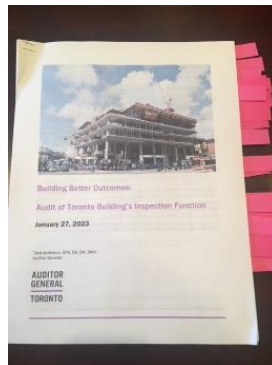


Analysis of Toronto’s Auditor General Report: Building Better Outcomes: Audit of Toronto Building’s Inspection Function, Jan. 27, 2023



These audit results found that Toronto Building Division’s (TBD) Inspection Function’s performance continues to be very weak, putting the health and safety of building occupants at risk. These results also confirm what CPBH has heard directly from many purchasers of newly built homes. It is important to note that many of the issues found in this audit were also found in the 2013 audit of this same organization. ***The picture that emerges is one of a fundamentally important public function that is in chaos and not working.*** Here is the link to the 2023 [audit report](#) on the TBD. Here is the link to the [2013 audit](#).

Thank you to the Auditor General of the City of Toronto, Tara Anderson, CPA, CA, CIA, BAcc and their team.

Contents

Background:.....	2
Detailed Analysis.....	3
Conclusion:	22

Background:

CPBH has heard from purchasers of newly built homes in many parts of the Province of Ontario about Code violations discovered in their homes once the home was occupied. Most homeowners naturally expect that any Code violations will be detected by the municipal inspectors and corrected before they take possession. But far too often, this is not the case. Code violations can occur anywhere in the home – from the roof to the foundation and everything in between. Tragically, homeowners’ efforts to have Code violations properly addressed, e.g., by the builder, the warranty provider, Tarion, and/or the municipality, often take a terrible toll on families, often dragging on a number of years. In these cases it is quite common for families to experience financial hardship, physical health issues (e.g., mould from water infiltration), mental health issues from stress and anxiety, and/or family/marriage breakdowns. CPBH has raised these issues with many officials in the Government of Ontario over the years, but sadly little- to-nothing has been done since CPBH was founded in 2004. In one meeting with officials in the Ministry of Municipal Affairs and Housing a few years ago about the lack of enforcement of the Ontario Building Code during construction, CPBH was asked by a senior official:

“Has anyone died?”

It is important to recognize that there are good builders in Ontario who have been licenced by the building regulator (Tarion until Feb. 2021, the Home Construction Regulatory Authority since Feb. 2021). But the regulator also licences poor and marginal builders.

It is also important to recognize that the Ontario Building Code is a minimal standard. The following statement from a former Chief Building Official serves to highlight this.

“..The Building Code’s purpose...is to establish minimum standards for people to survive in their homes...It’s basic, minimum standards...bare minimum...all building code deficiencies are considered serious...”.

-- A. Gregoire, former City of Ottawa Chief Building Official

Given the Government of Ontario’s current initiative to build faster, many expect that these issues are going to worsen if the Government of Ontario does not take immediate action to address these issues with municipal inspections.

This audit of the building inspection function in the City of Toronto provides an important case study.

Prepared by  Canadians for Properly Built Homes

Mar. 25, 2023 Related to Toronto’s Auditor General Report: Building Better Outcomes: Audit of Toronto Building’s Inspection Function, Jan. 27, 2023

Detailed Analysis

The following table provides selected findings/statements from the Auditor General’s report, as well as CPBH’s related comments/questions.

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
Key finding: “ Construction is proceeding without inspections - We found building permits where construction had proceeded (and in some cases, homes were completed and occupied) without permit holders requesting prescribed inspections; thus, inspections were not conducted by Toronto Building inspectors.”	2	Obviously this is a very serious issue for purchasers of newly built homes.
Key finding: “ Deficiencies are not always well documented, communicated or followed-up - We found deficiencies identified during inspections were not consistently documented, communicated and followed-up by inspectors in accordance with the Division’s operational policies and procedures.”	2	This is another very serious issue for purchasers of newly built homes.
Key finding: “ Inspectors not always issuing orders to enforce compliance - There is no requirement in the Act to issue orders; however, they are one of the tools for bringing about compliance. Toronto Building takes a progressive approach to enforcement which starts with verbal requests. However, we found that some inspectors did not issue orders to enforce compliance after repeated verbal requests for action to be taken by the permit holder. In cases where inspectors issued orders, they did not consistently follow up to ensure action on open orders achieved compliance by the specified date.”	2	This is another very serious issue for purchasers of newly built homes.
Key finding: Limitations of IBMS data used to report key performance measure - Toronto Building reported 91	3	This is another very serious issue for purchasers of newly built homes.

