glendale california
City of Glendale
Management Services
Internal Audit

141 N. Glendale Ave., Room 328
Glendale, CA 91206-4975
Tel 818.548.4844

December 15, 2014 REPORT #: 2015-07

Hassan Haghani, Director
Community Development Department

Dear Hassan,

Enclosed is the final audit report on the Building & Safety Division Inspection Operations. Internal Audit would like to thank you and your staff for the support and assistance provided to us during the audit.

Should you have any questions, please feel free to contact Eileen Donahue or myself.

Thank you,

Michele Flynn,
City Auditor

Enclosure

cc: Yasmin Beers, Assistant City Manager
Jan Edwards, Building Official
Robert Elliot, Director of Finance
Scott Ochoa, City Manager
Charles Valaer, Building Inspection Supervisor
City Council
Audit Committee

CITY OF GLENDALE
INTERNAL AUDIT

REPORT #: 2015-07

Building & Safety Division
Inspection Section
Audit

December 15, 2014

Background

In accordance with Internal Audit's fiscal year 2013-14 annual work plan, Internal Audit completed an audit of the operations of the Building and Safety Division (BSD), Inspection Section. BSD is one of six divisions within Community Development Department. Significant responsibilities of the BSD include plan review, property construction inspections and permit services. The Inspection Section of BSD provides a critical function in ensuring all construction related work conforms to applicable codes and approved plans.

The City of Glendale Building and Safety Code are based on the California Building Code as adopted by the Glendale City Council. The purpose of the building code is to provide minimum standards to safeguard life, health, property, and public welfare of citizens.

Building permits issued by the City regulate the types of construction allowed for any new construction, renovation or rehabilitation of a building or structure (including residential, industrial, and commercial buildings). Many projects that require a building permit also require permits in the trades for mechanical, plumbing, and/or electrical. Permits are initially issued with an expiration date set for 180 days later. Projects completing substantial work as defined by the Building Code with approved inspections extend the life of the permit past the initial 180 days. As defined by Code a permit may be active for 2 ½ to 5 years depending on the type of project.

A permit is considered closed when all necessary inspections for the project are conducted and approved. If work is not commenced or inspections are not requested for a 180 day period, written notification is required to be provided to the property owner informing them to make an inspection request within 10 days. Per direction from the City Attorney a permit may not expire by limitation, the owner must be notified prior to an inspector taking action to expire the permit. Permit extensions are allowed if the permit holder can demonstrate justifiable cause which is approved by the building official. If no action takes place the permit is officially expired and for significant activity the matter is referred to the City Attorney for investigation.

Permit "backlog" or permits without activity is created when the time period exceeds 180 days with no inspection actions and the property owner has not been properly notified of the expiring status. The associated risk of backlog permits is that construction activities may occur that are not properly inspected for compliance with building and safety codes. The Inspection Section has taken efforts to identify permits in backlog status by manually viewing hardcopy permit records filed in the office. If a backlog permit is identified the property owner is notified of the outstanding permit and need for inspection for work that commenced.

Permit holders are responsible for scheduling inspections of construction activity at key intervals of the construction process. Requests received by the Inspection Section either over the telephone or in person by 3:00 pm are added to the following day inspection schedule. The number and types of inspections requested varies from day to day. Every effort is made to complete the inspection request baring staff vacancy or unforeseen delays.

City employed inspectors trained in specific disciplines and

experienced in the application of building codes conduct the inspections and ensure public safety by verifying the permit holder's compliance with state and local codes. The Health and Safety Code dictates the certification requirements of an inspector and specific continuing education requirements of 45 hours every 3-year period. Daily inspection assignments are distributed to individual inspectors based on area of expertise such as building, electrical, plumbing, or HVAC[1]. Most inspectors employed possess at least one certification obtained from either the International Code Council or the International Association of Plumbing and Mechanical Officials (publishers of different parts of the California Code of Regulations, Title 24). In addition, some inspectors with trade disciplines (e.g. electrical, plumbing and mechanical) also provide the plan check review for code compliance as part of their job duties.

