

Planning Application Review and Approval Process Audit

EXECUTIVE SUMMARY

The City Auditor's Office issued the Planning Application Review and Approval Process Audit Report to Administration on April 16, 2019. The audit focused on assessment of risk mitigation controls within the planning application review and approval process that support achievement of quality, fair and timely decisions. Overall, controls related to established application review and approval processes were operating as designed, although opportunities to improve consistency and intentionality of decision making and risk management were recommended. We reviewed new processes recently implemented and identified further design enhancements required to achieve the intended operational objectives. Planning and Development (PD) management agreed to six of the seven recommendations with commitment to implement action plans no later than December 31, 2019. Our recommendation to revise development permit timelines for minor complexity applications was not accepted based on DP's evaluation of resource/risk prioritization. The City Auditor's Office will track the implementation of these commitments as part of our on-going follow-up process.

RECOMMENDATIONS

1. That Audit Committee receive this report for information; and
2. That Audit Committee recommend that Council receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. Under the City Auditor's Office Charter, the City Auditor presents an annual risk-based audit plan to Audit Committee for approval. The City Auditor's Office 2017/2018 Annual Audit Plan was approved on November 10, 2016. The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 48M2012 (as amended).

BACKGROUND

This audit was undertaken as part of the approved City Auditor's Office 2017/2018 Annual Audit Plan.

The Planning and Development (PD) department manages the creation and redevelopment of safe and sustainable communities that are aligned to Council priorities and strategic direction provided in The City of Calgary's Municipal Development Plan and the Calgary Transportation Plan. PD is responsible for policy development and growth management that support development realization, which includes review and approval of planning applications. The Calgary Approvals Coordination (Calgary Approvals) and Community Planning business units within PD, alongside a cross-departmental team of specialists and generalists, collectively provide planning application review and approval services with the objective of providing customers with a quality and fair decision in a timely manner.

To support this objective, PD recently implemented new processes to enhance the efficiency and effectiveness of application review and approval processes and communication with applicants. These include assignment of Customized Timelines (CTL) to adjust the approval timeframe based on the complexity of the application and the applicant's unique timeline

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requirements; a streamlined Initial Team Review (ITR) process that includes acknowledgements to applicants for complete and incomplete applications; and implementation of an applicant survey tool to collect feedback regarding the application review and approval process.

The objective of the audit was to provide assurance that Calgary Approvals and Community Planning have effective risk mitigation controls within the planning application review and approval process to support achievement of quality, fair, and timely decisions.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Overall, controls related to established application review and approval processes were operating as designed to support delivery of quality and fair decisions in a timely manner. Performance monitoring of the planning application review and approval process is coordinated by The Development Facilitation Oversight Committee (The Committee) whose responsibilities include review and follow-up on monthly service metrics, performance trending and forecasting. Although these activities occur, consistency and intentionality of decision making, and risk management can be improved through definition and establishment of risk tolerance and level of acceptable risk in The Committee's Terms of Reference. We recommended additional refinements to service metrics, and applicant complaint tracking and escalation.

We determined the new processes recently implemented had a positive effect on process timelines and transparency, and encouraged PD to continue the design maturity through implementation of the following enhancements:

- Retention of applicant engagement and agreement evidence, the rationale for the CTL, and review and update POSSE system access and user authority to assign CTL on a periodic basis.
- POSSE Workflow that ensures ITR acknowledgements are generated and distributed to development permit applicants to support fairness and compliance with the Municipal Government Act.
- Process to analyze and respond to applicant survey feedback, including incorporating lessons learned, to mitigate the risk of unfair treatment and reduced customer satisfaction.

Stakeholder Engagement, Research and Communication

This audit was conducted with Calgary Approvals and Community Planning business units acting as the principal audit contacts within Administration.

Strategic Alignment

Audit reports assist Council in its oversight of the City Manager's administration and accountability for stewardship over public funds and achievement on value for money in City operations.

Social, Environmental, Economic (External)

N/A

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**Financial Capacity
Current and Future Operating Budget**
N/A

Current and Future Capital Budget
N/A

Risk Assessment

The activities of the City Auditor's Office serve to promote accountability, mitigate risk, and support an effective governance structure. This audit was undertaken as part of the approved City Auditor's Office 2017/2018 Annual Audit Plan since effective review and approval services are critical to development realization, which supports retention and attraction of private investment in The City.

REASON FOR RECOMMENDATIONS

Bylaw 48M2012 (as amended) states: "Audit Committee receives directly from the City Auditor any individual audit report and forwards these to Council for information".

ATTACHMENT

Planning Application Review and Approval Process Audit- AC2019-0466 ATT