Calgary

City Auditor's Office

Planning Application Review and Approval Process Audit

April 16, 2019

THIS PAGE LEFT INTENTIONALLY BLANK

Table of Contents

The City Auditor's Office conducted this audit in conformance with the *International Standards for the Professional Practice of Internal Auditing.*

Executive Summary

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 (The City'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 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.

We conducted this audit since effective review and approval services are critical to development realization, which supports retention and attraction of private investment in The City. The objective of the audit was to provide assurance that Calgary Approvals and Community Planning have effective risk mitigation controls in their review and approval process to support achievement of quality, fair and timely decisions.

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. We recommended refinements to improve performance monitoring processes and feedback mechanisms. We reviewed new processes recently implemented and identified further design enhancements required to achieve the intended operational objectives. In total we raised seven recommendations to support a fair and timely process.

Performance monitoring 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 though implementation of the following enhancements:
- To ensure appropriate use of the CTL process and equitable treatment for applicants, Calgary Approvals should retain evidence of applicant engagement and agreement, and the rationale for the CTL, and review and update POSSE system access and user authority to assign CTL on a periodic basis.

- Implementation of a POSSE Workflow that ensures ITR acknowledgements are generated and distributed to development permit applicants to support fairness and compliance with the Municipal Government Act[1].
- Development and implementation of a process to analyze and respond to applicant survey feedback, including incorporating lessons learned, to mitigate the risk of unfair treatment and reduced customer satisfaction.

PD management agreed to the majority (6 of 7) of recommendations raised and have committed to implementation of action plans no later than December 31, 2019. Our recommendation to revise development permit timelines for minor complexity applications was not accepted based on evaluation of resource/risk prioritization. The City Auditor's Office will follow-up on all commitments as part of our ongoing recommendation follow-up process.

---

[1] The Municipal Government Act requires that the Development Authority determine whether a development permit application is complete or incomplete and issue an acknowledgement to the applicant within 20 calendar days of application receipt.

1.0 Background

The Planning & Development (PD) department realizes The City of Calgary's (The City's) vision for a great city by managing the creation and redevelopment of safe and sustainable communities. PD's mandate is to develop land use policies and services to advance land use and development, population growth management, and regional planning. The Municipal Development Plan (MDP) and the Calgary Transportation Plan (CTP) provide strategic direction for all urban planning decisions to achieve the long-term vision of sustainable growth and to realize Council's priorities.

Policy development and growth management set the stage for the approvals continuum (Diagram 1), which is the land development process from end to end from policy and strategy development, to planning application and building permit review and approval, through to occupancy and post occupancy. A key objective across this approval continuum is to review planning applications to provide customers with a quality decision in a timely manner, which supports development realization and the ability to retain and attract private investment. In early 2017, PD started a Continuous Process Improvement Project[2] (CPI Project) to address concerns across the approval continuum.

The audit focused on application review and approval processes within the approval continuum highlighted with red borders in Diagram 1 below.

Diagram 1:

---
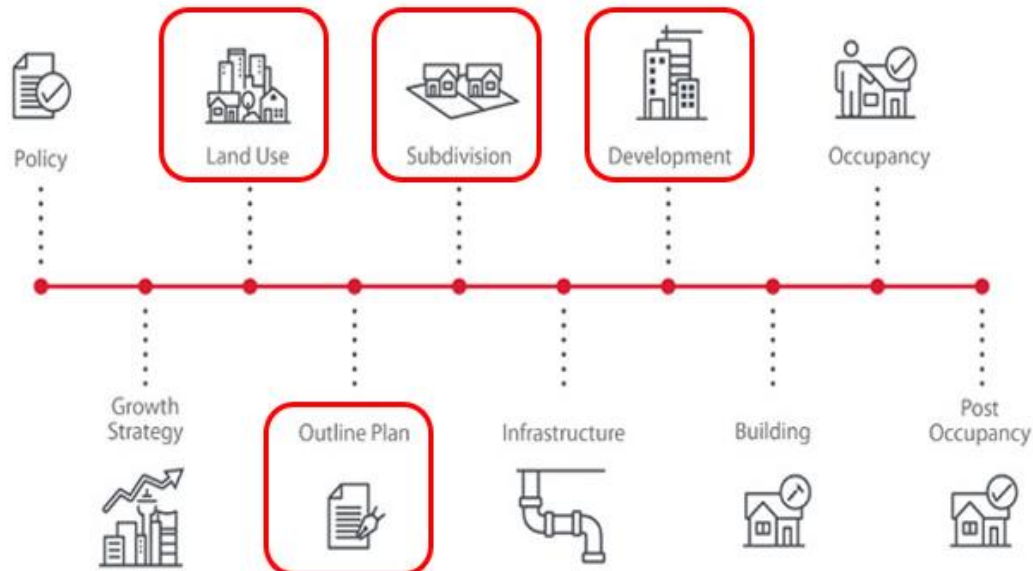
[2] The CPI Project's objectives are to address concerns across the approval process to ensure that the approval process is simplified and efficient. The CPI Project had several ongoing projects in 2017 focused on the approval process including an Initial Team Review project to revise acknowledgements of complete applications and to provide applicants with more information.

