

RESIDENTIAL AND COMMERCIAL INSPECTIONS:
Strengthen oversight and management practices;
document procedures

September 2013

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City Auditor

Drummond Kahn
Director of Audit Services

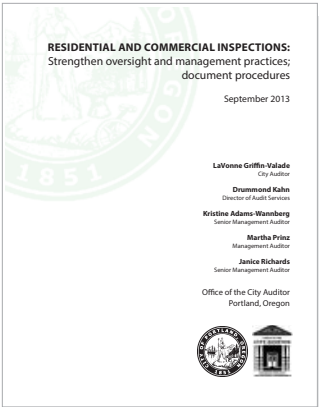
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September 25, 2013

TO: Mayor Charlie Hales
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman
Paul Scarlett, Director, Bureau of Development Services

SUBJECT: Audit Report – Residential and Commercial Inspections: Strengthen oversight and management practices; document procedures (Report #420A)

The attached report contains the results of our audit on residential and commercial inspection management practices. These programs inspect industrial, commercial, and residential construction. This helps ensure public safety by verifying compliance with state and local construction and land use codes. For FY 2012-13, the Bureau of Development Services (BDS) estimated these programs performed about 90,000 inspections.

We initiated our audit to assess whether practices were effective in administering and overseeing those inspection programs. We found that inspectors are qualified and met continuing education requirements, but Bureau managers should implement additional reviews of staff job performance. We also found that inspectors need a manual to document their practices and link their practices to bureau policies, goals, and legal requirements.

We recommend that BDS managers adopt practices to improve timely information sharing and accountability, to require annual performance evaluations of Inspections staff, to enhance current work to conduct more frequent ride-alongs in the field with inspectors, and to develop a procedures manual.

We ask BDS to provide us with a status report in one year, through the Commissioner-in-Charge, detailing the steps taken to address our recommendations in this report. We appreciate the cooperation and assistance we received from BDS staff as we conducted this audit.

LaVonne Griffin-Valade
City Auditor

Attachment

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RESIDENTIAL AND COMMERCIAL INSPECTIONS:

Strengthen oversight and management practices; document procedures

Summary

We audited the Bureau of Development Services (BDS) Commercial and Residential Inspections sections to assess whether management practices are effective for administering those inspection programs. BDS works with developers, builders, and homeowners to guide them through the development process. The two sections review industrial, commercial, and residential construction where a City permit has been issued. This is done to ensure public safety by verifying the permit holder's compliance with state and local construction and land use codes.

Both programs have experienced staff with state certifications who inspect structural, electrical, plumbing and mechanical work. Most inspection work is done in the field without direct supervision. During our review, we found:

- Inspection staff are qualified and experienced, but because of the independent nature of their work, BDS should implement additional reviews of the quality of staff job performance.
- Inspectors need a procedures manual to document their practices and to link those practices to policies, goals, and legal requirements.
- Field supervision reviews have not been the practice, although some recently occurred.
- Inspectors met all continuing education requirements to maintain state certifications.

We did not conduct the audit due to a specific concern about the Bureau. The audit was performed because of the important role that BDS inspectors have in ensuring safe construction in the City, and because the Bureau has not been the direct focus of an audit for a

number of years. It is important to note that this audit is not an assessment of the quality of inspectors' work.

This report is the first of two audits of BDS. The second audit will address the management of expired permits.

Background

The Bureau's Inspections Services Division inspects industrial, commercial, and residential construction. The Commercial Inspections section performs inspections in all four trade specialties – structural, electrical, plumbing and mechanical – on industrial, commercial, and multi-family construction projects. It also provides some plan review services for commercial plumbing and electrical permits. The Residential Inspections section (also known as Combination Inspections) ensures that new and remodeled one and two family residences meet building safety codes and requirements. The goal is for inspectors to have certification in all four trade specialties. According to BDS, this allows the program to perform more inspections with fewer staff.

Figure 1 New residential construction



Source: Audit Services Division photo

The 36 staff members who make up these two sections have numerous interactions with the public. For FY 2012-13, BDS estimates these programs performed about 90,000 inspections. Inspections are done

in the field, so inspectors perform much of their work independently and without direct supervision. Field inspection work requires not only appropriate trade certifications and knowledge of state and local codes and laws, but also that inspectors exercise judgment in their decisions. Inspectors should interact effectively with customers in order to problem-solve on issues and to provide technical advice and assistance to the public on questions about code violations.

