

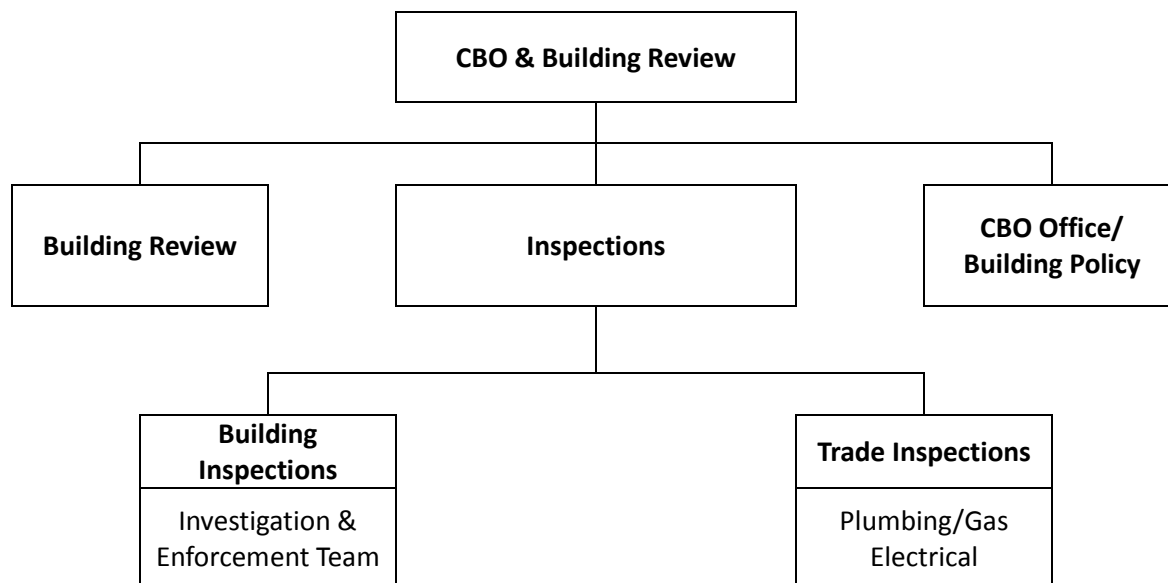
July 15, 2015

Building Permit and Inspection Services Audit

Background

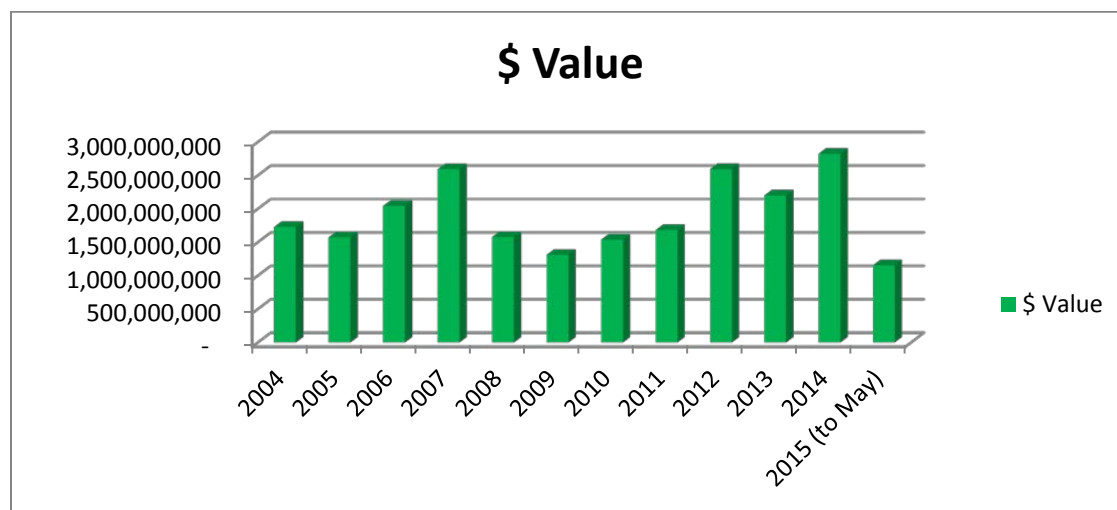
A building permit is required for any new construction, addition, alteration, renovation, relocation, and repair or rehabilitation of a building or structure in the City. Building Review and Inspections ensure that the work complies with the relevant bylaws to meet minimum health, life safety, zoning, accessibility, green buildings and community standards and matches the work described under the permit. The Vancouver City Charter "Part IX - Buildings" outlines the Building Permits approval and Inspection Services authority. Building Inspection and Enforcement Services are primarily delivered by the Planning and Development Services (PDS) Department with input from other City departments.