The following two business units within PD work collaboratively to provide development application review and approval services:

- **Calgary Approvals Coordination (Calgary Approvals)**
  Oversees the approval process and delivery of land development, from land use re-designation to occupancy, by supporting and coordinating staff from across The City to facilitate high quality and timely approval decisions. Calgary Approvals is the process owner for the Corporate Planning Application Group (CPAG), which conducts multi-disciplinary reviews of complex planning applications[3].

- **Community Planning**
  Leads local area policy development, application review and approval to achieve the corporate goals outlined in the MDP and CTP. Planning applications include Land Use Amendments, Outline Plans, Subdivision Plans, and Development Permits (DPs). As a key member of CPAG, Community Planning coordinates input from three core CPAG partners, the Transportation department, the Parks business unit, and the Development Engineering division, within the Water Resources business unit.

---

[3] Applications that generally require circulation to external agencies and community associations, input from CPAG, and public notification (Stream 4).

2.0 Audit Objectives, Scope and Approach

2.1 Audit Objective
The objective of the audit was to provide assurance that Calgary Approvals and Community Planning have effective controls and risk mitigation processes to deliver applicants quality, fair, and timely decisions that support development realization.

The objective was achieved by assessing the design and effectiveness of processes/controls in place to mitigate the risks identified in Appendix A.

2.2 Audit Scope
The scope of this audit examined complex planning application (Land Use Amendments, Outline Plans, Subdivisions by Tentative Plan, and DPs) review and decision activity completed or in progress from November 1, 2017 to October 31, 2018 and analysis of performance trends from January 1, 2017 to October 31, 2018.

The circulation process included in Step 3 of the review and approval process was not included in testing since the focus of our audit was on direct interaction with applicants.

2.3 Audit Approach
Our audit included the following:
- Interviews with Calgary Approvals and Community Planning management and staff (these four groups now referenced as Staff);
- Review and analysis of development application files and data;
- Review of relevant documentation; and
- Survey and/or interviews with Council members to capture feedback they may have received from applicants.

3.0 Results

We obtained application data from PD's database for the audit period November 1, 2017 to October 31, 2018 to select sample applications for testing. We obtained data for the period January 1, 2017 to October 31, 2018 to perform data analysis. The data was validated, within acceptable tolerance ranges (less than 2%) by comparing the volume of planning applications to POSSE records. We continued to validate PD data details to POSSE throughout testing and did not observe any major discrepancies. We also conducted a Councillor survey to gain a better understanding of applicant concerns received through the Councillor's Offices. However, due to the limited responses received, we could only conclude that Councillor's Offices receive complaints from time to time from land development applicants.

Complex planning application review and approval basically follows the same process steps for all application types as noted in Diagram 2 below.

Diagram 2:
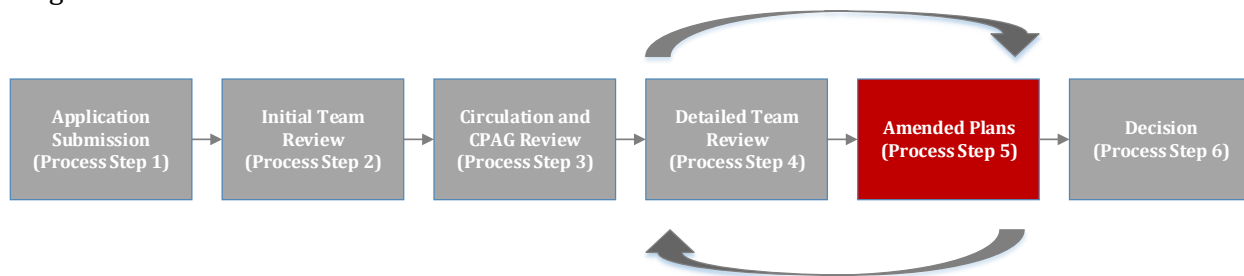
We assessed effectiveness of the controls related to the application review and approval process (Steps 1-6 in Diagram 2), and related performance monitoring and feedback mechanisms. Overall, we determined controls within established review and approval processes are effective to support the service's business objective of delivering quality, fair and timely decisions. Performance monitoring controls require enhancement to support intentional decision making by the Development Facilitation Oversight Committee (The Committee), effective communication of performance targets to staff and applicants for Minor DP applications, and timely resolution of applicant complaints (Recommendations 1, 6 and 7).

We reviewed three new processes implemented in the last two years to enhance collaboration and communication with customers, and review process timeliness and quality:
- Streamlined Initial Team Review (ITR) process;
- Customized timelines for applications that require more time or need to be completed on an accelerated timeline; and
- Customer survey tool.

We determined controls related to these processes require enhancement and raised four recommendations (Recommendations 2, 3, 4 and 5) to improve process design and achieve the intended objective of the new processes.

3.1   Application Complexity and Priority-Process Step 1

We reviewed processes to assign application complexity and designate priority applications and determined they are designed effectively.