Although much of the inspectors' work is done independently, inspectors still need support from BDS to perform their jobs well. Field supervision of and feedback on staff efforts, clear policies and procedures, and adequate training are key elements to supporting good performance. Underperformance and mistakes could result in inefficient, ineffective, and potentially inequitable services, causing frustration for employees, management, and the public, as well as possible risks to public safety.

Audit Results **Some key supervision practices and tools are lacking**

Good supervision of inspectors is important because of the critical role inspectors play in helping ensure that buildings are safe. We analyzed BDS' management practices by evaluating the Commercial and Residential Inspection units for the characteristics of an effective, well-supervised organization. We found evidence of some, but not all, of these positive characteristics in the Inspection units. We also surveyed other cities to provide context to our findings, and found some areas where Portland was comparable to other cities' management practices, and other areas where it was different.

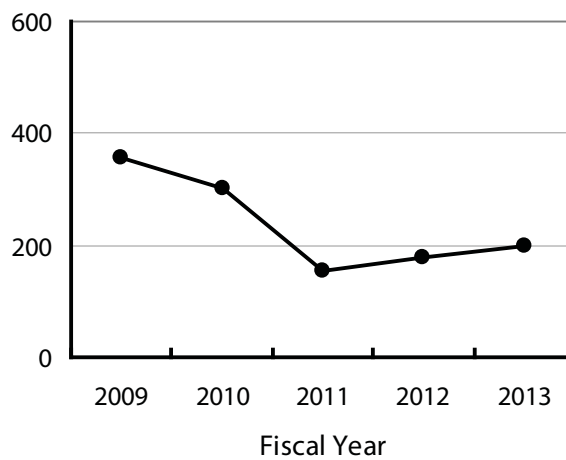
Overall, we found that BDS provides little supervision in the field of its inspectors. BDS inspectors have a good deal of latitude in how they carry out their work for a variety of reasons, ranging from the nature of the work, to varying management styles, to the lack of resources and technological tools. Although inspectors may be skilled and carry out the technical aspects of their duties competently, the Bureau does not have sufficient assurance that this is the case. Problems with morale may also pose a risk to the Bureau in meeting its productivity and quality objectives. In addition, the Bureau may not grow back to its pre-recession staffing levels, making it that much more important for managers to ensure that inspectors are operating at maximum efficiency and effectiveness.

Many challenges factor into limited supervision and feedback

BDS managers told us that overseeing inspections is challenging because employees often work on their own in the field. This conclusion was echoed in our interviews with inspection managers in other cities. Moreover, good management practices and meaningful feedback are especially important with BDS having fewer resources than in the past.

During the recent recession, revenue and staffing at BDS were significantly reduced, and managers and inspectors indicated morale suffered as a result. We encountered differing opinions, however, about the degree to which morale has improved as the Bureau continues to recover both revenue and staff.

Figure 2 BDS staffing (total bureau)



Source: Adopted Budget documents

Some staff members said there are other issues that are challenging as well, such as their perception that there is not enough communication between managers and employees and some tensions between the union and management. Although some staff members appear to have higher job satisfaction than others, several inspectors we interviewed expressed the view that morale is an issue. In general, we found managers to be more confident that morale was improving than inspectors. We did not assess the extent to which cases of low morale were the result of individual employee perceptions versus actual organizational conditions. We note, however, that

low morale is a risk to an organization's effectiveness regardless of the reasons for the low morale.

During the course of our audit, staff and managers told us about a variety of issues and conditions we view as posing supervisory challenges. These include:

- Although inspectors are required to notify the Bureau if they have any outside employment that may present a conflict of interest, the Bureau does not require inspectors to sign a statement indicating no such conflicts exist
- Many inspectors have been working at BDS for many years, which while beneficial to the Bureau in some ways, may also contribute to complacency among some inspectors and managers
- Inspectors do not regularly rotate through different geographic assignments
- Managers and staff are stretched too thin in some cases
- BDS does not have the technological tools available in some other jurisdictions. According to BDS, technology upgrades have taken longer than planned

Especially when considered in combination, these issues and conditions may contribute to insufficient oversight of inspection work products and processes, leaving the Bureau and the public vulnerable.

