

**Presentation to the Audit Committee  
on February 13, 2023  
Agenda Item AU1.5**

# **Building Better Outcomes:**

## **Audit of Toronto Building's Inspection Function**

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**AUDITOR  
GENERAL**  

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# Presentation Overview

- Background and audit objectives
- Key audit findings and recommendations
- Conclusion

# Why This Audit Matters

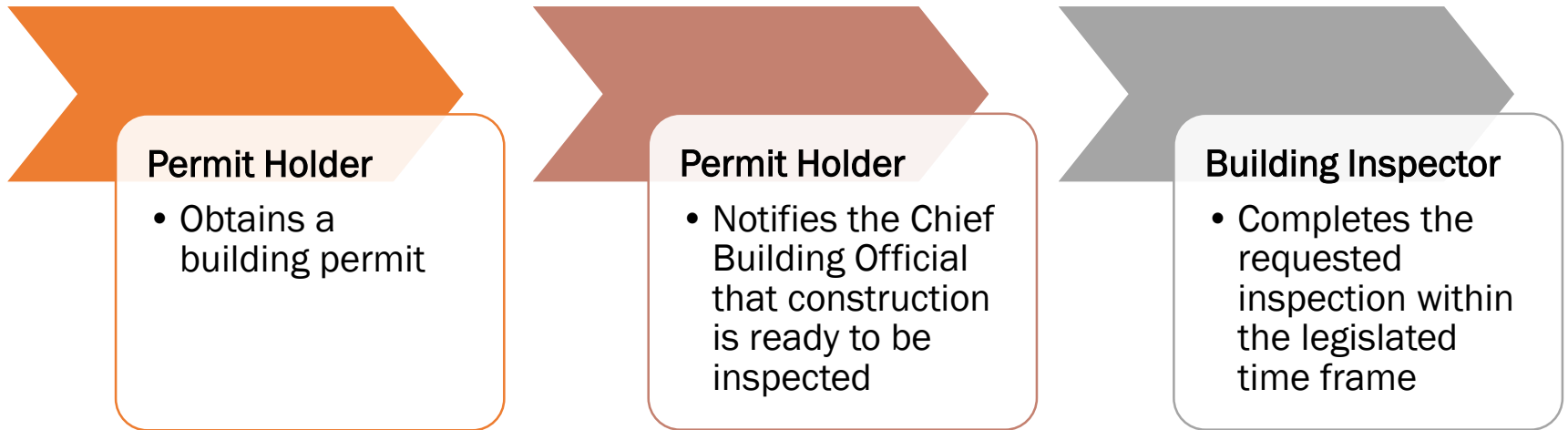
In its publication, “Building Code: How it Affects You”, the Ontario Building Officials Association states:

***“We all need protection from tragedy caused by fire, structural collapse and general deterioration of the structures that surround us: our homes, schools, offices, stores and factories. The Ontario Building Code provides protection by reducing potential hazards to building occupants – ourselves and families”.***