Stream 4 Complexity

Complex planning applications are assigned to Stream 4 and a complexity of "Minor", "Medium" or "Major" to support PD staff resourcing. The Complexity Matrix (Matrix) provides a framework to classify Stream 4 applications. Although there is formal guidance for complexity assignment, PD staff interviewed indicated that Approval Coordinators and their teams assign complexity based on professional judgment, industry knowledge and previous experience. During the audit Closing Meeting with Community Planning and Calgary Approvals management, we shared an opportunity to communicate the Matrix to Staff to support consistent complexity assignment.

Stream 4 Priority Designation

CPAG may designate an application as Priority if one or both of the following criteria are present:
1.   Safety of Citizens – where there is an immediate need for a development to address an issue of safety; and/or
2.   Public Benefit – where the application proposes a new hospital, school, library, recreational use or project to achieve a greater good for the citizens of Calgary that The City should support.

Priority designation ensures the application is being processed with the full support of PD's management and staff and is being completed in an expedient manner. PD's expectation is that Staff adjust workloads to make the file a priority above all other files and work. We tested all eight Priority applications in our audit period and confirmed designation was consistent with the outlined criteria.

3.2   Application Review - Process Steps 2-6

CPAG is responsible for the review of Stream 4 planning applications. We reviewed DP application[4] data for the audit period and confirmed the following:
- The stages tracked in POSSE include the main stages of the process with a start and end date (application created, submission complete, ITR, Detailed Team Review (DTR), amended plans and decisions);
- Levels of complexity are tracked separately (Major, Medium, Minor), and the two levels of Stream 4 files (4a and 4b);
- Customized timelines are tracked;
- Time not working on files is tracked (on hold[5]);
- Applicant time is tracked; and
- Delays transitioning from one stage to another are tracked.

We reviewed DP data for the audit period and identified 101 applications that reached a decision in 30 days or less. The data was analyzed further for indications of potential

---

[4] We performed detailed analysis on DP applications since they represented the majority of applications in the audit period under review.
[5] Files are on hold when Staff are waiting for a response from applicants.

preferential treatment. We observed a mixture of applicant and file managers and did not note a concentration of any applicant or any file manager to suggest preferential treatment. The results of our application review, which included testing of a sample of applications, supports assurance that applicants were treated fairly and equitably.

Initial Team Review (Step 2)
CPAG conducts an ITR of Stream 4 applications to determine application completeness. Staff are expected to provide ITR acknowledgment to applicants including application status, file manager and CPAG contact information, expected date of the next milestone, major issues identified, and requirements that must be met where an application is incomplete.

A streamlined ITR process was implemented for Stream 4 Land Use and Outline Plan applications in July 2017, and DP applications in August 2017, to enhance communication with applicants.

We tested a sample of Land Use Amendments and Outline Plan applications and determined that the ITR document was provided for all sample applications by using an automatic ITR POSSE Workflow. We also reviewed a sample of DP applications and related POSSE information to determine whether acknowledgments (ITR Proceed for complete and ITR Hold for incomplete applications) were provided to applicants. Our testing indicated the ITR Hold was generated and provided to applicants for applications which were deemed incomplete after the ITR meeting.

However, based on testing, the ITR Proceed was not issued for complete DP applications since the POSSE Workflow was not aligned with operational expectations. To ensure acknowledgements are issued for complete applications and compliance with Municipal Government Act (MGA) requirements, we recommended that Calgary Approvals establish a POSSE Workflow and reinforce the requirement for formal acknowledgement with staff (Recommendation 4).

CPAG Review, Detailed Team Review, Amended Plans, Decision (Steps 3-6)
Once an application is accepted as complete, CPAG members review the application and provide their comments and conditions in the DTR template. The draft DTR document is reviewed by CPAG members in a DTR meeting. All CPAG members involved in the review must agree that the DTR document is complete and conditions are consistent before it can be distributed to the applicant. A CPAG Escalation Model is in place to provide guidance on the process to escalate concerns that cannot be resolved by CPAG. Although the CPAG Escalation Model is designed effectively, we did not test the operational effectiveness.

Testing of Steps 3-6 of the process focused on the DTR documents as these provide key information to applicants. Consistent communication supports fairness and quality. We tested a sample of DPs, and Land Use Amendments and Outline Plan applications and related POSSE information. We determined that the DTR documents were generated with appropriate information such as Prior to Calgary Planning Commission/Prior to Decision conditions and provided to applicants in alignment with the POSSE Workflow.

We also reviewed a sample of DTR documents and determined that the CPAG generalist and specialists involved in the review provided a response that was incorporated in the DTR.

Where conditions were identified, applicants responded (i.e. amended plans) before a decision recommendation was made by CPAG. Based on testing, controls that support decision quality were operating effectively.

Customized Timelines
In 2017, PD created the CTL Protocol to recognize that some complex Stream 4 applications may take longer to reach a decision than the standard 120-day timeline. Applications that require more time to complete parts of the application process may be assigned a CTL. The intent of the CTL is to provide optimal customer service to applicants who are experiencing challenges with meeting time commitments in the application process.