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
per cent compliance with legislated time frames in 2020. Our analysis of IBMS3 data showed similar results for 2021. Because of limitations in this data (which management uses to report on its key performance measure), it is not possible to fully verify the accuracy of reported compliance rates.”		
Key finding: “Record-keeping needs improvement - We found that inspectors did not always follow documentation requirements set out in the Division’s policies, nor did they document the inspection steps they performed during their inspection of a building element / component of construction. In the absence of detailed notes, we are not able to confirm or verify that the applicable steps in Toronto Building’s “Field Inspection Service Levels” were performed.”	3	This is another very serious issue for purchasers of newly built homes. Homeowners need to have the ability to access their inspection records when required, e.g., to pursue their claims with the builder, Tarion, and/or the courts.
Key finding: “Clarify expectations for using and relying on third party reports - We found that the Division’s operational policies and procedures can be more clear about what must be done and documented when inspectors rely on general reviews ⁴ and/or other requested reports. We found significant variation in the way the inspectors documented their requests, reviews of the reports, and follow-up on limitations, issues or deficiencies noted in the reports.”	3	This is another potential issue for purchasers of newly built homes.
Key finding: “Quality assurance processes can be strengthened - The Division was not following its policies for on-site supervision. Monitoring of inspection activities was minimal. Internal quality audits conducted by managers did not identify and address	4	This is another potential issue for purchasers of newly built homes.

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
some common areas of non-compliance with the Division’s operational policies and procedures.”		
Key finding: “Continue reinforcing the importance of compliance with the Conflict of Interest policy - We found a case where an employee's actions indicated a conflict of interest.”	4	This is another potential issue for purchasers of newly built homes.
Key finding: “Modernizing systems to support business needs” – Outdated technology that management says may take three to five years to complete their systems transformation project.	4	This is another potential issue for purchasers of newly built homes. The longer that the Toronto Building Division takes to address their systems, the greater the risk to the purchasers of newly built homes.
“The issues identified in this audit are not new”	5	This finding presents a very serious issue: It suggests that previous audit results were not taken seriously by the City of Toronto or by the Government of Ontario.
“Toronto Building’s 2022 operating budget of over \$68 million (gross), as summarized in Table 1, included funding for 534 positions, including 169 building inspection related positions. Over 20 per cent of inspection positions were vacant at the beginning of 2022”.	10	This is an issue for purchasers of newly built homes. Homeowners are paying for inspections in their fees, but often they are not getting these inspections. This sort of situation has occurred in a number of Ontario municipalities for the past 20+ years. The Ontario government is aware of this situation, but has not taken appropriate steps to address.
In 2022, the Toronto Building Division accumulated \$16,147,000 in surplus revenues.	11	This is an issue for purchasers of newly built homes. These costs all contribute to the affordability of housing. Where did this surplus go?
“Protecting public health and safety is an objective of the Building Code Protecting public health and safety and limiting the probability of certain types of damage or degradation as a result of the design or construction of a building are key objectives of the Building Code. CBO establishes operational policies to enforce the Act and the Building Code	12	This is an issue for purchasers of newly built homes. After the second audit in the past decade by the Auditor General of the City of Toronto, it’s clear that Toronto’s CBO is not doing an adequate job, thereby risking the public’s health and safety. What are the consequences of this? Where is the accountability?