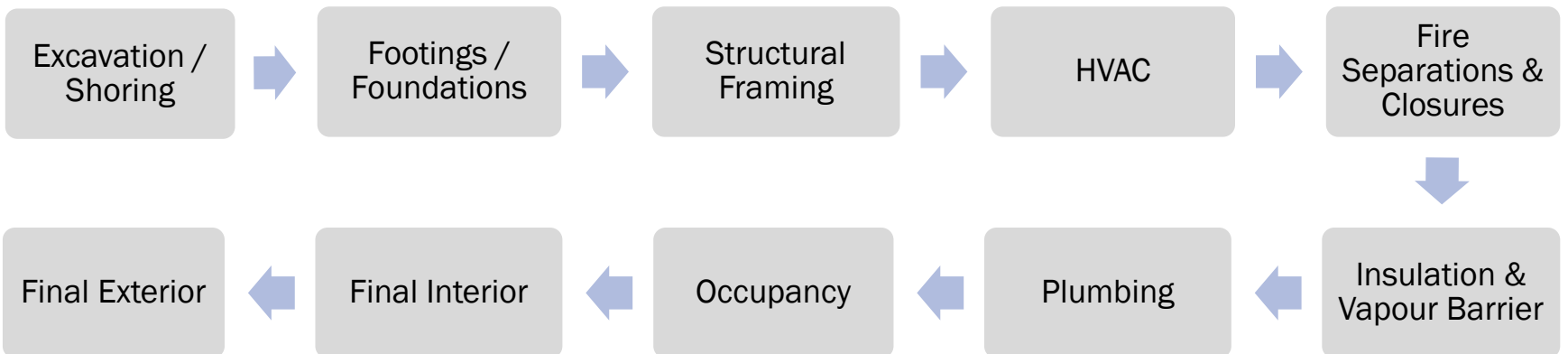
# Background

- The *Building Code Act, 1992* lays out the legislative framework governing the construction, renovation, demolition and change of use of buildings in Ontario
- The *Ontario Building Code* includes standards for public health and safety, fire protection, structural sufficiency, energy conservation, water conservation, environmental integrity, and barrier-free accessibility of buildings
- Key objectives of the Building Code include:
  - Protecting public health and safety
  - Limiting the probability of certain types of damage or degradation as a result of the design or construction of a building