Based on testing of a sample of five Stream 4 DP applications with a CTL and a review of users authorized to create a CTL we noted that enhancements are required to the new CTL process to ensure that CTL are used appropriately. We recommended that the CTL Protocol be updated to require evidence of communication with the applicant and agreement to the CTL, along with the rationale for the CTL (Recommendation 2). We also recommended that management review and update POSSE system access and user authorities on a regular basis and restrict access to PD staff with the responsibility to create and adjust CTL. (Recommendation 3).

3.3 Performance Monitoring
We examined the effectiveness of performance monitoring at three levels: performance targets, tracking and monitoring, and The Committee. Monthly metric reports of planning applications data are prepared by the Approvals Coordinator and circulated to management and The Committee for review. We reviewed the October 2018 monthly metric report by recalculating several key metrics for DP applications. The data from the POSSE database supported the key metrics reported in the October 2018 report and the results of our recalculations and review.

Performance Targets
Current application performance targets (Table 1) were determined based on historical trends, actual experience, resource analysis and discussion with industry participants.

Table 1:

Application Type	Number of Applications Received in 2018	Target Timeline in Calendar Days
Land Use Amendments	248	180
Outline Plans	31	180
Subdivision by Tentative Plan	311	60
Development Permits-Stream 4	734	120

We compiled and analyzed monthly metric report data, from January 1, 2017 to October 31, 2018, to identify trends that could be an indication that targets are not reasonable. For trends

identified, we followed up with management to ensure trends were being monitored and escalated. We noted 20% of CPAG specialists[6] did not meet target timelines 80% of the time. Management indicated that the trend was discussed at CPAG meetings and at The Committee meetings and was being monitored. We also reviewed DP applications received in the audit period and compiled performance results in Table 2.

Table 2:

Development Permit Applications	Decisions in 120 Days or Less	Decisions in 30 Days or Less (All)	Decisions in 30 Days or Less (Minor)
488	407 (83%)	101 (21%)	81 (80%)

Currently all DPs have a target completion of 120 days and complexity is not considered in determining targets. We noted the majority of applications completed in 30 days or less were classified as Minor. Since complexity classification supports resource allocation, we recommended that management review performance targets for Minor complexity applications to ensure that timelines provided to applicants are meaningful and set appropriate expectations. Timelines should also support effective Staff resourcing (Recommendation 7).

Tracking and Monitoring Application Status
Planning application performance against established targets is tracked and monitored on a regular basis. Staff indicated tracking and monitoring of application status and performance against established targets is done through weekly reports (i.e. Key DP Milestones; Land Use and Outline Plan to Do List) and the CPAG Milestones Dashboard. Community Planning Coordinators review weekly reports and follow-up with Staff informally. Any persistent trend/concern regarding application review timeliness is discussed in CPAG Coordinator weekly meetings.

We tested six weekly DP reports and six weekly Land Use and Outline Plan to Do Lists and confirmed that reports were generated throughout the audit period, and applications were tracked and monitored.

Development Facilitation Oversight Committee
The Committee provides coordination and oversight of PD development work and processes, including review and follow-up on monthly service metrics, performance trending and forecasting. The Committee's Terms of Reference broadly outline The Committee's role with respect to monitoring performance, escalation and follow-up.

We reviewed The Committee's Meeting Minutes for the audit period under review and validated issues discussed, assignment of responsibility for resolution, and outstanding issues tracked were in accordance with the Terms of Reference. In addition, we reviewed action matrices and confirmed The Committee tracked and monitored performance.

---

[6] Within the four areas that participate in CPAG application reviews, there are 44 specialists that may be assigned a role in an application review.

Our review of Meeting Minutes confirmed The Committee monitored the specialist performance trend noted above, and The Committee determined no action was required. The Committee's Terms of Reference can be enhanced by including a definition of risk tolerance and level of acceptable risk to guide action and/or escalation required when performance concerns are identified, which will support intentional decision making and effective risk management (Recommendation 1).

3.4   Feedback Mechanisms
<u>Survey Feedback</u>
Calgary Approvals developed and launched a survey tool in March 2018 to collect applicant feedback once a Stream 4 application has reached a decision. The informal survey objectives were to collect applicant feedback regarding various milestones of the approval process, and to assess the effectiveness of the CPI Project.

Our review of a sample of completed surveys confirmed that the survey tool was designed effectively to achieve the informal survey objectives. We observed that applicants provided responses and additional comments regarding overall applicant service, application review timeliness and CPAG performance. However, we were unable to test operating effectiveness of the survey process since PD has not implemented a formal process to address specific concerns collected through the survey and survey results are not formally analyzed to identify lessons learned and/or process improvements. Formally defining survey objectives and developing and implementing a formal process to analyze and respond to survey feedback (Recommendation 5) supports customer satisfaction and continued participation in future surveys and ensures process improvements are identified.

<u>Applicant Complaints</u>
In addition to reaching out to file managers, applicants can communicate application concerns to CPAG members, Calgary Approvals staff and management, PD Directors, and the General Manager's Office. We were not able to assess timeliness of complaint resolution, since there is no formal process to track, monitor, escalate and resolve complaints and no process to review and analyze complaints received to identify lessons learned or process improvement opportunities. To ensure timely resolution and consistent treatment of complaints we recommended the development of an applicant complaint process (Recommendation 6).