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
<p>The Chief Building Official (CBO) and building inspectors play an important role in enforcing the Act and the Building Code. The CBO’s role includes establishing operational policies for the enforcement of the Act and the Building Code and coordinating and overseeing their enforcement.”</p>		<p>This is not just an issue in Toronto, it is happening in a number of Ontario municipalities.</p> <p>Homeowners have advised us that in some situations when they complained to the CBO, the response was “so sue us”. Most homeowners do not have the resources (e.g., financially or emotionally) to sue a deep-pocketed municipality.</p> <p>These ongoing issues with the CBO and inspectors have called into question the effectiveness of the Ontario Building Officials Association (OBOA) which has the following Mission: “To support the construction of safer, more sustainable and accessible buildings in Ontario. We do this by delivering training and certification to Building Officials, promoting uniform code application, working with industry partners, providing a voice to policy makers, and advancing the Building Official profession”. (Source OBOA website, retrieved Mar. 14, 2023.) It is important to note that OBOA receives considerable funding from municipalities, and some have suggested that given this, OBOA may be reluctant to speak out about concerns with Chief Building Officials, inspectors, etc. It has been suggested that this given the funding that OBOA receives from municipalities, it may have a conflict of interest – or at least a perceived conflict of interest. CPBH has written to OBOA and asked if it has a Code of Ethics, but no response as of Mar. 25, 2023.</p>
<p>“79% of open permits were not inspected during 2021 - At the end of 2021, there were more than 226,000 open building permits. Over three quarters (about 178,200) of these open permits had not received an inspection in 2021...in most cases because the permit holder did not request one. A similar observation was previously</p>	<p>14</p>	<p>This is an issue for purchasers of newly built homes. Open permits not inspected for over a year is clearly an issue that has not been addressed in the past nine years. As noted in the 2013 audit: “No inspection of 98,000 permits for over a year in 2012”. So, since the 2013 audit, this issue has worsened.</p>

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
identified in the Auditor General’s 2013 report, “Toronto Building - Improving the Quality of Building Inspections.”		<p>This is one indicator that suggests serious mismanagement within the Toronto Building Division.</p> <p>As noted on Page 15 of this report: “Open permits without When permit holders do not notify the Division that they are ready for inspections pose prescribed inspections and a significant amount of time has passed potential risks without any follow up by Toronto Building staff, potential risks may exist that the builder did not construct the building in accordance with the issued building permit and that:</p> <ul style="list-style-type: none"> • Permit holders have moved forward with the next stage(s) of construction and building elements have been covered before the prescribed inspection has been carried out and passed. Without an inspection, non-compliance with the Act or Building Code may not be identified or addressed. • Construction has been completed and the structure is being used and/or occupied without all the required inspections to confirm that applicable law has been met and health, safety and other objectives of the Building Code are fulfilled.” <p>Also raised on Page 15: “...at the end of 2021 there were approximately:</p> <ol style="list-style-type: none"> a. Around 118,000 open permits where construction has commenced and there have been no recent inspections (i.e., no inspection completed in 2021) b. Nearly 57,900 open permits where there has been no inspection at all since the permit was issued and the construction status is unknown..”
“When no inspection is requested, following up on open permits is left to inspectors’ discretion In 2021, Toronto Building performed over 155,000 inspections related to over 62,000	14	This is an issue for purchasers of newly built homes. Leaving this to the discretion of each inspector is clearly unacceptable. Management needs to effectively manage this.

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
<p>building permits, complaints, and orders - Management advised that due to the high volume of construction activities and the current number of resources needed to deal with requested inspections, follow up on open permits where inspections have not been requested are not the immediate priority. Subject to time availability, where permit holders have not requested an inspection, proactive inspections or follow up on open permits is left to the discretion of each inspector. In our interviews with inspectors, some staff advised us that they were not performing proactive inspections.”</p>		<p>Page 14 provides a graph that shows 103,400 open permits at the end of 2021, with no inspection in 2021, dating back to 2015 or earlier.</p>
<p>“We found work had proceeded without permit holders calling for inspections - Based on review of Google Maps images taken after the last inspection of those properties, it appears that construction continued without the permit holder contacting Toronto Building for prescribed inspections. Most houses looked like construction had progressed past the stage(s) where the permit holder should have notified the CBO for a prescribed inspection or re-inspection. In fact, many of these homes appeared to be completed and occupied.”</p>	17	<p>This is an issue for purchasers of newly built homes. It is alarming that the construction continued without contacting Toronto Building for prescribed inspections.</p> <p>What are the consequences for the builders that did not call for the prescribed inspections?</p>
<p>“Toronto Building confirmed some houses were occupied without occupancy permits - We asked Toronto Building to follow up and confirm the status of these 20 open permits where, in 2021, permit holders had not notified the CBO of readiness for inspection at prescribed stages of construction. Inspectors visited the properties and</p>	17	<p>This is an issue for purchasers of newly built homes. It is common that homes are occupied without a full occupancy permit. In this sample, one of these 20 homes that was already occupied did not pass the occupancy inspection. Although management advised that “no unsafe conditions were observed”, all Code violations are considered serious.</p>

