliance with Building Codes

Technical audits are not consistently conducted across all required areas:

- Of the four required areas, two have not conducted any audits since 2022, one has not conducted audits since 2023, and one has only partially completed audits for some employees in 2023 and 2024.

We recommend that the Chief Building Officer ensure regular technical audits are conducted to verify employee compliance with the Ontario Building Code, Building By-law, Zoning By-law, and City policies.

Conclusion

Implementing the recommendations in this report will enhance the processes and performance of building permit activities, which, when combined with improvements in the development application process, will strengthen the City's overall planning, development and building practices.

Management Action Plans

1. Continue to Improve Monitoring of Open Building Inspections

- Project currently underway to address these legacy permits and bring them into compliance
- Address the staff shortage
- Actively follow up on dormant permits by either revoking them or issuing orders to facilitate compliance
- Implement a systematic process to monitor both new and legacy permits, ensuring inspections are scheduled and completed within the Ontario Building Code's mandated timeframes

Timeline: Q2 2026

Management Action Plans

2. Continue to Actively Monitor Open Occurrences, Orders to Comply, and Prosecution Files

- Fill the Regulatory Coordinator position
- Develop a systematic process to actively track open occurrences, Orders to Comply and prosecution files
- Restructure responsibilities to focus on supporting prosecution efforts

Timeline: Q1 2026

Management Action Plans

3. Continue to Improve Monitoring of Inactive Building Permit Applications

- Achieve full staffing in the Permit Expeditor team, with 2 out of 4 positions currently filled
- Develop an automated process to assist in monitoring and managing inactive permits
- Streamline follow-up procedures and facilitate timely resolution of open applications

Timeline: Q1 2026

Management Action Plans

4. Implement a Formal Callback Request Tracking System

- Advance phase two of the new portal project by developing an integrated tracking system for inquiries and complaints
- Utilize tracking system to work in conjunction with Amanda and the portal and maintain detailed communication records

Timeline: Q1 2026 (Based on IT availability)

Management Action Plans

5. Review and Update Standard Operating Procedures

- Continue current SOP review project to address outdated SOPs and align them with current practices and technologies
- Utilize staff from all teams to assist in reviewing and updating SOPs
- Consider having a dedicated Policy Coordinator to perform ongoing SOP reviews and drive continuous improvement

Timeline: Q3 2025

Management Action Plans

6. Regularly Evaluate the Performance of Technical Staff

- Prioritize the completion of technical employee audits
- Focus more on new hires by conducting regular audits within their initial months to ensure proper onboarding and alignment with expectations
- Update the current SOP for Technical Auditing to foster an opportunity for staff and leadership to establish an open channel for communication
- Proper allocation of resources to facilitate effective audits

Timeline: Q4 2025

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Next Steps

✓ Action plans have been developed

✓ Implementation is underway or completed

✓ Internal Audit will follow up and report on the status of these action plans

Questions?

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Thank You

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