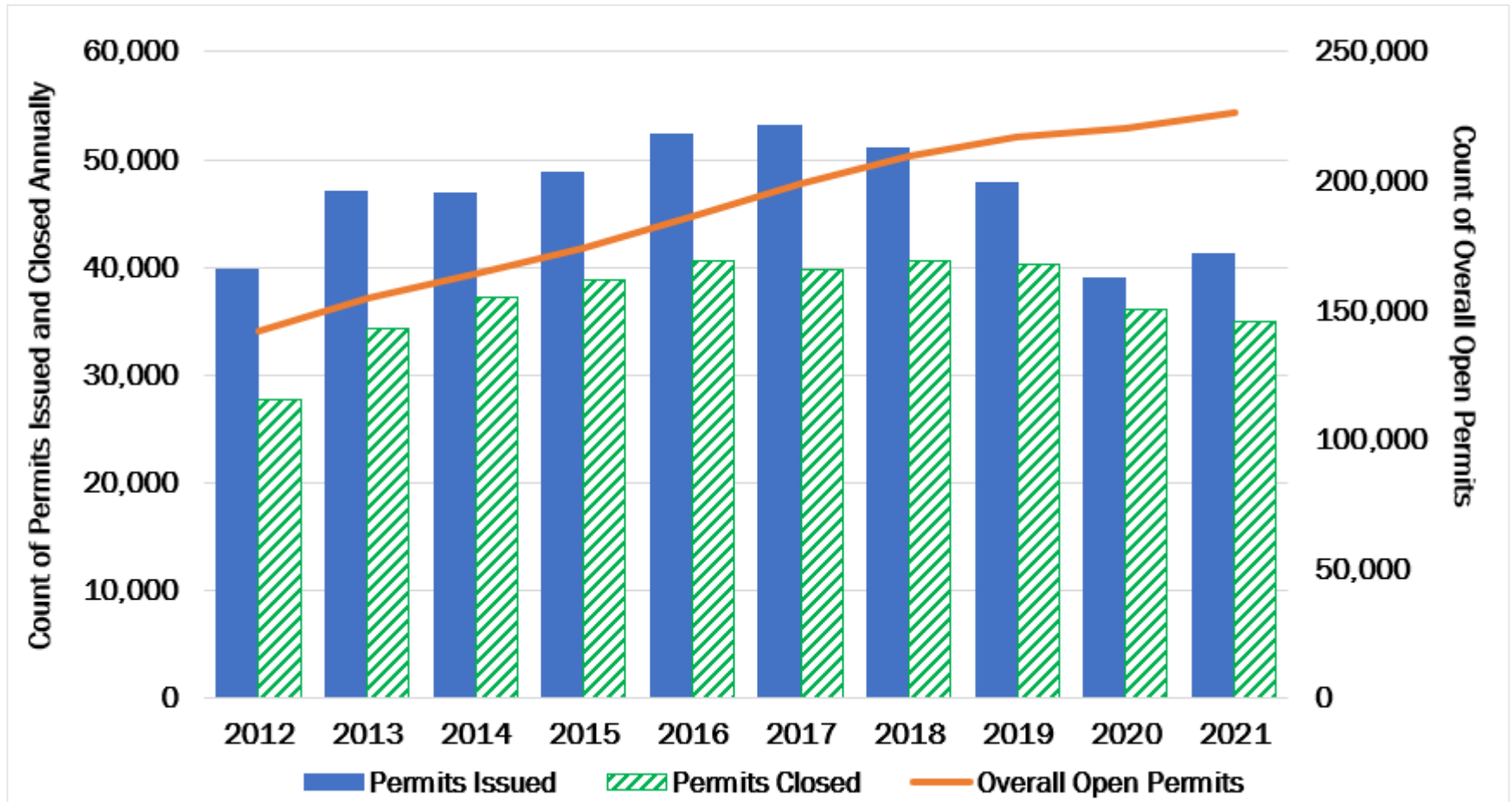
# Background



## Example stages of construction where inspections may be required



# Year-over-year Trending of Permits







# Audit Objectives

- Are there opportunities to strengthen policies and processes for inspecting construction and issuing orders?
- Are inspections being completed in compliance with the Division's operational policies and procedures?
- Are inspections being conducted in accordance with legislated time frames for inspections?

# Opportunities for Improvement

- A. Strengthening Toronto Building's policies and processes for enforcing the Building Code Act
- B. Reinforcing quality and consistency of inspections and compliance with policies and procedures
- C. Modernizing systems to support business needs



# Toronto Building Program Review

Toronto Building is working to address systemic challenges and their impacts by:

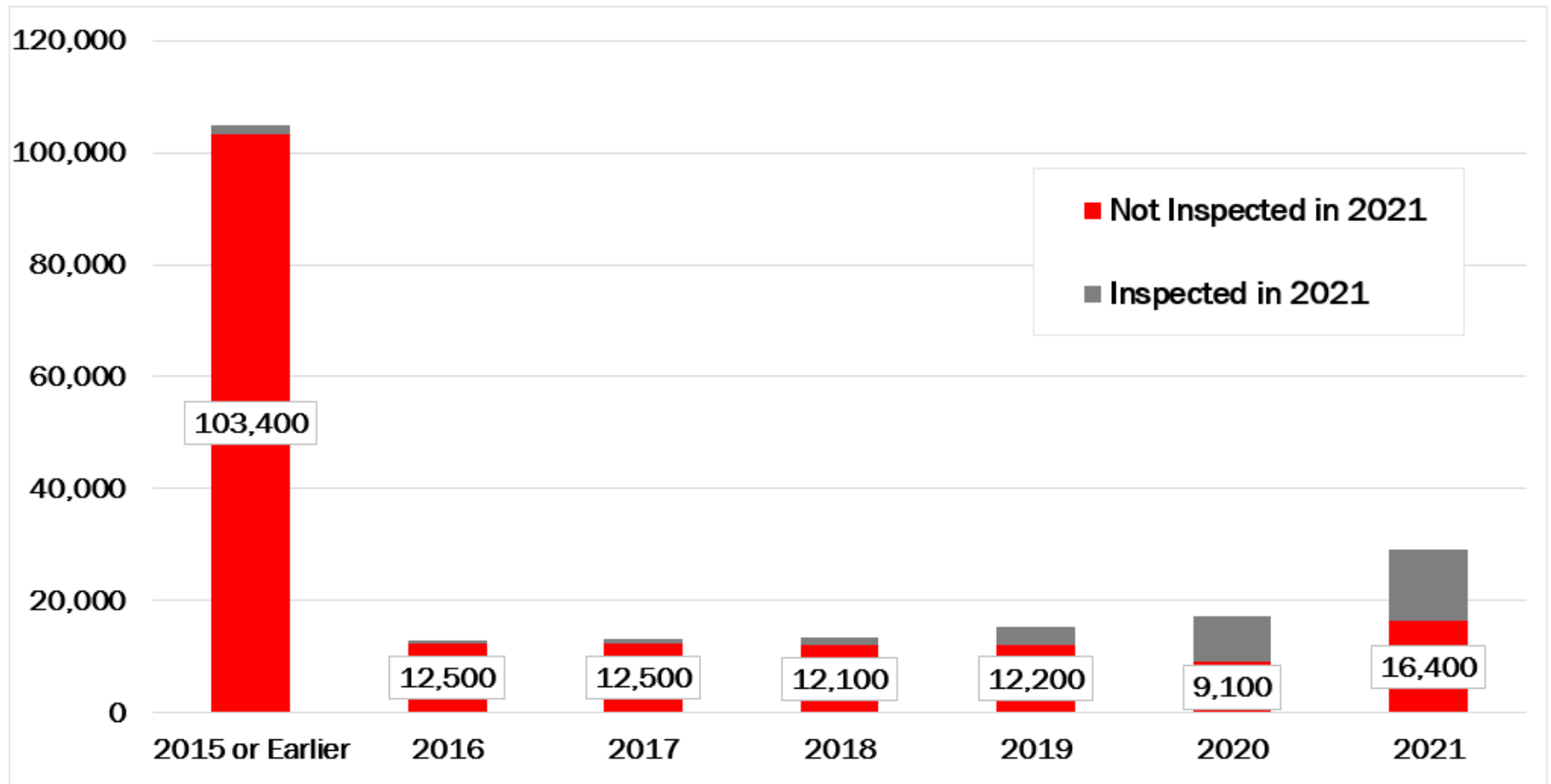
- Changing organizational structure
- Addressing resourcing issues
- Modernizing technology



# A. Strengthening Toronto Building's Policies and Processes

1. Implement a risk-based approach for reviewing and addressing open permits with no recent inspection
2. Communicate and follow up on deficiencies identified during inspections
3. Issue and enforce orders to ensure matters are promptly and properly addressed
4. Improve data used to determine compliance with legislated time frames for inspections