This audit is focused primarily on the PDS's Chief Building Official (CBO) & Building Review and Inspections Branch which provides building permit and inspection services.

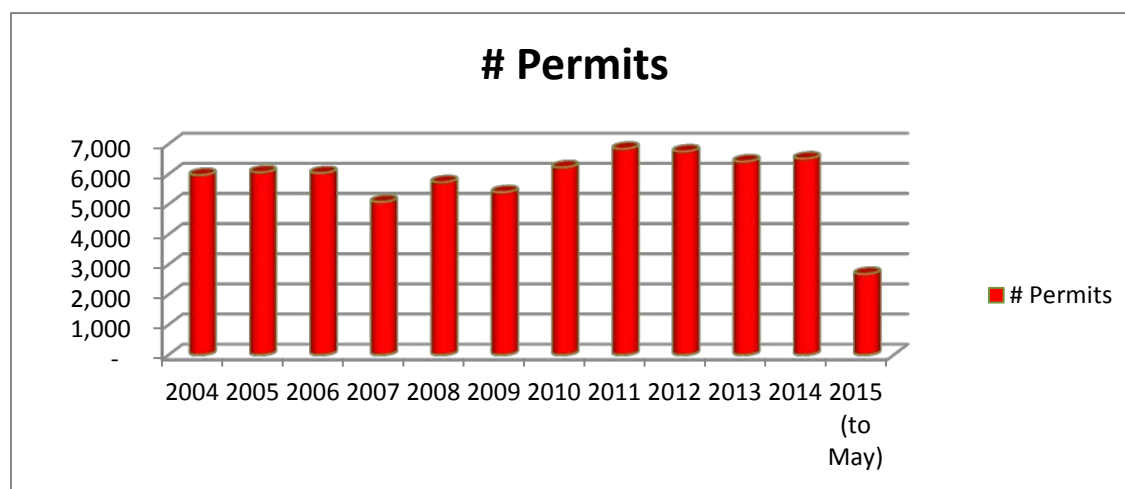


The construction value in 2014 was \$2.825 Billion represented by 6,522 issued permits.

The 2015 year-to-date (May) construction value is \$1.156 Billion (\$1.004 Billion -YTD May 2014) with 2,693 permits (2,574 permits - YTD May 2014) being issued. Comparative construction values and issued permits since 2004 are shown in the charts below:



The downturn in the economy in 2008 affected the years immediately afterward but construction has rebounded and now surpassed the 2007 level. Building permits issued followed a similar trend and held steadily over pre 2009 level, as shown in the chart below:



There has been continual growth in construction values and number of issued permits. The number of staff has been held steady in the past few years since a major reorganization in 2008.

Scope

This audit was initiated to provide reasonable independent assurance that the permitting and inspections work carried out by the City meets legislative, regulatory and safety standards, and that internal controls and business processes are efficient and effective.

Our work included an examination of transactions, processes, policies and practices in place for the Building Permits and Inspections Services. Processes changes that were made as a result of the POSSE system implementation were taken into account during our review.

Conclusion

The Internal Audit team found that The Building Permit and Inspection Services' business processes are adequate to ensure that building constructions in the City meet health, life-safety and regulatory requirements.

Management has committed to improve processes to gain operational and performance efficiencies and is:

- Formalizing the criteria for risk and value methodology used in building inspection services to gain further efficiency and economy;
- Reassessing its staff resource allocation to address current backlog;
- Considering a prescribed staff training program that would ensure they maintain currency and meet industry standard and certification requirements; and
- Exploring potential opportunities to increase efficiency from use of the POSSE system features.

Management has already taken steps to address all the findings identified in the audit.