In August 2014 the staff level of the Inspection Section consisted of 2 inspection supervisors, 1 senior inspector, 8 salary inspectors, 3 hourly inspectors, 1 dedicated customer service representative and 2 hourly employees providing administrative assistance. Two of the 11 full-time inspectors and the customer service representative accepted the 2014 separation incentive provided by the City. A contract inspector has been hired temporarily to assist in completing the daily inspection requests two days per week.

[1] HVAC is a collective term used to describe the heating, ventilation, and air conditioning disciplines and commonly known as "Mechanical".

In a typical day the inspectors will respond to inquiries from customers at the counter between 7:00 am – 8:00 am, correspond through email, return telephone calls, process permit paper work both manually and electronically, review the building code as necessary, and perform the field inspections requested.

Inspectors document their inspection results manually on hardcopy permit forms by location and permit number after which the information is input by the inspector to the City Services Interface (CSI) system. CSI provides for an automated management of permits created, issued and finalized by the City. The system allows inspectors to schedule, track, and maintain the history of inspections by specific location and permit. The Inspection Section support staff updates CSI as necessary upon finalization of building construction permits with the inspectors contributing through input of inspection results and progression of permit activities.

CSI is set to automatically update the permit status in the system to reflect "Expired" when permits reach their 180 day limit even though the permit is not officially termed "Expired" by the department until the property owner is nonresponsive to written communication. Support staff receives notification through CSI when a permit is 30 days from expiration prompting communication with the property owner regarding the permit deadline and need to take appropriate action.

A reporting module of CSI provides for the ability to obtain specific details on key fields and activity recorded in the system such as by permit, address, inspections, and inspector. CSI is utilized for current permit applications and is not intended to reflect an accurate representation of permits prior

to mid-2011 due to data conversion issues from the previous system and inaccuracies that resulted with the initial implementation of CSI.

The document management system, FileNet, is intended to be the complete permit record and is utilized as a repository for scanned permit records at the completion or expiration of a construction project.

Objective, Scope and Methodology

The objectives of this audit were to assess the effectiveness of the BSD operations for the Inspection Section and to identify areas where efficiencies could be gained through the review of the processes and practices in place. The audit was performed over the period April 2014 through September 2014.

In order to accomplish the audit objectives Internal Audit performed the following:

- Interviewed BSD Inspection Section staff and management.
- Reviewed past policies and procedures.
- Reviewed websites of other cities to gain familiarity on building inspection programs.
- Read the Health and Safety Code for certification and training requirements for inspectors and plan examiners.
- Observed field inspection activities by participating in ride-a-longs with four separate inspectors.
- Viewed, extracted and analyzed permit and inspection data maintained in the CSI system.