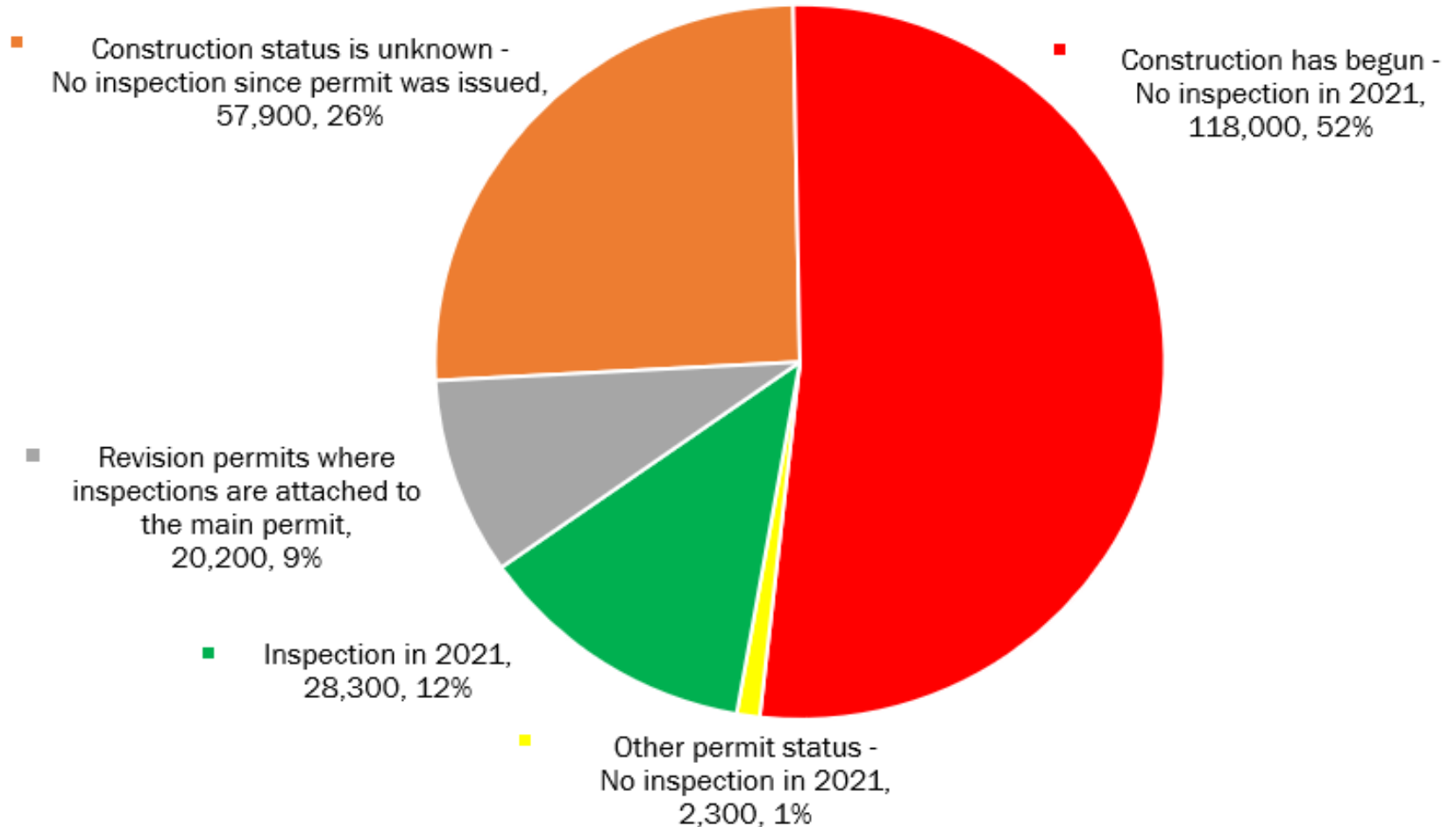
# A.1. Implement a Risk-Based Approach for Reviewing and Addressing Open Permits with No Recent Inspection



