

Date: 2021-02-01

Subject: **Building Design and Construction- Diagnostic Review**

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Report Number: CAO's Office-2021-205

Recommendations:

1. That the report titled: **Building Design and Construction – Diagnostic Review** to the Audit Committee Meeting of February 23, 2021, be received.

Overview:

- A Building Design and Construction (BDC) Audit was one of the audits of the 2020 Internal Audit plan;
- Preliminary audit work commenced in September and BDC management advised that they are currently working on updating the Standard Operating Procedures (SOPs) and implementing the E-Builder application under the direction of a newly appointed Director;
- Internal Audit sampled five projects and opportunities for improvement were identified to enhance procedures and maintain a minimum set of documents for each type of the projects; and
- A decision was made to complete a Diagnostic Review in lieu of the planned audit due to the fact that management is in the process of establishing a framework. We have advised management that a full scope audit of the project management design phase will be conducted in the later part of 2021. Once the design is fully implemented an operational audit will be completed in 2022, in order to ensure that the framework is carried out as planned.

Background:

As a part of the approved 2020 Internal Audit work plan, Internal Audit (IA) was scheduled to perform a Building Design and Construction audit in Q4 2020. The objective of this engagement was to assess the effectiveness and efficiency of Building Design and Construction processes to determine adequacy of internal controls and compliance with policies, procedures and legislation.

The period under review was all active projects during 2020 and completed projects from January 1, 2018 to June 30, 2020.

Current Situation:

BDC management is currently working on updating the Standard Operating Procedures (SOPs) and implementing the E-Builder application under the direction of a newly appointed Director.

A new framework will be developed identifying mandatory documentation requirements for each project management phase and is expected to be in place by Q4 2021.

For the five projects sampled, the following was noted:

- Inconsistent approach to maintaining project documentation (such as Cost Control Sheet, Project Information Package, Budget Tracker, and Project Completion Checklist);
- Periodic monitoring/site progress updates were not complied with;
- Incomplete change management logs; and
- Warranty and close out documentation was either not filed or incomplete.

Considering that the full scope audit engagement was changed to a diagnostic review, Internal Audit will conduct a full scope audit of the project management design phase in the later part of 2021. Once the design is fully implemented, then an operational audit will be completed in 2022.

Please refer to appendix 1 for the letter issued to the Acting Commissioner of Public Works & Engineering, advising of the audit's deferral.

Corporate Implications:

Financial Implications:

None

Other Implications:

None

Term of Council Priorities:

This report achieves the Term of Council Priority of 'Brampton is a well-run city' through the establishment of an internal audit function, which promotes corporate accountability, values, and governance best practices.

Conclusion:

Internal Audit is committed to being a collaborative partner and ensuring audits conducted provide value to management. Due to current work being done by the management to update SOPs and implement E-Builder application full scope audit has split into two phases. The design phase review will be completed in Q4, 2021 and effectiveness of design phase will be completed in 2022.

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Attachments:

Appendix 1: Building Design and Construction - Diagnostic Review