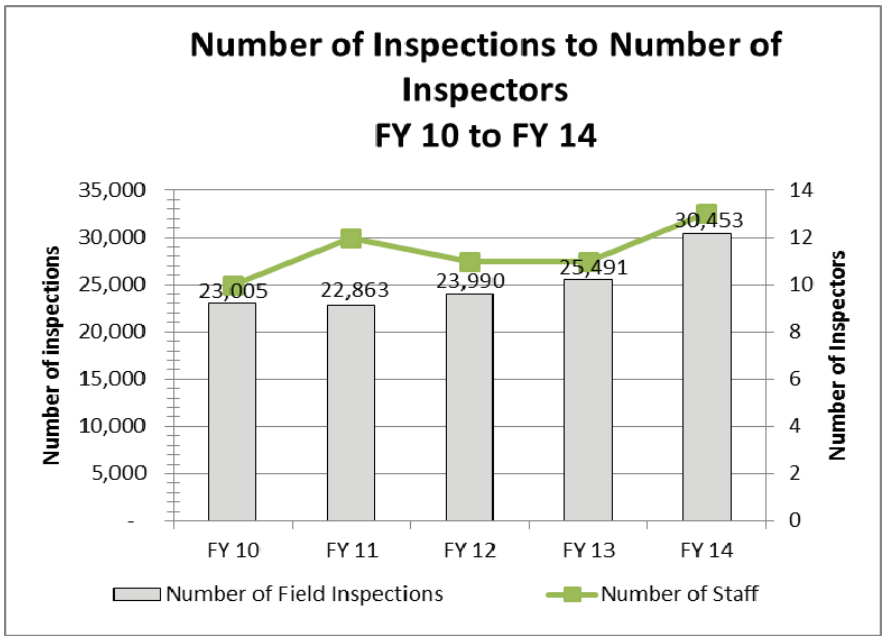
Summary of Results

Through audit work it was identified that the inspectors for the BSD Inspection Section are experienced individuals with the knowledge, skills and abilities to carry out their inspection responsibilities. On ride a-longs where observations occurred for the field inspection process it was noted that the inspectors are well versed in the building codes, perform detailed inspections, are required to physically climb and maneuver through structures under construction, and are fair and courteous to the permit holders.

To understand the inspection workload detailed records were extracted from CSI and monthly building activity reports prepared by BSD staff were viewed. It was noted that permits issued for additions or alterations for commercial buildings increased 20% from FY 13 to FY 14 with a 34% gain in the number of dwelling units; as well there was an 85% gain in the added dwelling units from FY 11 to FY 12.

Often projects with multiple dwelling units take more than one year to complete and require frequent inspections in all facets of construction. Inspectors commented that current projects have an increased scope and complexity as compared to those completed in prior years. Each major project requires multiple inspections per week that can take a minimum of 1 to 2 hours at a time. BSD management estimates that construction for the large projects will continue over the next 3 to 5 years. In FY 14 the number of field inspections increased by almost 5,000 from the previous year to over 30,000 inspections. The largest increases were found in mechanical, building and plumbing inspections which grew by 1,711, 969, and 754, respectively. At the same time the number of inspectors employed ranged at

13 for the year The graph below depicts the number of inspections to the number of inspectors over a 5 year period.



Specifically, by permit type the largest increase in numbers from FY 13 to FY 14 were in building permits and solar permits, with an increase of over 120 permits for each type. The number of permits for roofing peaked at 735 in FY 12 and declined to 474 in FY 14. Other permit types showed fluctuations between years with all permit types increasing in number issued between FY 13 to FY 14; except for, roof permits and mechanical permits, which both decreased by 2% from the prior year.

During the audit, Inspection Section supervisors communicated that the Section currently does not have enough staff to carry out its full operations effectively. Even though inspectors and supervisors stay on top of the daily inspection requests and rarely carry inspections to the next day; there are limited resources applied to follow up on backlog permits and permit maintenance.

Based on a one-week review, on average an inspector will perform 11 inspections a day at 6 address locations per day with an approval rate of 58% for each inspection scheduled.

Although data is available on the number of permits issued in a year and the number of field inspections performed; there are no metrics captured on the actual amount of time each inspection type takes to complete or the number of inspections that are carried to the next day due to lack of resources or workload demands.

Thus, an objective detailed analysis on the staffing needs for the Inspection Section was not completed as part of the audit. However, based on the observations discussed on the following pages it is expected that additional staff resources are necessary to gain efficiencies in all aspects of the Inspection Section operations.

The audit identified 12 observations related to:

- Lack of updated policies and procedures.
- General inefficiencies.
- Lack of monitoring for certifications and training.
- Limited accountability of inspectors.
- Elimination of overtime for trade plan check review.
- Inaccurate reporting in CSI for permits.
- Incomplete input to CSI for inspection results.

- Revaluation of supervisory duties.
- Insufficient measures captured for evaluation of staffing needs.
- Improvements in backlog identification process.
- Continued monitoring of project completion near final permit approval.
- Shortcomings in the permit finalization process.

The Observations, Risk, Recommendations, and Management Responses are summarized on the following pages.