Inspectors work mostly alone and have varied approaches

During our audit, we found differences in the ways inspectors conduct their work. We concluded that in some cases, inspectors are methodical in all aspects of their work, from customer service to real-time record keeping. In other cases, inspectors appeared knowledgeable about technical aspects of their job, but were less attentive to issues such as the need for customer communication and the need to stay on task throughout the work day.

One manager told us that there is a divide between the "high performers, those doing 14 or 15 inspections per day, and those . . . performing eight or nine." The lower performers are sometimes already back in the office when the high performers return to the

office at the end of the day. After seeing a version of this report, the Bureau indicated this does not occur on an ongoing basis. We conclude, however, the discrepancy hinders productivity, and may also harm staff morale.

With limited knowledge of how each inspector spent the day, managers may end up authorizing overtime pay for after-hours inspections that could have been accomplished during business hours. Jobs may also end up being held over to the following day, when they could have been performed on the assigned day, resulting in wasted public resources if other inspections are delayed. This could lead to additional delays on other projects.

Procedures documentation is fragmented and does not specify how work is evaluated

The state requires that building inspection programs establish policies and procedures. BDS Commercial and Residential Inspections units are subject to various state statutes, City Codes, and Bureau program guides,¹ but there is not a complete, internal procedures manual that links the inspection policies and responsibilities together in one place. Manuals should be an internal control that help direct or guide employees in their daily work and link that work with broader organizational goals and legal requirements.

The Commercial and Residential Inspections units are guided by the Bureau's 2005 Employee Handbook. The document addresses personnel issues and general expectations for all BDS employees, and contains a section about the work of the Inspections unit. It provides some guidance on inspectors' behavior related to work locations, priorities, an alternative inspection program, verifying trade licenses, and rules about entering private property. The Bureau plans to update the Handbook in 2013.

The Handbook is general in nature and covers issues pertaining to the entire Bureau. It is not a comprehensive source for Commercial and Residential Inspections units' procedures. In addition, the Handbook's Inspections section does not meet some of the best practices

¹ Program guides provide information on the operation and implementation of bureau programs and procedures.

for well-developed policies to promote effective implementation of the Commercial and Residential Inspections programs.

Some key characteristics of well-developed policies are as follows:

- Complete and well written
- Assumptions are clear and explicit
- Linkages made to organizational direction
- Capacity to evaluate outcomes
- Clear accountability
- Follows all appropriate laws

The Handbook makes some of its task assumptions and accountability roles for inspectors and managers explicit. It does not, however, directly connect the procedures to Bureau goals, City policies, and state requirements the procedures support. In addition, because the Handbook lacks performance metrics, it is unclear how work is to be evaluated. Discussion and interpretation about Bureau practices and policies occurs in the Inspections units. Managers of both units indicated they do discuss different interpretations at staff meetings, and also through emails.

Figure 3 Electrical inspection



Source: Bureau of Development Services

High levels of inspector experience could account for the lack of a current procedures manual. Various staff we interviewed told us that inspectors have a great deal of job experience. Employees who are new or are cross-training in another trade learn on the job with a more experienced employee, and they develop their own procedures. Staff members said they had not been given a manual, handbook, or guide to perform inspections. Some inspectors told us that a manual would not be helpful, and that judgment, experience and mentoring were more important.

Insufficient written procedures can create problems for an organization's cost effectiveness, service consistency, accountability, and decision-making. Staff members, in particular if they are new, may get confused when there are limited written procedures and when some experienced staff develop procedures on their own. It may take more time for employees to find resources to address questions. It can also result in errors and inconsistent answers from employee to employee. This can become a perpetuating problem as well, since the Inspection units rely primarily on mentoring to train new inspectors on bureau procedures, and direction given through e-mails may not always get passed on to new staff.

Clearly written, readily-available policies help both new and seasoned staff be accountable for their work. Policies can clearly make the connection between procedures and how they support an organization's goals and strategic plan. A lack of accountability can confuse task ownership and performance expectations and can undermine public confidence in the organization when inconsistent services are provided. A manual would be an important resource in training new staff, in addition to continuing the mentoring that is in place.