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
<p>noted the following as of October 31, 2022:</p> <ul style="list-style-type: none"> • 8 (40%) properties were already occupied. Upon further inspections, seven of these properties were issued occupancy permits. One occupied property did not pass the occupancy inspection and an order was issued. Management advised that for this property no unsafe conditions were observed. • 7 (35%) properties were not yet occupied. Upon further inspections, six of these properties passed additional inspection stages (e.g., structural framing, insulation/vapour barrier), including two that were issued occupancy permits. • 5 (25%) properties where inspectors could not determine their occupancy status. For two of these properties, the inspector was not able to gain entry to the house. For the remaining three properties, although the inspector was not able to confirm whether the house was occupied, inspections identified outstanding deficiencies, and in one case an order was issued.” 		<p>It is also important to note that for 25% of the properties considered, the inspectors could not determine their occupancy status.</p>
<p>“Management unable to determine from IBMS notes if construction was completed, suspended or abandoned – We discussed with management some of the other open building permit files we reviewed, but they did not know the current state of construction because an inspection <u>had not occurred for over one year to as many as six years</u>. For example, based on the IBMS records, we observed that:</p> <ul style="list-style-type: none"> • Inspectors issued orders on three permits as a result of the latest 	<p>17-18</p>	<p>This is an issue for purchasers of newly built homes. Obviously the City of Toronto should have addressed its computer system issues a long time ago.</p> <p>Regarding the Act putting the onus on the permit holder to notify the Division that the construction is ready to be inspected - Clearly this is a serious shortcoming in the Act that the Government of Ontario must address.</p>

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
<p>inspection on record. Though the orders were subsequently closed, no further inspections had been requested or conducted and the building permits have remained open without inspections since 2016, 2017, and 2019 respectively.</p> <ul style="list-style-type: none"> • Inspectors had noted deficiencies or work had not progressed on four other permits, and the most recent inspections on record were “Not Passed”. No further inspections had been requested, no follow up was done by Toronto Building staff, and the building permits have remained open with no further inspections on these sites in over four years. • On one other building permit, an inspector passed the Structural Framing stage in a pro-active inspection in December 2016. No further inspections had been requested by the permit holder, no follow up was done by Toronto Building staff, and the building permit has remained open with no further inspections in over five years. <p>As noted previously, management has emphasized that, according to the Act, the onus is on the permit holder to notify the Division that the construction is ready to be inspected.”</p>		
<p>“57,900 permits have never been inspected - Toronto Building does not know whether construction has started on about 57,900 open permits as no inspections have ever been carried out.</p>	19	<p>This is an issue for purchasers of newly built homes. This finding suggests a serious mismanagement issue.</p>