Item	Observation/Risk	Recommendation	Management Response
1.	Uniform policies and procedures updated for current practices are not available for employees in the Inspection Section. Rather, reliance is placed on the professional experience of the inspector and prior institutional knowledge of employees working in the department. Lack of documented policies and procedures increases the risk that inconsistencies will exist in providing inspection services to the public. * * * Priority 2 – observation represents less than critical control weaknesses that expose the City to a moderate degree of combined risks.	It is recommended that management of the Inspection Section review the past policies and procedures and update the prior manual for current practices with the expectation that the manual become a valuable tool for training new and existing inspection staff.	Management for the Inspection Section agrees with the recommendation. Having adequate inspection resources to allow the supervisor's to function as supervisors and not inspectors will provide the ability to focus on this task. Efforts will be applied to update and re-establish the policies and procedure manual. The anticipated completion date is December 31, 2015.
2.	Some aspects of the inspection operations foster inefficiencies such as: • use of manual paper forms to document inspection results rather than utilization of electronic real-time technologies in the field, • not returning permit forms documenting daily inspection	It is recommended that BSD management coordinate with Information Services Department (ISD) on implementing technological improvements that build efficiencies in the Inspection Section operations by: • providing for the use of automated devices for real-time recording of inspection	BSD management agrees with the recommendation and in fact has made requests for such upgrades over the last several years. However, some of the required actions are dependent on the availability of ISD resources and priorities therefore the completion date is estimated to be December 31, 2015.

Item	Observation/Risk	Recommendation	Management Response
	results to the inspection office at the end of each work day, • manually entering inspection requests at the start of each day by the assigned inspector rather than at the end of the previous day, • manual retrieval of inspection requests received over the telephone rather than through an interactive voice response system or web-based technologies, • lack of internet capabilities to facilitate customer access to permit and inspection details. * * * Priority 3 – observation shows areas where improvement opportunities could be implemented to follow a good or better practice in order to improve efficiency or further reduce exposure to combined risks.	results in the field, • automating the capture of inspection requests, • implementing a system for web-based queries of inspection and permit details, and • if manual systems remain requiring daily accountability of inspection forms.	
3.	No internal method has been established to centrally track an inspector's compliance with the certification and continuing education requirements of the building code. It is known that in at least one instance an inspector let their	It is recommended that the supervisor of the Inspection Section develop a process to track employee's inspection certifications and continuing education requirements to ensure certifications remain current and the employees obtain the required	BSD Inspection Section management agrees with the recommendation. A method is being established to track certifications and training of the inspectors in order to confirm and maintain compliance with requirements. The anticipated

Item	Observation/Risk	Recommendation	Management Response
	certification lapse without management knowledge. Additionally the continuing education requirement for inspectors is a minimum of 45 hours over a 3-year period with at least eight hours of training regarding disability access. It is unclear if this is accomplished by each inspector due to the lack of records documenting the continuing education hours obtained. * * * Priority 1 – observation represents critical control weaknesses that expose the City to a high degree of combined risks.	number of continuing professional education to stay in compliance with applicable building codes. It should be noted that the California Building Code states that "the local agency shall bear the costs of the certification, certification renewal, and continuing education, as mandated." Additionally, as the policies and procedures manual is re-established the certifications necessary by primary job functions performed should be defined in order for inspectors to be certified in the proper areas.	completion date is April 30, 2015.
4.	Inspectors work independently and are self-directed in performing daily field inspections. They are given latitude in planning their daily inspection routes and are not responsible for a detailed reporting on the length of time for each inspection action. In addition, inspectors are not required to return to the office daily after inspections are completed; however, occasionally as a monitoring precaution the supervisor noted that he will randomly require	It is recommended that management of the Inspection Section develop a means for inspectors to be accountable for their time and location while in the field remaining productive through the end of the work day. The process developed should provide strong monitoring but not compromise productivity. At a minimum logging the actual length of time for performing each inspection request will provide an	BSD management agrees with the recommendation. Currently, the inspection supervisor will arbitrarily request inspectors to return to the office to maintain accountability. Resources will be evaluated to determine if other means are available to provide inspectors with devices that have GPS with the ability to check in and out from the field daily. The anticipated completion date is June 30, 2015.