Inspectors do not receive performance evaluations

According to a City Human Resources Administrative Rule, all employees should receive at least an annual review of their performance. However, additional guidance from the Bureau of Human Resources states that performance reviews for union-represented employees are guided by the relevant collective bargaining agreement, and if the agreement is silent on the issue, a manager or Human Resources can help determine when and how to conduct reviews.

The union agreement representing BDS inspectors, the District Council of Trade Unions (DCTU), specifies only that employees receive three written evaluations during the employee’s six month probationary period after initial hire. The Bureau does not provide performance evaluations for inspectors once they have passed their probationary period. According to the DCTU contract, once an inspector has completed their probationary period, “private discussions, evaluations or counseling may be used to review or evaluate employee performance or conduct and are not considered disciplinary action [and]..., are intended to acknowledge employee performance, identify standards of performance and behavior, and should result in reviewing employee progress in meeting identified standards of performance and behavior.” Labor relations staff assigned to BDS concurred with our analysis of the contract – that it does not prevent BDS from providing employee evaluations beyond the probationary period.

Bureau managers and Human Resources told us that they would like the Bureau to conduct regular performance evaluations. BDS reported that a pilot program to do evaluations on a voluntary basis had been tried for a few years. Not many staff participated. They also informed us that there had been internal discussions about how best to do the evaluations, and that they did not know if all inspectors would welcome the change.

During our audit work, we learned that all of the other cities we surveyed provided their inspectors with annual performance evaluations beyond the probationary period. Of the four cities we surveyed, three had unionized inspectors.

Figure 4 Performance evaluation requirements

	Portland	Eugene	Gresham	Hillsboro	Beaverton
Performance evaluations during probation?	Yes	Yes	Yes	Yes	Yes
Performance evaluations beyond probation?	No	Yes	Yes	Yes	Yes

Source: Audit Services interviews with Portland and other jurisdictions

Constructive feedback to employees is an important part of ensuring that an organization is striving to meet its objectives. Individualized feedback can also be an important component in helping employees achieve their professional development goals. With many BDS inspectors being years removed from their probationary evaluations, employees may not have received feedback on their performance for several years. Fortunately, there is nothing preventing annual employee evaluations, and BDS should actively pursue implementing them.

BDS lacks technological-based tools as compared to some other Oregon cities

BDS is slated to upgrade its approximately ten-year-old permit tracking system in the next few years, through the Information Technology Advancement Project (ITAP) system. Among other improvements, ITAP is expected to facilitate real-time information on inspectors’ locations, as well as improve inspectors’ ability to log in and enter inspection details from in the field. BDS managers told us that a current limitation on entering detailed inspection information in the field – due to incomplete information on a permit’s history – is likely to improve with ITAP.

As part of our audit work, we also surveyed other Oregon cities about inspectors’ use of technology in the field. In two of the four cities we surveyed, inspectors are issued electronic tablets for their use in the field. In one other city, inspectors are issued laptops, and in an additional city, inspectors use their own personal tablets. In Portland, inspectors are issued cell phones and can use them to enter some inspection results in the field.

Figure 5 Technology used and data timelines

	Portland	Eugene	Gresham	Hillsboro	Beaverton
Type of technology used by inspector	City-issued cell phone	City-issued tablet	Personal tablet (some have no such device)	City-issued tablet	City-issued laptop
Inspection results must be entered in field in real time?	No, but some inspectors do this	Yes	No, entered at end of day in office	Yes	Yes

Source: Audit Services interviews with Portland and other jurisdictions

In three of the four cities we surveyed, inspectors are required to enter data in the field immediately after the inspection using a City-issued laptop or tablet. In one city, although some inspectors carry their own tablets, inspection results are recorded on paper and the results are entered into the inspector's computer at the end of day. In Portland, it is up to each inspector whether to use their cell phone to enter as much detail about the inspection results as they can in the field or wait until the end of the day, at which point they can batch-enter as much detail as possible into their phones while they are still in the field, or wait and enter complete inspection results into their office computer.

Some current BDS efforts will help future supervision

Managers have started ride-alongs with inspectors

During our initial audit work, we found that Bureau managers were not conducting "ride-alongs" with inspectors, although managers discussed plans to do so. A ride-along is when a manager accompanies an inspector during their inspection work to observe how the work is being performed. According to the Bureau, the ride-alongs will help managers monitor for compliance with standards, as well as allow managers to review inspectors for consistency in code application and meeting minimum standards for effective inspections.