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
<p>“CBO may revoke a permit if construction has not started or has been discontinued.</p> <p>Open permits may be revoked by the Chief Building Official under certain circumstances, namely, when construction work under the permit has not been seriously commenced after six months of permit issuance, or when construction has been substantially suspended or discontinued for a period of more than one year. Management advised that, about five years ago, the Division began piloting the Active Permit Review Program for residential projects. Toronto Building will send out a Notice of Intention to Revoke a permit to holders of permits older than 18 months where no inspection has ever been requested. If no inspection is requested by the response deadline indicated on the notice, or if a request is made but the subsequent inspection reveals that the work has not in fact started, Toronto Building will revoke the building permit(s).</p> <p>As of April 2021, 787 notices were sent out involving 1,459 permits and 1,201 permits have been revoked; 258 permits remain active based on inspections performed as part of this program. Toronto Building management advised us that they plan to roll this program out across all permits. It is important to note that the program does not include any open permits where construction had started and the permit holder had requested at least</p>	<p>19</p>	<p>While it is good that a pilot project commenced to deal with open permits, it started five years ago. Meanwhile the number of open permits continues to grow. “The Chief Building Official has acknowledged that the number of open continues to grow permits is not going in the right direction... and that more support and focus are needed to address the issues related to permits open for prolonged periods of time.” (P. 20).</p> <p>What are the consequences for the CBO who has allowed this to worsen?</p> <p>Clearly there must be a much higher priority placed to address this serious issue of the growing number of open permits.</p>

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
one inspection of the construction (as noted in the previous examples).”		
<p>“Inspectors not always adhering to Toronto Building’s policies - Inspectors are expected to carry out prescribed inspections in accordance with the Division’s policies and procedures. If an inspection is not passed because of observed deficiencies in building components, Toronto Building operational policies and procedures require the inspector to:</p> <ul style="list-style-type: none"> • make a note in IBMS to identify the components requiring reinspection and/or attach a deficiency list to the prescribed inspection • record deficiencies in the deficiency function within IBMS so that they are properly numbered and tracked for re-inspection and clearance before the inspection is passed We found that this was not always occurring. We do note that there is a broad range of possible deficiencies from minor to major, and not all deficiencies prevent progress to the next stage of construction.” 	21	<p>This is an issue for purchasers of newly built homes. “...Non-compliance with documentation standards was also identified in a 2013 audit..” Why has this not been dealt with, particularly given that it was noted in 2013? Once again, this finding suggests a serious mismanagement issue.</p>
<p>“Inspectors Need to Improve How They Document Identified Deficiencies and Record How Deficiencies Are Communicated –</p> <p>Inspectors are not always properly recording identified deficiencies. Our interviews with inspectors indicated that they did not follow consistent practices for recording and communicating deficiencies, and some inspectors were not following the Division’s operational policies for documenting their inspections and any</p>	22	<p>This is potentially a very serious issues for purchasers of newly built homes. When problems arise when the home is occupied, e.g., Code violations, homeowners will often need obtain a copy of the contents of their home’s file related to municipal inspections.</p>

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
deficiencies noted. This is consistent with what we observed in practice when reviewing inspection records in IBMS.”		
“...We also found that inspectors often did not document how the deficiencies were communicated to the responsible parties. According to our interviews with inspectors, communication practices included verbal warnings, emails, and the use of an IBMS functionality to forward a deficiency list to the contact on file. Where an inspector’s notes indicated that deficiencies had been communicated in writing, we found that they did not always retain a copy of the communications (e.g. emails) in IBMS...”	22	This is potentially an issue for purchasers of newly built homes. Once again, homeowners facing Code violations in their newly built homes often try to obtain related documentation from their municipal files. It is critical that the municipality document not only communicate in writing, but also retain a copy of the emails in the home’s file.
“Important for inspectors to consistently follow the Division’s operational policies - Where inspectors do not follow operational policies to properly document deficiencies using the available functionality in IBMS, it makes it more difficult to: <ul style="list-style-type: none"> • track identified deficiencies to ensure their proper resolution • have an accurate and up-to-date understanding of what issues need following up and re-inspection • effectively monitor permit status • analyze deficiency data for trends to identify where targeted education of permit holders and the industry may be needed.” 	23	This is an issue for purchasers of newly built homes. How is it possible that inspectors are not following the Division’s operational policies?
Records do not clearly indicate if deficiencies have been addressed - We found that because the deficiencies were not always properly tracked using the IBMS system functionality, and the	23	This is an issue for purchasers of newly built homes. Is it any wonder that homeowners often find Code violations in their newly built homes?