Item	Observation/Risk	Recommendation	Management Response
	that the inspectors return to the office. During a one-week observation on average 24% of the inspection staff did not return at the end of each work day. There is an expectation that inspectors on salary work a full day at least until 4:30 pm. * * * Priority 3 – observation shows areas where improvement opportunities could be implemented to follow a good or better practice in order to improve efficiency or further reduce exposure to combined risks.	added objective measure for further analysis on staff productivity and staff needs of the Inspection Section. In combination with the recommendation for Observation #2 utilizing real-time technologies with a global positioning system (GPS) will provide a mechanism for added monitoring of staff resources while in the field. Until such systems are implemented to increase accountability management can consider providing inspectors with a telephone device that includes GPS and a location based service.	
5.	Some inspectors that specialize in construction trades such as mechanical, electric and plumbing also voluntarily function as a trade plan examiner. These individuals work overtime hours during their personal time to accomplish the plan checks. It is advocated that the plan check review increases the inspectors understanding of the projects. This overtime allowance has existed	It is recommended that BSD management take action to cease the allowance of overtime for trade plan checks in order to support the quality of service provided by inspectors. In the future only inspectors with proper plan examiner certifications in accordance with the building code should be allowed to perform plan checks during normal business hours while maintaining	BSD management agrees with the recommendation. Plan check positions are being filled in specific trades which will provide for a separation between plan check and inspector positions. Additional contractual service budget amounts may be required to complete the separation of plan check and inspections. Contractual services for plan review are expensive. For example, the contractual cost to complete the mechanical review of

Item	Observation/Risk	Recommendation	Management Response
	for over a decade. Weaknesses found in maintaining this dual role include: • the amount of overtime paid for the mechanical, electrical and plumbing plan review during a recent 4-year period averaged $60,000 annually, • due to vacancies and limited staff resources the plan check and inspector duties are not segregated where the same individual performing the trade plan check may also perform the inspection; as a result, building construction concerns that impact project safety may be missed, • in most instances the inspectors do not have certifications as a plan examiner which may create a lack of compliance with code, • prolonged overtime negatively impacts employee work/life balance and contributes to a reduction in quality service, • the quantity of sub-trade plan check reviews are increasing as supported by performance indicators which showed a 27% increase from FY 13 to FY 14.	segregation of duties between the plan check and the permit inspection functions. If the volume of trade plan checks remains large and an employee functioning as a BSD plan examiner with proper certifications cannot perform the review timely; a contract could be initiated to hire an outside business specializing in quality plan reviews to perform the sub-trade plan checks.	three large apartment buildings was $23,000. The anticipated completion date is June 30, 2015.
	* * * Priority 1 – observation represents		

Item	Observation/Risk	Recommendation	Management Response
	critical control weaknesses that expose the City to a high degree of combined risks.		
6.	Focused test work on permits issued after June 2011 found that CSI may not reflect accurate information either due to lack of manual input by Inspection Section staff or automatic processes as noted by the following: • Permits updated with the status "Expired" may not be accurate as some permits – o reflect an approved final inspection action, or o lack indication of notification to the property owner of the expiring status. • Some permits with final approved documentation scanned to FileNet do not reflect a "Final" permit status in CSI rather the permit status field indicates expired, void, or issued. Some oddities noted include - o the permit scope language for one record noted the applicant changed their mind and permit fees were not collected yet the permit documentation was finalized with approved inspections. o Two permits with the status "Permit Extended" in CSI	It is recommended that BSD management direct resources to CSI permit maintenance to enforce requirements to expire permit records when progress is not achieved and require staff to confirm the final status reflected in CSI before paperwork is scanned into FileNet. Regular monitoring of permit status should be performed to ensure accurate reflection of permit events as performed through inspections.	BSD management agrees with the recommendation. A portion of the weakness is related to CSI logic that has not been fully implemented. To fulfill this recommendation services from ISD will be utilized to initiate a script that automates the designation of final for permits in CSI. In addition, the expiration process has been updated to automatically notify Inspection staff of future permit expirations for timely notification to the permit holder and property owner. The anticipated completion date is December 31, 2015.