We would like to thank staff from Calgary Approvals and Community Planning for their assistance and support throughout this audit.

4.0 Observations and Recommendations

4.1 Risk Tolerance to Guide Decision Making

The Committee Terms of Reference broadly outline The Committee's role with respect to monitoring performance, escalation and follow-up. However, there is no definition of risk tolerance that guides decision making. A clear definition of acceptable level of risk with respect to action and/or escalation required when performance concerns are identified, ensures that The Committee demonstrates intentional decision making and reduces the risk that concerns are not addressed appropriately.

We compiled and reviewed 22 months of monthly metric report data, from January 2017 to October 2018, and noted 20% of CPAG specialists did not meet target milestones 80% of the time. We reviewed The Committee Meeting Minutes to confirm that this concern was identified and discussed. The June 13, 2018 Minutes included documentation of a concern with late responses from specialists and acknowledged "Multi-disciplinary targets often suffer from CPAG specialists not meeting their timeline targets".

Staff advised that no specific action was being taken regarding this concern since there was no significant impact on the achievement of overall targets. The Committee is aware of the performance variance and it is monitored, however, definition of the risk level acceptable to the Committee would assist in demonstrating intentional decision making and effective risk management.

Recommendation 1

The Managing Director Calgary Approvals ensure The Committee:
- Define The Committee's risk tolerance and level of acceptable risk to guide action and/or escalation required when performance concerns are identified; and
- Update the Terms of Reference accordingly.

Management Response

Agreed.

Action Plan	Responsibility
There is an informal and undefined hierarchy of performance metrics and associated risk tolerance. We will clarify that hierarchy in the terms of reference for the Development Approvals Service Committee (formerly named the Development Oversight Committee). The Committee concerns itself first and foremost with key result areas that impact our customers (e.g. application approval timelines) and our commitments to Council. The example cited in the audit around specialist review timeline is a contributing milestone and is used to identify root causes of performance issues for the key result areas. If the key result area is performing well, as it was in the example, effort on correcting dependent milestones is likely better spent elsewhere. In addition to the above, the Planning and Development department adheres to the integrated risk management approach. Timeline delays are currently on the corporate risk registry as a risk that is actively managed.	<u>Lead</u>: Managing Director, Calgary Approvals <u>Support</u>: Development Approvals Service Committee <u>Commitment Date</u>: June 29, 2019

4.2   Documentation of Applicant Agreement for Customized Timelines

CTL can be created and extended, without documentation of justification or applicant agreement. Applicant agreement and the rationale for the use of a CTL should be documented to ensure the CTL has been utilized appropriately. Documenting the agreement and rationale for CTL allows for review and follow-up on applications to ensure that applicants receive equitable treatment.

The CTL Standard Protocol for Stream 4 applications indicates CTL should not be used when the applicant has not been engaged or has not agreed to the updated timeline, or to adjust review time commitments to bring an application out of overdue status. To request a Customized Timeline for an application, the file manager must contact the Approvals Coordinator with the file number, rationale, and CTL template.

We reviewed a sample of five Stream 4 DP applications completed with CTL. Three of five applications did not have supporting documentation to confirm the applicant agreed to the CTL. The documentation was either not attached to the application file or could not be located when requested. One of the three DPs was given a second CTL after the first CTL deadline passed. We could not determine if the applicant agreed to a deadline extension, or if the second CTL was created to prevent the application from being overdue.

CTL discussions with the applicant are informal and are usually conducted via email. Documentation of the request and applicant agreement to a CTL is in employees' emails, which are not attached to the application record in POSSE. Furthermore, if an employee leaves The City, the Approval Coordinators cannot access the email record of the request or communication between the applicant and the departed employee. We also noted that the comments fields in the POSSE records are not consistently used to document file activity, decision rationale or details of communication with the applicant.

The CTL approval process is treated informally, and the documentation of applicant agreement is not required which could result in inappropriate use. In addition, documenting applicant agreement supports application cancellation where the applicant doesn't respond within agreed timelines.

Recommendation 2
The Managing Director Calgary Approvals, update the CTL Standard Protocol for the Stream 4 application process to require evidence of applicant agreement and the rationale for the CTL.

Management Response

Agreed.

Action Plan	Responsibility
Maintaining the integrity of the customized timelines is critical to ensuring that our metrics are accurate and that there is no perception of impropriety from our customers. Approvals Coordinators will now ensure that that the supporting documentation, including customer agreement, has been placed in the POSSE document repository when entering new CTL. In instances where the CTL is being updated the Approvals Coordinator will ensure there is a reason inserted at the time of change and that the supporting documentation is included. Communication to file managers will reinforce this requirement.	Lead: Managing Director, Calgary Approvals Support: Community Planning Commitment Date: Now complete. March 5, 2019

4.3   User Authority to Assign Customized Timelines

Calgary Approvals is not regularly monitoring POSSE user authority to assign a CTL to an application to ensure access aligns with PD staff roles and responsibilities. Only PD staff with the authority to assign a CTL should have POSSE access to ensure CTL are assigned appropriately. Fair treatment for all applicants, could be impacted if POSSE users, other than Approvals Coordinators, have the authority to create and adjust CTL.