# Sample of Open Permits with No Recent Inspection



# Inspection Status of Open Permits at the End of 2021





# A.2. Communicate and Follow Up on Deficiencies Identified During Inspections

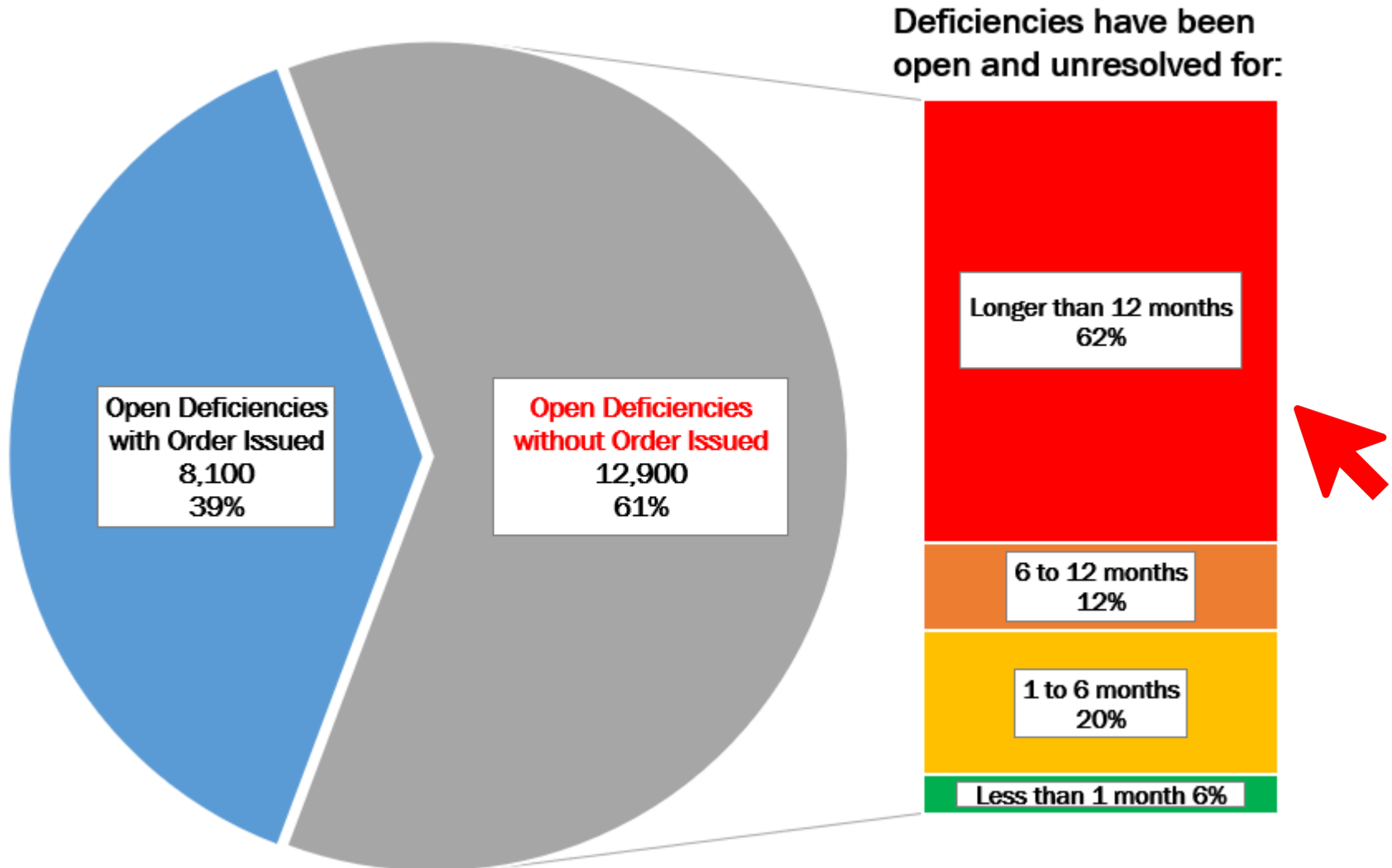
## Inspectors are expected to:

- make a note in IBMS to identify the components requiring re-inspection and/or attach a deficiency list
- record deficiencies in the deficiency tracking function within IBMS