Item	Observation/Risk	Recommendation	Management Response
	actually showed scanned documentation in FileNet for an expired permit. * * * Priority 2 – observation represents less than critical control weaknesses that expose the City to a moderate degree of combined risks.		
7.	The inspection action field in CSI may not contain up to date information for inspection events due to lack of complete input by the inspectors as identified by the following test examples: • In several instances the most recent inspection action event recorded in CSI did not support the final approval indicated on the scanned permit documents in FileNet or the final permit status in CSI. • From the period July 1, 2011 through September 15, 2014 it was noted that 129 inspection request actions were not updated by the assigned inspector for the inspection results. • In one instance the recent inspection action to expire a permit was inadvertently recorded on another linked permit number.	It is recommended that BSD management assign a position the responsibility for monitoring input to CSI for inspection results to ensure timeliness, accuracy, and completion of inspection actions recorded following standards to be developed.	BSD management agrees with the recommendation. Efforts will be put forth to monitor inspection actions to ensure proper completion as part of the records management component proposed in the reorganization of Building and Safety. The anticipated completion date is September 30, 2015. .

Item	Observation/Risk	Recommendation	Management Response
	* * * Priority 2 – observation represents less than critical control weaknesses that expose the City to a moderate degree of combined risks.		
8.	It was noted from CSI inspection productivity reports and observations that the inspection supervisor(s) complete a daily inspection workload at a rate comparable to other inspectors. As a result, of the supervisor(s) daily field inspection responsibilities the overall operations are impacted in that: • the opportunity to provide effective supervision and direct feedback to inspectors is limited, • a formal quality control process where the supervisor regularly reviews the work of each inspector to ensure proper application of building codes and consistency of inspection services has not been implemented rather spot checks may occur, • there is limited time available in-house for the supervisor(s) to manage and stay on top of administrative responsibilities.	It is recommended that the Inspection Section reevaluate the responsibilities of the supervisor(s) and allow for one inspection supervisor that is dedicated to providing supervision of the Section without conflicting daily field inspection assignments. This individual could at a minimum provide regular training and feedback to inspectors in the field, develop and implement a formal quality process that includes strategic inspections and documented reviews, oversee maintenance and accuracy of CSI for permit status and inspection results (see Observation #6 & #7), develop criteria for capturing performance measures that provide a means for staff evaluation (see Observation #9) and update the policy and procedure manual (see Observation #1). In order to accomplish this	BSD management agrees with the recommendation. However, approvals to fill positions vacated from the recent separation incentive are not anticipated before July 1, 2015. As a result, the supervisor continues to perform daily inspection requests equivalent in number to other inspectors and administrative tasks are handled by hourly employees. It is unlikely that this recommendation can be met before vacated positions are filled which is not anticipated before December 31, 2015.

Item	Observation/Risk	Recommendation	Management Response
		recommendation it is likely that the staffing level or the inspection request response timeframe may need to be modified.	
	A key component of an effective operation for inspection services is a sound practice of supervision that supports inspectors in their responsibilities for ensuring construction activities are safe and adequately comply with building codes. * * * Priority 2 – observation represents less than critical control weaknesses that expose the City to a moderate degree of combined risks.		
9.	Performance measures being tracked are not thorough and provide insufficient information to accurately assess staff productivity and evaluate staffing needs. For the key performance indicators (KPIs) currently collected it was noted that the measurement on the number of inspections completed by quarter included inspections that were cancelled and required no field inspection action. As well the KPIs on average turnaround time per sub-trade plan check were not supported and remained unchanged at 10 days for each quarter.	It is recommended that BSD management establish a set of effective performance indicators that are reasonable, reliable, measurable with formal production targets communicated to Inspection Section employees. Additional performance measures can be defined and tracked through CSI for use in evaluating performance and staffing needs objectively. As mentioned in the recommendation for Observation #4 recording the actual time each inspection action takes could be entered daily by inspection type.	BSD management agrees with the recommendation. For the weaknesses identified source data has been identified that provides accurate measures. Moving forward other performance measures will be considered for future reporting's. The anticipated completion date is December, 30, 2015.