As noted above, the CTL Standard Protocol for Stream 4 applications requires applicant agreement or request to utilize a CTL. Once agreement is obtained, the file manager must

contact the Approvals Coordinator to request a CTL. The Approval Coordinator assigns a CTL to the application in POSSE. The authority to create and adjust CTL in POSSE should reside with the Approvals Coordinators. Once a CTL is set, the performance metrics are based on the custom timeline.

We observed 17 POSSE users have system authorization to create CTL. Six have the role of Approvals Coordinator and one Applications Service Manager. The remaining ten users have various roles, including different areas within PD and departments, such as Water Resources. Discussion with Calgary Approvals management confirmed two of those ten employees are former Approval Coordinators and had left the role in the latter half of 2018. Management agreed only Approval Coordinators should have system authorization. During the audit we noted that Calgary Approvals proposed that Technical Planning staff reviewing Stream 3 applications would also use CTL. A review and update of POSSE user access and authority should include all areas that will be using CTL.

Recommendation 3
The Managing Director Calgary Approvals, review and update POSSE system access and user authority to assign CTL annually or on a frequency based on organizational need.

Management Response

Agreed.

Action Plan	Responsibility
Strict control on customized timelines will eliminate the possibility of a staff member manipulating their own performance stats and help ensure that confidence in our published performance statistics is maintained. The POSSE user list for CTL was reviewed and updated to restrict the access to Approval Coordinators within Calgary Approvals Coordination and two supervisory staff members in the Technical Planning team within Calgary Building Services. This list will be updated as staff change roles to ensure the permission are restricted to the Approval Coordinators. The role of maintaining the access list has been assigned to admin. staff within Calgary Approvals Coordination.	Lead: Managing Director, Calgary Approvals Support: POSSE Support Commitment Date: Now complete. March 7, 2019

4.4   Communication to Applicants for Complete Applications

Although an ITR of DP applications is conducted to determine whether the applications are complete, file managers are not issuing acknowledgments to applicants for complete applications. File managers should send a formal acknowledgment to applicants to provide consistent and timely communication early in the approvals process. Formal acknowledgement supports fairness and compliance with the MGA, which requires the issuance of an acknowledgment within 20 calendar days after the receipt of a DP application.

In August 2017, PD introduced, a simplified ITR process for Stream 4 DPs to streamline and expedite communication with applicants. A custom ITR document can be generated within POSSE and emailed to the applicant by the file manager, replacing the need for manual correspondence. The ITR document contains important information about an application such as contact information and next expected milestone. PD's expectation was that the file manager completes the POSSE ITR Proceed template for complete applications and the ITR Hold template for incomplete applications.

We reviewed Robo (PD's knowledge base of staff policies, procedures, and documents) guidance regarding generation of the ITR documents. Robo guidance outlines that after ITR meetings, applicants receive an ITR document that outlines information specific to their application. The acknowledgement for complete applications (ITR Proceed) communicates that the application is complete and will proceed to a further detailed review. For incomplete applications the ITR document (ITR Hold) includes information on what is required to complete the application. The purpose of the ITR documents is to provide applicants with consistent and timely communication early in the approvals process. File managers fill out the POSSE template and then email it to the applicant.

We selected a sample of 37 DP applications (Major, Medium, Minor and Priority classification) within our audit period (application creation date from November 1, 2017 to October 31, 2018). We reviewed POSSE information to determine whether the ITR letters were provided to the applicant. Twenty-two applications were deemed complete after the Corporate Planning Applications Group's (CPAG's) ITR meeting, however the ITR Proceed was only available for one application in POSSE. The remaining 15 applications were deemed incomplete after the ITR meeting. We observed the ITR Hold was generated and provided to 13 applicants (out of 15) via email and the ITR Sent Workflow completed.

We reviewed the POSSE ITR Workflow and noted there were two main outcomes:
- Completed - ITR Document required, with the job type - Give Applicant ITR Form; and
- Completed - NO ITR Document is required, with the job type - Review application.

Our testing and interviews indicated that if an application is considered incomplete after the ITR meeting, file managers select the outcome Completed - ITR Document is required and fill out the ITR Hold template in POSSE and then email it to the applicant. A POSSE process also reminds file managers to complete the ITR Hold template.

However, if an application is considered complete after the ITR meeting, the file manager selects the outcome Completed - NO ITR Document is required. Since the POSSE process does not require the file manager to send the ITR Proceed to the applicant, file managers may not generate the ITR Proceed and may provide verbal or email status updates to applicants.

Based on testing, the POSSE process outcome for complete applications is not aligned with PD's expectations and Robo guidelines to create the ITR Proceed document for complete applications.

MGA sections 683.1(1) and 683.1(5) state that a development authority must determine whether the application is complete or incomplete 20 days after the receipt of a DP application, and the development authority must issue to the applicant an acknowledgment in the form and manner provided for in the City of Calgary's Land Use Bylaw 1P2007 (Land Use Bylaw). The Land Use Bylaw does not provide any specific details regarding the form of communication with applicants during the application review process.