During our audit, some managers in the Inspections Division started doing ride-alongs with inspectors to get firsthand experience of how inspectors perform their jobs. BDS managers also told us that ride-alongs will provide employee feedback as well. One manager said that some ride-alongs should be done without prior notice to inspectors.

BDS managers developed a preliminary ride-along checklist to address general topic areas, such as whether the inspector is wearing an identification badge, driving safely, treating customers courteously, and leaving a permit card at the jobsite. According to BDS, the next step will be to develop checklists that are more focused on compliance with code. That phase of the ride-alongs might be performed by senior inspectors.

During our audit work, we learned that two of the four cities we surveyed conduct ride-alongs with inspectors.

Figure 6 Supervision through field observations

	Portland	Eugene	Gresham	Hillsboro	Beaverton
Ride-alongs in place to evaluate staff?	Yes, but not fully implemented	No	Yes	Yes	No

Source: Audit Services interviews with Portland and other jurisdictions

Inspectors Met Training Requirements

We reviewed City inspector certification and continuing education (CE) records to determine whether they met state and professional requirements. These requirements are that licensed inspectors obtain a minimum of 16 hours of CE every three years, that they take code-change courses when needed, and that local government building departments maintain appropriate record-keeping of inspector certifications and education. We also reviewed BDS’ record-keeping for inspector certifications and CE hours, and inquired about training opportunities provided for inspectors. The BDS processes to provide, record, and track inspector training ensure that BDS and its inspectors remain compliant with state and other licensing and record-keeping requirements.

We tested a sample of Residential and Commercial inspectors and found that all were appropriately certified and current in their CE hours. We also found that BDS’ process for tracking and maintaining record of inspector certifications met state record-keeping requirements. BDS administrative staff use a database to store inspector certification, training, education, and other detailed information. Bureau management, administrative, and inspection staff use reports from this database to monitor inspector education and compliance with the Oregon Building Codes Division and the International Code Council’s (ICC) certification and continuing education requirements.

BDS provides training opportunities for inspectors to ensure they meet state, ICC, and City training requirements. Training includes classes related to code changes as well as communication and other customer-service skills needed to effectively perform their jobs.

Recommendations

We found insufficient oversight, management practices, and documentation of procedures in BDS' Commercial and Residential Inspections units. Improvement in these areas will help the sections better achieve their program objectives now and in the future. Based on our work, we recommend the Commissioner-in-Charge, through the Bureau of Development Services take the following steps:

1. Adopt practices to improve timely information sharing and accountability.

For example, Inspections managers could share program performance information with staff regularly, and inspectors could be required to enter inspection results immediately following each inspection. In addition, inspectors' assignments could be rotated on a regular basis, and inspectors could be required to sign a conflict of interest policy.

2. Develop procedure manuals for the Commercial and Residential Inspections units.

Although the Bureau has policies in place, procedures tend to be in scattered locations or dependent on employee knowledge. Since almost half the Bureau will be eligible to retire within the next five years, the Commercial and Residential Inspections units should develop a resource of internal procedures. These procedures should include the following characteristics:

- Be complete and well written
- Provide clear and explicit assumptions
- Connect to organizational direction
- Provide capacity to evaluate outcomes
- Establish clear accountability of roles
- Follow all appropriate laws

3. Require BDS managers to perform annual performance evaluations of Inspections staff, and use the results of these evaluations to establish individual goals for each inspector.

These should also be used to achieve performance objectives, equitable inspector workloads, and customer service expectations at a program level.

4. Enhance current work to do frequent ride-alongs with inspectors on a regular basis, both scheduled and impromptu.

This will help ensure that inspectors are doing their jobs consistently by checking the adequacy and accuracy of inspectors' implementation of policies and procedures. Ride-alongs will also provide assurance that inspectors attend to the customer service aspects of their jobs and will help provide feedback to management from inspectors. These observations should be integrated into the annual performance evaluation.

Objectives, scope and methodology

The objective of this audit was to assess whether BDS management practices are effective for administering its inspection programs. We focused our scope on the Commercial and Residential Inspections sections of the Bureau of Development Services. We reviewed professional code titles, state and local regulations, and Bureau policies and procedures. We reviewed Bureau revenues, expenditures, and staffing trends. We also reviewed BDS goals and performance, customer survey results, and risk management claim summary reports.

