

Toronto Building Division: Conditional Permits - Follow-up Review

Date: February 3, 2020

To: Audit Committee

From: Auditor General

Wards: All

SUMMARY

This report provides results of the Auditor General's follow-up review of conditional permits issued by Toronto Building Division.

In October 2017, the Auditor General issued a report titled "Toronto Building Division: Conditional Permits". The report identified several issues, including a lack of effective Conditional Permit (CP) policy and guidance that was leading to the inconsistent issuing of CPs.

Since the 2017 report, there have been key changes in the senior leadership team in the Toronto Building Division, including the appointment of the current Chief Building Official (CBO) in April 2018.

In October 2018, the CBO issued a draft CP policy and conducted a review of 2018 CP files across all four districts. The review highlighted continuing inconsistencies among districts and files when compared to the Auditor General's prior report findings and the draft CP policy. The Auditor General reviewed a total of 19 CP files, including the files identified by the CBO. Recommendations are made in this report to improve consistency in the CP process.

During the course of our review, Toronto Building finalized the CP policy on May 15, 2019, with increased controls and documentation requirements. We have tested additional files after these changes have been made. We found that the consistency and quality of the process has improved.

Implementing the eight recommendations contained in this report will help to ensure:

- an appropriate process for issuing and reviewing CPs is in place
- documentation is sufficient, appropriate and consistent
- divisional expectations are reinforced through training and performance objectives
- the CBO conducts ongoing reviews of the process.

Consistency helps to ensure fairness among all applicants and protects the City's interests in collecting development charge revenue.

RECOMMENDATIONS

The Auditor General recommends that:

1. City Council request the Chief Building Official, Toronto Building Division, to ensure that site visits including photos are conducted prior to issuing the first above-grade Conditional Permit for any development site.
2. City Council request the Chief Building Official, Toronto Building Division, to have every Conditional Permit reviewed by a central, trusted advisor to the Chief Building Official for consistency and compliance with the new policy, and ensure that sufficient, appropriate evidence of why the Conditional Permit is needed be included in the file.
3. City Council request the Chief Building Official, Toronto Building Division, to ensure the requirement for consistent documentation related to Conditional Permit issuance is filed in the Integrated Business Management System (IBMS).
4. City Council request the Chief Building Official, Toronto Building Division, to work with other Divisions involved in the Conditional Permit process to ensure that supporting documentation is complete and filed in the Integrated Business Management System (IBMS) in a timely manner.
5. City Council request the Chief Building Official, Toronto Building Division, to conduct Conditional Permit training for all Divisional staff involved in the Conditional Permit process, at least once per year and in advance of development charge increases in order to reinforce expectations and highlight any areas of concern that are identified through the Chief Building Official's review.
6. City Council request the Chief Building Official, Toronto Building Division, to continue to reinforce Divisional expectations with all staff involved in the Conditional Permit process through performance planning objectives.
7. City Council request the Chief Building Official, Toronto Building Division, to continue, at least twice per year, to conduct reviews on Conditional Permits issued in order to identify areas of concern and further opportunities to strengthen the Division's Conditional Permit policy, where required.
8. City Council request the Chief Building Official, Toronto Building Division, to ensure that any concerns that are noted by the Division continue to be brought to the attention of the Auditor General.

FINANCIAL IMPACT

The financial impact of the recommendations in this report is not determinable at this time.

DECISION HISTORY

The CBO has authority under the Building Code Act to issue CPs if certain conditions are met. One of these conditions is that the CP applicant must enter into an agreement with the City. The CP Agreement sets out the timelines within which they must comply with the remainder of requirements for a building permit. In 2002, City Council delegated authority to enter into these agreements to the Chief Building Official and Deputy Chief Building Officials.

<http://www.toronto.ca/legdocs/2002/agendas/council/cc021029/plt12rpt/cl002.pdf>

The Auditor General conducted a review of the issuance of Conditional Permits in 2017.

<https://www.toronto.ca/legdocs/mmis/2017/au/bgrd/backgroundfile-108178.pdf>

This report is a follow-up review to confirm if the previous recommendations from the October 2017 Auditor General's report entitled "Toronto Building Division: Conditional Permits" were being followed. We found that the consistency in issuing CPs requires improvement, however the CBO is moving the Division in the right direction.

The recommendations are being made to ensure that Conditional Building Permits continue to be issued consistently to be fair to all applicants, and to ensure that CP files are properly documented and the City's interests in collecting development charge revenue are protected.

COMMENTS

The attached report provides the Audit Committee and members of Council with the detailed follow-up review results and recommendations together with management's response. Management has agreed to all eight recommendations.

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SIGNATURE

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ATTACHMENT

Attachment 1: Toronto Building Division: Conditional Permits - Follow-up Review