## When this does not occur, this makes it more difficult to:

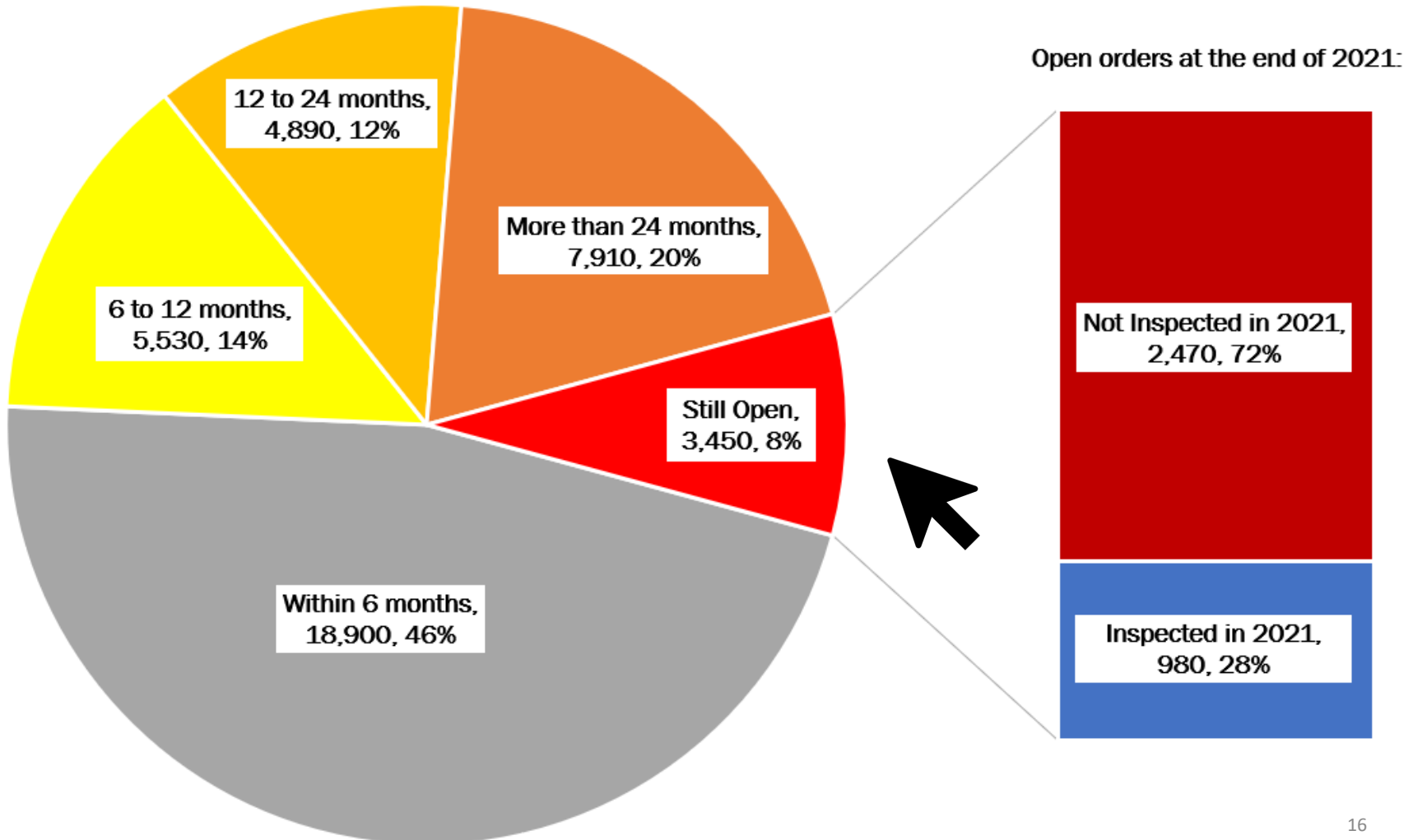
- track identified deficiencies to ensure their proper resolution
- have an accurate and up-to-date understanding of what issues need following up and re-inspection
- effectively monitor permit status
- analyze deficiency data for trends

# Aging of Open Deficiencies, at Dec. 31, 2021



## A.3. Issue and Enforce Orders to Ensure Matters are Promptly and Properly Addressed


Time Taken to Close Orders



## A.4. Improve data used to determine compliance with legislated time frames for inspections

An inspector is required to

- carry out inspections **no later than two days** (*\*except for sewage systems*)
- **after receiving notice** from the permit holder that construction is ready to be inspected.

Service	Service Measure	2020 Actual	2021 Actual	2022 Target	2022 Projection	Status	2023 Target	2024 Target
Service Level Measures								
Building Compliance	% building inspections conducted within time frames	91%	90%	94%	90%		94%	94%