Item	Observation/Risk	Recommendation	Management Response
	Setting goals and measuring performance are part of an effective performance management process with KPIs used to evaluate efficiency. * * * Priority 3 – observation shows areas where improvement opportunities could be implemented to follow a good or better practice in order to improve efficiency or further reduce exposure to combined risks.	As well a method could be developed to accurately capture the length of time required to perform the review for sub-trade plan checks in order to properly allocate resources to the review process.	
10.	Although extended efforts have been put forth to physically locate backlog permits in the form of hardcopy permits in the office, the full magnitude of backlog permits will not be completely known until resources are also applied to identify outstanding backlog permits through CSI. At that time a comparison can be performed between the hardcopy permits in the office and the stale permits in CSI to isolate those permits in need of proper expiration and notification to the property owner. It is known backlog permits are created in part due to the lack of inspection requests from the permit holder, however, one other factor that contributes to the level of backlog in	We recommend the Inspection Section continue to apply resources to identify permits in backlog status including expired permits in CSI where proper notification has not been given to the property owner. It is understood that BSD management is not extending resources to update CSI records issued prior to mid-2011, however CSI is a system that can be utilized to identify recent permits in expired status that need attention in the event the hard copy paper permit document is not available. Specific inspector and administrative resources need to be allotted to clear the backlog permits.	BSD management agrees with the recommendation. To completely identify the “backlog” permits after mid-2011 universe scripts developed by ISD will be utilized to filter permits in need of review and proper closure. The anticipated completion date is December 31, 2015.

Item	Observation/Risk	Recommendation	Management Response
	a particular construction field is the availability of inspector resources to follow up and clear permits in backlog status. As permits go dormant from no inspection activity there is increase risk that insufficient construction practices could occur that negatively impacts the health and safety of the citizens. * * * Priority 2 – observation represents less than critical control weaknesses that expose the City to a moderate degree of combined risks.		
11.	We tested six instances where final inspections were not approved due to identified corrections and over 60 days had elapsed since the final inspection date. In a query for final inspections since mid-2011 a potential universe of 247 instances were identified. This highlighted that there is no practice to track and perform continued follow-up for situations where deficiencies are identified during final inspections. Rather reliance is on the permit holder to request a subsequent inspection to	We recommend that the Inspection Section develop procedures to regularly monitor permits where final inspections result in an action of not approved/corrections needed or partially approved. Requiring continued inspector contact to ensure the corrections are properly completed in order to finalize the permits.	BSD management agrees with the recommendation. To provide continued monitoring management will request ISD to develop a script that notifies supervisory staff of a significant delay in finalizing permits with the status “not approved/corrections needed” or “partial approved” at final inspection to assist in tracking for construction completion. Implementation of this recommendation will require a change in the attitude and culture of the inspection staff to be pro-active regarding permit management rather than being re-active to the

Item	Observation/Risk	Recommendation	Management Response
	clear the non-approved items. If the request does not occur the permit eventually meets the timeframe for expiration and notification is provided to the property owner. To close the permit an approved final inspection is necessary. There is increased risk to the property owner and the public when permits with known corrections are not timely corrected and finalized. * * * Priority 2 – observation represents less than critical control weaknesses that expose the City to a moderate degree of combined risks.		inspection requests or expiration notices. The anticipated completion date is December 31, 2015.
12.	Shortcomings in the permit finalization process were identified through discussions as noted: • there is insufficient coordination between agencies to ensure all required inspections have been completed and approved, for example fire inspections performed by the Fire Prevention Bureau, • there is inadequate notification provided to the inspector when a permit has outstanding fees in need of collection.	We recommend the BSD management support the Inspection Section in coordinating efforts to formalize a process for finalizing construction permits. This process should include a method to centrally document finalization of the permit through (1) completion and approvals for final inspections across departments, (2) recognition that all permit fees are collected, and (3) confirmation that the permit is reflected accurately in CSI.	BSD management agrees with the recommendation. To partially fulfill this recommendation services from ISD will be utilized to automate the noting of final for permits in CSI. As well, the finalization process will be evaluated to identify additional controls that can be implemented. Until such time as all departments involved in the development and construction process are using the same tracking system full implementation may not be possible. Specifically, Public Works has not implemented using CSI to

Item	Observation/Risk	Recommendation	Management Response
	Additionally, data supports that there are potentially 649 permits that have expiration dates after 2011 with approved final inspections that reflect an expired status in CSI that should likely reflect a final permit. * * * Priority 2 – observation represents less than critical control weaknesses that expose the City to a moderate degree of combined risks.		track their permits or inspections. Thus, a manual paper method is required for many permits The anticipated completion date for the majority of the recommendation is December 31, 2015.