We evaluated current management practices and feedback loops on staff performance. We assessed the programs' use of management information. We also compared some of the Commercial and Residential Inspection sections' performance assessment practices with those from other Oregon cities -- Beaverton, Eugene, Gresham, and Hillsboro. We performed this comparison to establish whether Portland's supervision practices were similar to other jurisdictions performing inspections under the same state regulations.

We tested whether BDS inspectors were current in their state-mandated continuing education requirements. We also reviewed whether BDS provided sufficient opportunities for inspectors to obtain the training required to maintain their certifications.

We interviewed management and staff in BDS. We also observed BDS Commercial and Residential Inspectors in the field performing inspection work.

This report is the first of two audits of BDS. The second audit will address the management of expired permits.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

RESPONSES TO THE AUDIT



CITY OF
PORTLAND, OREGON

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Sept 19, 2013

To: LaVonne Griffin-Valade, City Auditor
From: Amanda Fritz, Commissioner *Amanda Fritz*
Cc: Paul Scarlett (Director – Bureau of Development Services)

I thank the Auditor and her staff for completing this Audit, providing insight and advice on the Residential and Commercial Inspections program in the Bureau of Development Services (BDS). As recognized on page 4 of your report, the Audit findings must be considered in the knowledge that the BDS budget is tied to the economy through building activity and permit fees. BDS underwent a significant reduction of personnel in all areas during the recession, which greatly affected workload demands on those that remained. Now that we are seeing signs of economic recovery, we are able to hire more personnel to meet work demands.

Paul Scarlett, BDS Director, has responded to some of the areas of concern that have been indicated in the Audit document, such as supervision and distribution of workload. I add the following observations, and how we plan to move forward in a systemic way:

- It is wonderful that the Audit acknowledges the fact that BDS inspectors are very experienced and qualified. Our goal is for the Bureau to have increased training opportunities to keep skills current and enthusiasm high, along with a more efficient system to monitor and support our team. We will be instituting consistent and effective yearly performance evaluations for both managers and inspectors, to ensure that all get feedback that helps staff to remain qualified to perform their duties, and motivated to maintain consistently high standards.
- Maintaining clear and accessible policies, and communication about those policies, is essential. The Audit comments regarding written policies is an important finding. We will ensure that procedural manuals are properly updated and act as a guide to new employees and others about the City/Bureau policies, goals, and legal requirements that must be met.
- There is a level of creativity and independence that must be given to BDS professionals. At the same time, performance monitoring and sensible, constructive supervision helps to empower employees by building trust and mutual respect. Through the addition of new technological aides now in the process of being implemented, we will be able to equip our inspectors with the tools to make their work more efficient, effective, timely and accountable.

The complexity of differing functions in BDS (permitting, plan review, inspections, enforcement, land use, design reviews, historic reviews, and environmental regulations) makes it challenging to look at one section of the bureau without the benefit of recognizing the impacts and connectedness that occurs with and through other sections. A more comprehensive look at all sections of the bureau would reveal the interface with inspections and visa-versa, showcasing the good work that currently occurs.

BDS is emerging from a recession where there were fewer personnel (both managers and staff) due to layoffs. That is changing, and currently we are hiring over 20 positions in the Bureau with many in the Inspections division. Several senior staff recently retired or will soon do so. My goals at this opportune time are to support current staff through additional qualified and diverse hires, to assist managers in doing performance evaluations, and to provide attention to inspection outcomes, customer service, and consistency. Many of the Audit's recommendations are already being implemented, and other recommendations will be pursued as Director Scarlett and I work with a new and expanding workforce team.



City of Portland, Oregon
Bureau of Development Services
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FROM CONCEPT TO CONSTRUCTION

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September 16, 2013

To: LaVonne Griffin-Valade, City Auditor

From: Paul L. Scarlett, Director *Paul L. Scarlett by DKlein*

Cc: Commissioner Amanda Fritz, Tom Bizeau, Dora Perry, Drummond Kahn, Kristine Adams-Wannberg, Robert Cowan

Subject: Response to Audit regarding Bureau of Development Services Inspections

Thank you for the opportunity to comment on the recent audit of the Bureau of Development Services' residential and commercial inspections. Your audit was done to assess whether management practices are effective for administering these inspection programs.