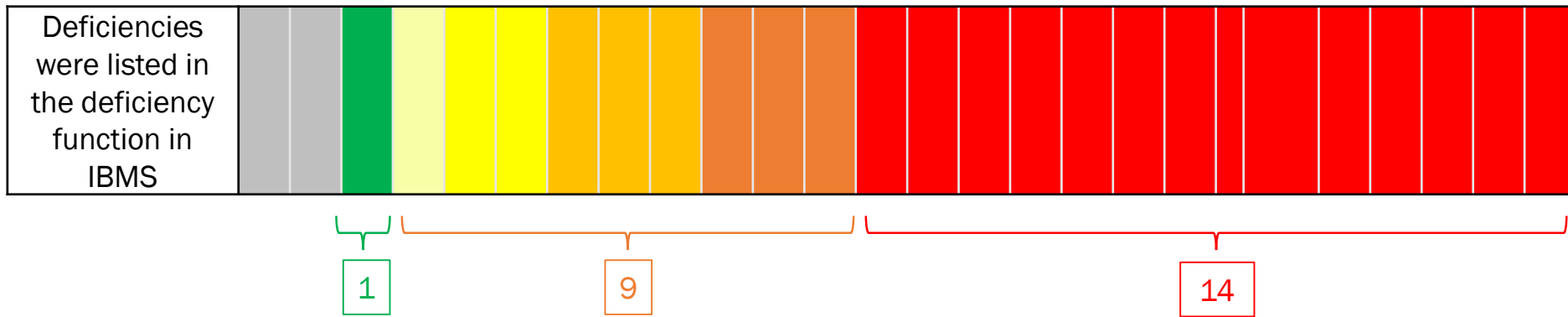
Excerpt from Toronto Building's 2023 Budget Notes

## **B. Reinforcing Quality and Consistency of Inspections**

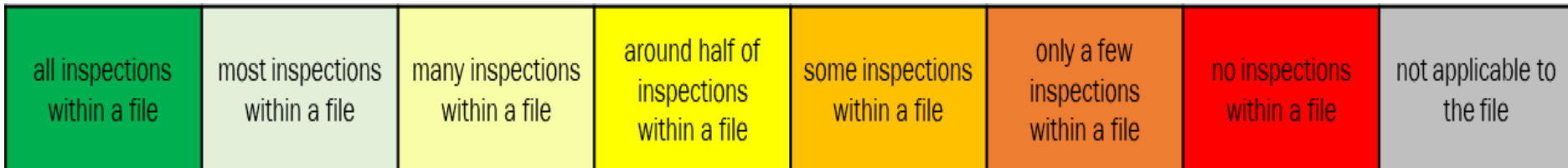
1. Good record-keeping is important to demonstrate inspections are performed properly
2. Clarify expectations for using and relying on third-party professional reports
3. Strengthen supervision, monitoring and quality assurance of inspection activities
4. Address challenges in recruiting and retaining building inspectors



# B.1. Good Record-keeping is Important to Demonstrate Inspections are Performed Properly



**Legend:** Inspectors conducted multiple inspections on each of the 26 building permit files we reviewed. The colour scale reflects how frequently the inspections on each file complied with the specific documentation requirements.



# Range of Compliance with Documentation Inspection Standards on Building Permit Files

[illegible]

## B. Reinforcing Quality and Consistency of Inspections

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- Clarify expectations for using and relying on third-party professional reports
- Strengthen supervision, monitoring and quality assurance of inspection activities
- Address challenges in recruiting and retaining building inspectors



## C. Modernizing Systems to Better Support Inspection Activities

A May 2021 staff report on Toronto Building's Program Review noted that the system

*“was characterized by some as slow, obsolete, inefficient and highly manual. Nearly all staff and management identified technology as a major pain point.”*

- Modernizing systems can lead to operational efficiencies and improved effectiveness
- Modernized systems can support better data collection and analysis

# Conclusion

- 20 recommendations to improve Toronto Building's policies and processes for inspecting construction and issuing orders to enforce compliance with legislated requirements.
- Management agrees with all recommendations.
- Management has undertaken a Program Review to identify ways to address systemic challenges and known concerns more effectively.



# Thank you

We would like to express our sincere appreciation for the co-operation and assistance we received from the Chief Building Official and the management and staff of the Toronto Building Division.

**AUDITOR  
GENERAL**  

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