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
inspector’s notes did not always contain complete information about deficiencies, it was sometimes difficult to determine if identified deficiencies were properly resolved.		
“Files we reviewed did not always clearly indicate whether deficiencies were resolved before permits were closed -More specifically, we found that for nearly two-thirds of the 14 closed permit files we reviewed, records in IBMS did not clearly indicate whether the identified deficiencies were resolved before the building permit was closed. For example, a Fire Separations inspection was completed in October 2019. Although the inspector’s narrative notes indicate there were deficiencies, the deficiencies were not properly tracked using the IBMS deficiency function. Subsequent notes in IBMS did not provide any update on the status of the deficiencies and whether they were addressed to the inspector’s satisfaction. The building permit was closed in April 2021.”	23	This is an issue for purchasers of newly built homes.
“IBMS data indicates there are closed permits with deficiencies or prescribed inspections still outstanding - Using IBMS data, we identified 168 closed permits with 227 deficiencies still open. In addition, we noted that Toronto Building staff are only supposed to close a building permit after all the required inspections have been passed. Yet, over 4,560 closed permits had at least one required inspection stage noted as “Not Passed” or left blank by default. Staff advised us there is supposed to be a system control that prevents permits from being closed until all the required	23	This is a shocking finding in this audit – outstanding deficiencies/prescribed inspections still outstanding but the permits were closed! This is an issue for purchasers of newly built homes. Is it any wonder that homeowners are finding Code violations in their newly built homes?

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
<p>inspection stages have been marked as “Passed” or “Not Applicable” in IBMS – we found this is not the case.”</p> <p>“On the closed permits, there were a total of about 23,395 required inspections either left blank (by default) or where the construction stage status was noted as “Not Passed”.”</p>		
<p>Inspectors have the power to issue orders when deficiencies go unresolved – this is not consistently occurring - Where deficiencies go unaddressed and unresolved, inspectors have powers under the Act to issue an order to help bring about compliance. In practice, this is not done frequently or consistently. Most inspectors we interviewed advised that there was no time limit to resolve the identified deficiencies, and our analysis of deficiency records between 2016 and 2021 indicate that only 10 per cent of records entered into the IBMS deficiency function had a comply-by date specified. In most cases, compliance dates entered were only entered for deficiencies where an order was issued. Section A.3 highlights that more rigorous and timely enforcement may be warranted to uphold the administrative fairness of the building permits and inspections process.</p> <p>“..The Building Code does not prescribe a time frame for correcting deficiencies, and Toronto Building does not have any operational policies or guidance for setting comply-by dates for inspectors to follow up..”</p>	24	<p>This is an issue for purchasers of newly built homes. Clearly not having a time frame for builders to correct deficiencies (either in the Building Code or by Toronto Building) is a serious shortcoming.</p>
<p>“Inspectors often opt for verbal reminders rather than issuing an order -</p>	25 - 26	<p>This is an issue for purchasers of newly built homes. Orders are an important tool for</p>

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
<p>In the files we reviewed, we frequently observed that when inspectors identified deficiencies, they would attempt to resolve them through verbal warnings and reminders – orders were often not issued. As a result, some deficiencies took a long time to address, if they were addressed at all; and, as noted in Section A.2, some deficiencies appeared to remain open in IBMS even after the permit was closed.”</p> <p>12,900 open deficiencies Based on IBMS data, at the end of 2021, there were almost 12,900 where no order has been open deficiencies where the inspector did not issue an order to issued bring about compliancethe majority of these deficiencies (62%) had been outstanding for more than one year. Based on how information on deficiencies is currently captured in IBMS, there is no easy way to quickly identify or monitor significant or serious deficiencies. Improved record-keeping and/or system enhancements made be needed to support better monitoring.”</p>		<p>inspectors, and they need to be used for a number of reasons cited by the auditor and for consumer protection.</p>
<p>Providing guidance to inspectors can support more consistency for issuing orders - While we recognize the Act gives inspectors discretion regarding the issuance of orders, and that issuing orders for minor deficiencies may not necessarily be appropriate or result in a quicker resolution, <u>we note that Toronto Building has not provided guidance to its inspection staff on criteria or circumstances where it would be appropriate and expected to issue</u></p>	27	<p>This is an issue for purchasers of newly built homes. Once again this suggests a serious mismanagement issue in this department.</p>