Robo Application Completeness guidance outlines that when PD receives a DP application, PD must let the applicant know within 20 calendar days after the submission, whether the application is complete through the ITR Procced or incomplete through the ITR Hold document.

Recommendation 4
The Managing Director of Calgary Approvals ensure that acknowledgements are issued for complete applications by:
- Establishing a POSSE Workflow that ensures ITR Proceed documents are generated and distributed to applicants; and
- Reinforcing the requirement for formal acknowledgement.

Management Response

 Agreed.

Action Plan	Responsibility
During completion of a system upgrade in 2018 to better inform our customers of the status of their applications and to align with the Municipal Government Act requirements a process was missed on the Development Permit job type. That missed process was included on other jobs such as the Land Use job type. Work to correct this deficiency commenced in January 2019. We are building the process to align the Development Permit 'Initial Team Review (ITR) process with the Land Use ITR process. This alignment will ensure we are meeting our regulatory requirements by using our workflow tool to "force" the ITR process for all applicable job types.	Lead: Managing Director, Calgary Approvals Support: Community Planning, Business Services - Calgary Building Services Commitment Date: June 28, 2019

4.5   Survey Feedback Follow-up and Analysis

Although Calgary Approvals developed and launched a survey tool in March 2018, to collect applicant feedback once an application has reached a decision, there is currently no formal follow-up with applicants or formal analysis of survey results. There should be a formal process to follow-up on complaints/comments received to ensure that concerns are resolved. In addition, survey results should be analyzed to identify process improvements. Lack of a formal process presents the risk of a decline in applicant satisfaction and lack of participation in future surveys where there is no follow-up on concerns identified. Further, there is a risk that process improvements that could contribute to fairness, timeliness and quality are not identified.

Staff indicated that the objectives of the survey are to get feedback from applicants about their experience at various stages of the approval process, and to measure the success of the CPI Project. However, the objectives are not formally defined.

Recommendation 5
The Managing Director Calgary Approvals:
- Formally define survey objectives; and
- Develop and implement a process to analyze and respond to survey feedback, including incorporating lessons learned.

Management Response

Agreed.

Action Plan	Responsibility
The original customer survey for multi-disciplinary applications was launched with a limited analytics package attached to it. The results from the survey are reviewed manually, however the process is not robust and there is a need for improvement. a) Significantly improved analytics are currently being built through the first tranche of data analytics tools delivered by the Service Insights & Data Management Strategy project. b) Additionally, this more refined data will feed into the Customer Insights Framework to assign responsibility for acting on the feedback and inform business decisions. Through those integrated projects we will also ensure that clear objectives of the customer survey are defined.	Lead: Managing Director, Calgary Approvals Support: Business Services, Calgary Building Services Commitment Date: a) Improved Data Analytics - June 28, 2019 b) Customer Insights Framework- December 31, 2019

4.6   Applicant Complaint Process

We could not assess whether applicant complaints were resolved in a timely manner since there are many intakes and no formal process to track and monitor complaints. Applicant complaints should be tracked and monitored to ensure timely resolution and incorporation of feedback on organizational performance into potential process improvements. A formal complaint process supports consistent treatment of complaints and increased applicant satisfaction and reduces the risk of duplication of effort where multiple areas within PD are working on the same complaint.

We noted through PD's staff interviews and a review of information in ITR and DTR documents that applicants are expected to reach out to their file managers with concerns related to their application. File managers are responsible to follow-up, escalate and resolve complaints. A CPAG directory is available on The City's website, which provides applicants direct access to contact information for City staff, including CPAG core staff and management, to ask questions or voice concerns. Complaints received through these intakes are not formally tracked and monitored.

PD staff advised that applicants may also reach out to PD Directors and the General Manager's Office with concerns. Although, PD staff assign complaints received to the responsible area within PD, complaints are not tracked and monitored to ensure they are resolved.

Applicants can also utilize The City's 311 Service to share concerns. Out of the two business units (Calgary Approvals and Community Planning) in our audit scope, Community Planning receives service requests through 311. Although Community Planning 311 requests are tracked and monitored for timely resolution, testing of 311 service requests and PD staff interviews indicated that applicants are not using 311 to share concerns regarding planning applications.

PD staff indicated that currently PD does not have a formal complaint process to track and monitor, escalate and resolve complaints received through the intakes noted above. In addition, there is no process to review complaints to identify process improvements. Calgary Approvals is developing a complaint intake and tracking system (SharePoint based), to track complaints received, however this initiative is in the initial stage.

Recommendation 6
The Managing Director Calgary Approvals, develop an applicant complaint process that includes:
- Complaint intake, tracking and monitoring, escalation and resolution;
- Analysis to identify process improvements; and
- Defined staff roles and responsibilities.

Management Response

Agreed.

