

The Corporation of the City of London

Quarterly Report on Internal Audit Results

- Development & Compliance Services:
Processes and approvals surrounding the
inspection phase of site plans and
subdivisions

February 23, 2016

Agenda

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Rating Scale – Opportunities for Improvement

- **Satisfactory**

Controls are present to mitigate process/business risk, however an opportunity exists for improvement.

Satisfactory



- **Needs Improvement**

Existing controls may not mitigate process/business risk and management should consider implementing a stronger control structure.

Needs
Improvement



- **Unsatisfactory**

Control weaknesses are significant and the overall exposure to risk is unacceptable. Immediate attention and oversight from management is required.

Unsatisfactory



Summary of Risks & Scope

Development & Compliance Services: Processes and approvals surround site plans and subdivisions

Scope

- Review of processes and approvals surrounding the inspection phase of site plans and subdivisions
- Focus on areas of improvement to reduce the requirement for re-inspection
- Benchmarking application fees with other municipalities

Potential Risks

- The City may not be recovering on their costs for inspection, particularly on follow up inspections
- There may be opportunities for shorter wait times on approvals processes
- Resources could be better utilized in response to the cyclical demand of inspection processes
- Application fees may not be competitive with other municipalities

Controls Operating Effectively

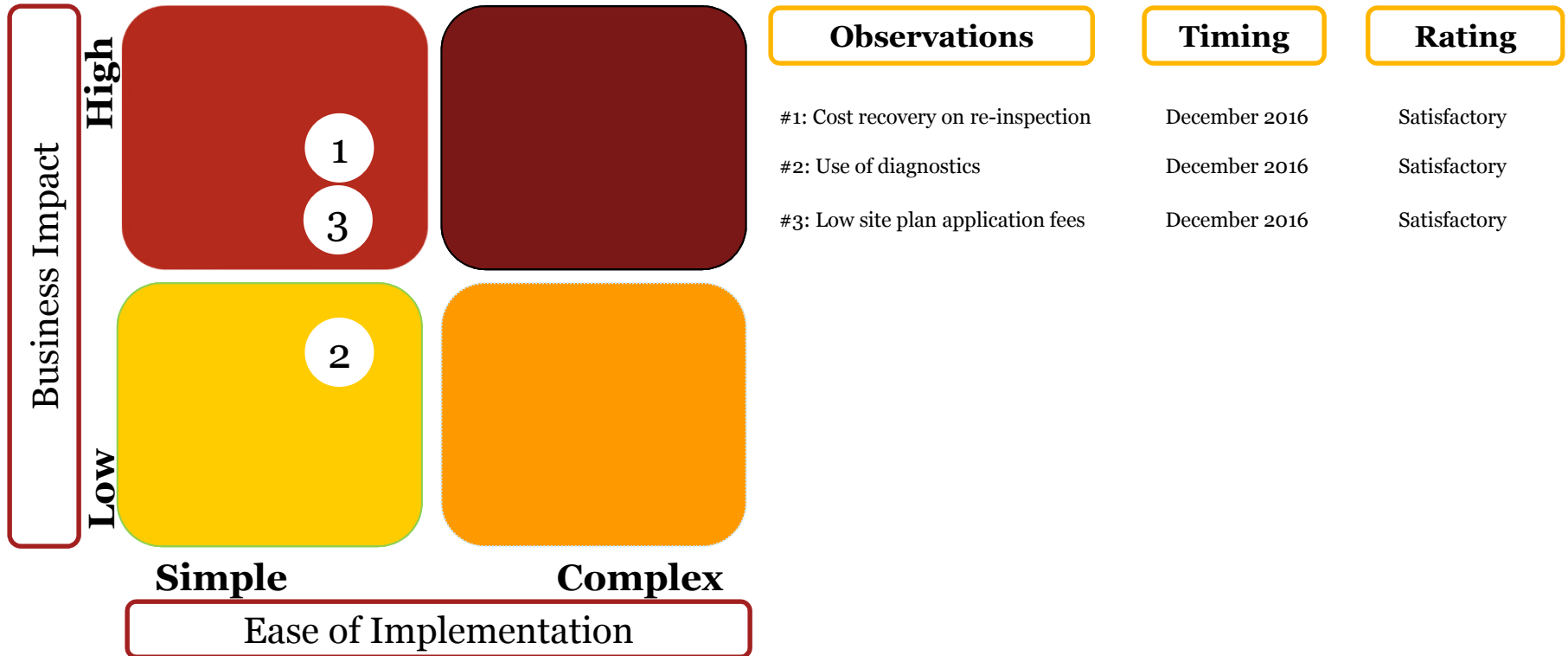
- The City has made significant effort in improving processes and monitoring controls for site plans and subdivisions through the use of Amanda software and check in points within this system
- There are statistics monitored by this group with the objectives for continuous improvement in customer service

Value-for-Money Considerations

- Using current statistics, additional annual fees of \$42,000 could be generated to help offset cost-recovery efforts

Action Plan Summary

Development & Compliance Services: Processes and approvals surround site plans and subdivisions



- High Business Impact, Easy to Implement
- High Business Impact, Difficult to Implement
- Low Business Impact, Easy to Implement
- Low Business Impact, Difficult to Implement

Observations & Action Plans -#1

Satisfactory 

Development & Compliance Services: Processes and approvals surround site plans and subdivisions

Observation

Cost recovery on re-inspection

Additional measures could be taken to help deter follow up inspections, including the potential for additional costs for applicants in the event of follow up inspections. Subdivision applicants currently arrange for inspections at a time when there are still significant deficiencies in the subdivision, and this creates a need for follow up inspections. The costs of additional follow up inspections is absorbed by the City.

Business Impact

As the volume of required inspections increases, so does the utilization of the single inspector with the capability of signing off on subdivision inspections in the City. This impacts the wait times for subdivision builders, slowing down the construction process.

Action Plan

Development & Compliance Services should consider imposing additional fees for follow up inspections, and the rate of these fees should be determined based on the determined hourly cost of providing those inspections.

Action Plan Lead

Manager, Development Services

Timing

December 2016

Observations & Action Plans -#2

Satisfactory 

Development & Compliance Services: Processes and approvals surround site plans and subdivisions

Observation

Use of diagnostics

Subdivision applicants could be better prepared for their first inspection at the assumption phase with the use of more detailed diagnostic checklists to help them understand in detail what constitutes a pass or fail.

Business Impact

The impact of the applicants not being fully prepared for the inspection at the assumption phase results in deficiencies, which then requires follow up inspection time.

Action Plan

It is recommended that Development & Compliance Services create a diagnostic checklist to be used by subdivision applicants when requesting for a first inspection during the assumption phase to help perform. This will assist the applicants in performing a self-evaluation on the subdivision prior to on-site inspection by the City.

Action Plan Lead

Manager, Development Services

Timing

December 2016

Observations & Action Plans -#3

Satisfactory 

Development & Compliance Services: Processes and approvals surround site plans and subdivisions

Observation

Low site plan application fees

A benchmarking analysis to compare the various application fees for subdivisions and site plans in the City as compared to other municipalities of similar size show London fees as significantly below average.

Business Impact

There is an opportunity for additional revenue by increasing the application fees of site plans to a level that is consistent with other municipalities within the region.

Action Plan

Development & Compliance Services should perform further analysis to ensure the applications fees are at a level that is competitive with other municipalities. The City should also consider qualitative implications of the potential impact on application fees, including whether this could impact investment in the City.

Action Plan Lead

Manager, Development Services

Timing

December 2016

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