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
<p><u>orders</u>. This guidance would be helpful when timely resolution is not achieved through verbal communications and other correspondence. By issuing orders, the CBO and inspectors reinforce the permit holder’s responsibility for compliance. The use of orders helps ensure there is no misunderstanding about what the permit holder is expected to do or provide and by what date.</p> <p>Orders give direction on the expected action and date to bring a project into compliance - By issuing orders, the CBO and inspectors reinforce the permit holder’s responsibility for compliance. The use of orders helps ensure there is no misunderstanding about what the permit holder is expected to do or provide and by what date. Management advised that these findings will be considered as part of the implementation of the Program Review and may be addressed through additional training.</p> <p>Getting compliance on orders can take more than 2 years - We recognize that depending on the circumstances, some orders may be resolved more quickly than others. However, approximately 20 per cent of orders took more than two years to close.</p> <p>72% of open orders had no follow-up inspection in 2021 - At December 31, 2021, there were 3,450 open orders in IBMS.... About 2,470 or 72 per cent of open orders had no inspection or</p>		

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
significant follow-up action in 2021, based on IBMS records.”		
<p>“Nearly ¼ of open orders were issued before 2013 - Orders that are not properly addressed may pose risks”.</p> <p>As noted on page 15 of the report, “potential risks may exist that the builder did not construct the building in accordance with the issued building permit and that:</p> <ul style="list-style-type: none"> • Permit holders have moved forward with the next stage(s) of construction and building elements have been covered before the prescribed inspection has been carried out and passed. Without an inspection, non-compliance with the Act or Building Code may not be identified or addressed. • Construction has been completed and the structure is being used and/or occupied without all the required inspections to confirm that applicable law has been met and health, safety and other objectives of the Building Code are fulfilled. 	28-29	<p>This is an issue for purchasers of newly built homes. This again suggests a serious mismanagement issue.</p>
<p>Majority of open orders are for construction that proceeded without a building permit - Our analysis of IBMS data indicates that Work No Permit orders account for nearly half of all orders that have been issued and around 65 percent of the orders still open at the end of 2021. These types of orders are resolved by obtaining a building permit or removing the unauthorized construction. Yet, based on IBMS data, we found that almost one quarter of Work No Permit orders</p>	28	<p>This is an issue for purchasers of newly built homes. This requires further analysis to determine why there is building without a building permit.</p> <p>E.g.,</p> <ul style="list-style-type: none"> - are they builders not registered with the Home Construction Regulatory Authority (HCRA)? - are they builders that are registered with HCRA? <p>Further, what is being done to make sure that building permits are secured before proceeding with construction?</p>

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
took more than two years to resolve and there are still a number of orders that remain open.		
<p>More action can be taken on orders - We reviewed 18 open orders issued between 2019 and 2021. <u>None of the orders achieved compliance by the dates specified in the order.</u> We also found that, in some cases:</p> <ul style="list-style-type: none"> • Orders were not registered on title - Management has acknowledged that there is a considerable backlog of orders to be registered. Additional resources were requested in Legal Services’ 2023 budget to assist with meeting the associated workload. • Orders were not followed up in a timely manner to ensure identified Act and/or Code violations are being acted upon to resolve the area of non-compliance. • Orders were not posted on the property in a location visible to the public – while the Act does not require all orders to be posted on site, it is a requirement in Toronto Building’s policy. <p>New “Enforcement Policy for Issued Orders” rolled out in 2021 Monitoring of open orders was not consistent across the districts In some cases, the inspectors’ notes were not sufficiently detailed to determine the actions they took on the file. Sometimes, the notes did not reflect whether there was management oversight to ensure inspectors took timely and effective action to enforce the orders.</p>	29	This is an issue for purchasers of newly built homes. These findings suggest that management is not taking its responsibilities seriously.