Action Plan	Responsibility
Although we do address customer complaints as a matter of course, we have initiated work to holistically track and address our customer concerns, in whatever way they come to us. We are currently developing a Customer Insights Framework that will take in and process inputs from various data sources including customer surveys, inquiries, complaints, and application issues. These insights will then be fed back into various areas of the business and may result in recommendations for policy changes, process improvement, staff training, external communication/education etc. Specifically related to customer complaints, a system is actively being developed to track complaints across the land development continuum and ensure nothing 'falls between the cracks'. Exploratory work on this system is being led by Calgary Building Services and would tie into the Customer Insight Framework identified under the action plan to Recommendation 5 above. This system will allow us to better track customer inquiries, ensure that issues are addressed and that lessons learned are used to influence policy, procedural changes, and staff training.	<u>Lead</u>: Managing Director, Calgary Approvals <u>Support</u>: Business Services - Calgary Building Services <u>Commitment Date</u>: Complaint Tracking System - September 30, 2019

4.7 Development Permit Completion Targets

Of Stream 4 DP applications in the audit period under review, 80% completed in 30 days or less were assigned a Minor complexity. Application target timelines should be reasonable and based on analysis of historical trends. Measuring performance against a meaningful target timeline supports effective resource planning and effective communication of expectations to Staff and applicants.

Currently, all DP applications have a target completion of 120 days. As noted in Section 3.1, application complexity (Minor, Medium, Major) supports staff resourcing and is not considered in determining completion targets.

We analyzed DP data and observed most applications that reached a decision in 30 days or less related to Minor applications (80%). Calgary Approvals should review past performance for Minor complexity applications and revise targets as required to ensure that timelines communicated to applicants set clear expectations and to enhance the effectiveness of resource allocation.

Recommendation 7
The Managing Director Calgary Approvals, review performance against completion targets and revise targets as required to align with actual time to complete applications.

Management Response

Disagreed.

We do not feel that it is a significant issue requiring a change to our business practice, and no action has been taken at this time. We have concerns about further complicating the performance expectations for our staff by increasing the segregation of files.

It should be noted that despite having a standard performance target, our staff are completing these minor complexity files in a significantly reduced timeline as one would expect. We feel there is little urgency to address this.

City Auditor's Response

Although we support management's current assessment of priority with respect to risk exposure, we recommend reconsideration as the process matures, demand increases, and/or resource requirements become further constrained.

Appendix A

Risk Title	Risk Rating	Risk Description	Sub Risks	Control Ref	Identified Controls/Mitigating Processes	Risk Deemed Significant and Included in Test Plan (Y/N)
1. Loss of private investment.	Inherent-H	PD's inability to facilitate/enable development may result in business investment, along with the talent pool, moving to other jurisdictions (i.e. ease of doing business).	1-Delays in planning review and approval costing customers time.	1	Stream 4 CPAG review and circulation process-CPAG reviews complex planning applications through the co-ordination of input from three core departments including Transportation, Development Engineering, and Parks. The process includes defined stages for each application type with timelines (ITR, DTR). CPAG Generalist/Specialist review timelines and CPAG performance for various phases of application review and approval are tracked. In addition timelines for the client to respond are defined and tracked.	Y
				2	Workflows in POSSE- The Workflows include the stages for each application type and track the start and finish dates.	Y
				3	New ITR template provides customers with additional information around status of application, and what issues are outstanding.	Y
				4	Revised ITR process to communicate and educate on complete application standards during application submission. DTR communication to customers.	Y
				5	CPAG Manager weekly meeting and CPAG Coordinator bi-weekly meeting, weekly reports to CPAG Managers and Coordinators.	Y
				6	Development monthly metrics reports to PD's management, and Weekly Reports to Community Planning and Calgary Approvals management and supervisors.	Y
				7	The Committee provides coordination and oversight of development work and processes including Outline Plan approvals, Land Use Amendment approvals, Subdivision application approvals and Development Permit approvals.	Y
			2-Failure to treat customers fairly and equitably resulting in decline of customer loyalty and satisfaction.	1	Stream 4 CPAG review and circulation process-A file manager is assigned to each complex planning application and coordinates the CPAG review through three core departments including Transportation, Development Engineering, and Parks. The process includes defined stages for each application type with timelines (ITR, DTR). CPAG Generalist/Specialist review timelines, and CPAG performance for various phases of application review and approval are tracked. In addition timelines for the client to respond are defined and tracked.	Y
				8	A survey tool/questionnaire to gather feedback from customers after the completion of an application.	Y
				9	Customer complaints are assigned to file managers.	Y
				10	CPAG Escalation process is followed to address any conflicts or inconsistencies among CPAG members' opinions regarding application approval.	Y
			3-Failure to promote/comply with MDP, CTP and Council priorities resulting in poor quality decisions.	1	Stream 4 CPAG review and circulation process-CPAG reviews complex planning applications through the co-ordination of input from three core departments including Transportation, Development Engineering, and Parks. The process includes defined stages for each application type with timelines (ITR, DTR). CPAG Generalist/Specialist review timelines and CPAG performance for various phases of application review and approval are tracked. In addition timelines for the client to respond are defined and tracked.	Y
				4	Revised ITR process to communicate and educate on complete application standards during application submission. DTR Communication to customers.	Y
				9	Customer complaints are assigned to file managers.	Y
				10	CPAG Escalation process is followed to address any conflicts or inconsistencies among CPAG members' opinions regarding application approval.	Y
				11	CPAG Operating Protocols.	Y