Before responding to the audit itself, I want to describe the fiscal environment that the bureau has been experiencing for the past several years. The development industry was hit very hard by the recession that started in 2007-2008, leading to significant impacts on BDS's revenues, reserves, staffing, and service levels. The bureau experienced consecutive double digit declines in revenues in FY 2008-09 and FY 2009-10 of -25.4% and -16% respectively. The bureau used all but \$500,000 of its approximate \$13.9 million reserve funds to meet operating costs and lost over half of its 330 staff through layoffs, retirements, and other attrition. The cuts in Inspections division were similar – a reduction of 40 employees that represented 47% of its workforce.

Thankfully the economy and the development industry have been recovering from the recession, and BDS has been adding staff to keep up with the growing workload. Since July 2010 the bureau's workforce increased by 45 employees or 31%. The Inspections Division added 12 employees to its workforce since July 1, 2010 (a 23% increase). Currently the bureau is in the process of filling 14 vacancies in the Inspections Division, including one Inspection Supervisor position.

As one can see, the impact of the recession and subsequent recovery has had a dramatic impact upon BDS. One cannot overemphasize the effect that the financial climate has had on the bureau. Unfortunately, throughout this period, workload has exceeded staffing levels and many internal, administrative projects and improvements have been put on hold or slowed.

However, we are now becoming more stable financially and able to put in place improvements that have been on hold – addition of a second residential inspection section manager position, addition of positions to meet workload demands, replacement of our permit tracking system through the Information Technology Advancement Project (ITAP), GPS devices in vehicles, performance reviews, rotation of inspection districts, ride-alongs by managers, and written operating procedures -- many of the tools that your audit points calls out.

I nevertheless take issue with some of the contents of the audit. The statement that “BDS provides little supervision in the field of its inspectors” seems quite misleading. BDS Inspections management team engages daily with direct supervision of distribution of workload, resolution of internal and external customer concerns, and hold regular staff meetings and roundtable sessions with the goal of accurate and consistent work products. In fact, close and direct supervision of field staff is inherently impractical, because having a manager frequently observing each and every inspector in the field would warrant increasing the number of managers to an unreasonable number. The bureau will be taking steps to use technology in the form of the new permit/inspection tracking system (ITAP) that will give management better data with which to manage staff and workload.

Although the bureau is on its way to implementing performance reviews, the jurisdictions cited in the audit do not have ideal performance review programs. The bureau contacted these jurisdictions and found that they themselves are not satisfied with either their performance review forms or their processes. The bureau is currently working with the Bureau of Human Resources to develop a usable form and effective process.

Although the bureau will be striving with implementation of ITAP to enter inspection results remotely, immediately upon inspection, there are circumstances where this is not advisable. Currently in numerous cases, research needs to be done in the bureau’s historical records; in other cases, Portland’s hilly terrain prevents connection to the computer system. As the bureau implements ITAP, most inspections results should be able to be entered immediately.

Additionally, inspection “checklists” have been created as part of the ITAP project. These checklists have been planned, since the inception of the project, to be used as a tool to assure quality and consistency. These cehecklists will serve as SOP’s for the field inspector and will be a mandatory part of the inspection process.

It means a lot to us that the audit acknowledged that our inspectors meet training requirements. As noted in the audit, there are state-mandated requirements for continuing education. The bureau carefully tracks this information and works to ensure that inspectors receive the appropriate continuing training and education to retain their required certifications and stay current and up-to-date in their knowledge in order to provide excellent inspection services to Portland.

I appreciate the work that the Audits Division staff has done. They have further emphasized that we are on the right road to make improvements in our bureau.

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Residential and Commercial Inspections: Strengthen oversight and management practices; document procedures

Report #420A, September 2013

Audit Team Members: Kristine Adams-Wannberg,
Martha Prinz, Janice Richards

This report is intended to promote the best possible management of public resources. This and other audit reports produced by the Audit Services Division are available for viewing on the web at: www.portlandoregon.gov/auditor/auditservices. Printed copies can be obtained by contacting the Audit Services Division.

LaVonne Griffin-Valade, City Auditor
Drummond Kahn, Director of Audit Services

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