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
<p data-bbox="201 273 685 344">On-Site Supervision and Monitoring of Inspection Activities is Minimal</p> <p data-bbox="201 378 597 449">Senior inspectors not performing continual review.</p> <p data-bbox="201 483 636 554">Managers not conducting regular on site inspections with inspectors.</p> <p data-bbox="201 588 643 697">Senior inspectors do not ordinarily review how inspectors complete and document inspections.</p> <p data-bbox="201 730 591 840">On-site supervisory review and monitoring of inspections is very limited.</p> <p data-bbox="201 873 685 945">Inspectors indicated they do not receive feedback.</p>	46-48	<p data-bbox="802 273 1347 344">These are issues for purchasers of newly built homes.</p> <p data-bbox="802 378 1308 449">Once again, these findings suggest serious mismanagement issues.</p>
<p data-bbox="201 982 685 1083">Continue Reinforcing the Importance of Independence and Being Free from Conflicts of Interest</p> <p data-bbox="201 1117 685 1512">During this audit we identified a potential conflict of interest. We referred this matter to the CBO to investigate. The continued identification of conflict of interest situations highlights the importance of having a strong conflict of interest policy and for the CBO to continue educating staff about their statutory obligations, the Toronto Public Service (TPS) bylaw and the Division’s COI policy.</p>	50	<p data-bbox="802 982 1414 1054">Any conflict of interest is an issue for purchasers of newly built homes.</p>
<p data-bbox="201 1587 643 1659">Address Challenges in Recruiting and Retaining Building Inspectors</p>	51-52	<p data-bbox="802 1587 1331 1659">This is an issue for purchasers of newly built homes.</p>

Auditor General of Toronto – Selected Findings/Statements	Page	CPBH’s comments/questions:
<p>A May 2021 staff report on Toronto Building’s Program Review indicated that over the last ten years, building permit applications increased 33 percent while approved full-time equivalents increased by four percent. The report indicated that the gap created workload pressures, particularly for frontline and manager-level staff who undertake additional roles and responsibilities in training, knowledge management and policy work.</p> <p>Nearly 22% of inspector positions were vacant at the end of 2021.</p> <p>A May 2021 staff report on Toronto Building’s Program Review indicated that over the last ten years, building permit applications increased 33 percent while approved full-time equivalents increased by four percent. The report indicated that the gap created workload pressures, particularly for frontline and manager-level staff who undertake additional roles and responsibilities in training, knowledge management and policy work.</p> <p>During this audit, we noted that around 35 of the 160 frontline inspector positions (nearly 22 per cent) were vacant at the end of 2021.</p>		<p>This is a problem in many municipalities in Ontario and it has been going on for decades. CPBH has raised this issue with the Ministry of Municipal Affairs and Housing numerous times over the years.</p>

Conclusion:

These audit results highlight serious issues from a health and safety perspective for occupants of newly built homes. And this is not the first time for poor performance results for the City of Toronto's Building Inspection group, e.g., audit dated 2013.

The Government of Ontario must step up and address these issues not only in Toronto, but also in municipalities across the province. Here are some examples of ways the province can do that that CPBH has previously communicated to the Ministry of Municipal Affairs and Housing:

- Develop a meaningful set of performance indicators for all municipalities, e.g., sufficient, qualified building inspectors, spot inspections to check on municipalities' performance, etc.;
- Monitor those performance indicators regularly to ensure that the municipalities are all performing satisfactorily; and
- Take swift appropriate steps to ensure that municipalities are adhering to what is required of them, and ensure accountability. These could include serious financial penalties levied to the municipality itself, publication of publication of offences to inform the public of a municipality's history of non-compliance, etc.

Safety must be Job 1 for the Government of Ontario when it comes to newly built homes.

Please submit questions/comments to: info@canadiansforproperlybulthomes.com .

Founded in 2004, Canadians for Properly Built Homes (CPBH) is a national, independent, not for profit corporation dedicated to healthy, safe, durable, energy efficient residential housing for Canadians, and is the only organization of its kind in Canada. Working for consumer awareness and protection, CPBH is run by a volunteer Board of Directors and is supported by a volunteer Advisory Council of industry experts and other key stakeholders. CPBH earned "partner" status with the Canadian Consumer Information Gateway (Industry Canada).

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