



City of Palo Alto  
*Office of the City Auditor*


Policy & Services Committee  
Meeting  
May 10, 2022





## Agenda

- Present the Building Permitting Process Review Report
- Questions & Discussion



Building Permitting  
Process Review

## Building Permitting Process Review

- Project background
- Key Observations/Recommendations
- Summary of Observations
- Questions & discussion

*The CAO thanks the Palo Alto Planning and Development Services Department for their work on this audit activity – **THANK YOU!***



# Project Background

Objectives for the audit activity include:

- Identify the highest impact areas to focus the assessment
- Document corresponding process(es) and evaluate for efficiency and effectiveness
- Evaluate operational performance against industry practices and established standards

## Audit Planning

The OCA performed tasks to adequately plan the work necessary to address the overall audit objective and to solidify mutual understanding of the audit scope, objectives, review process, and timing between stakeholders and auditors.

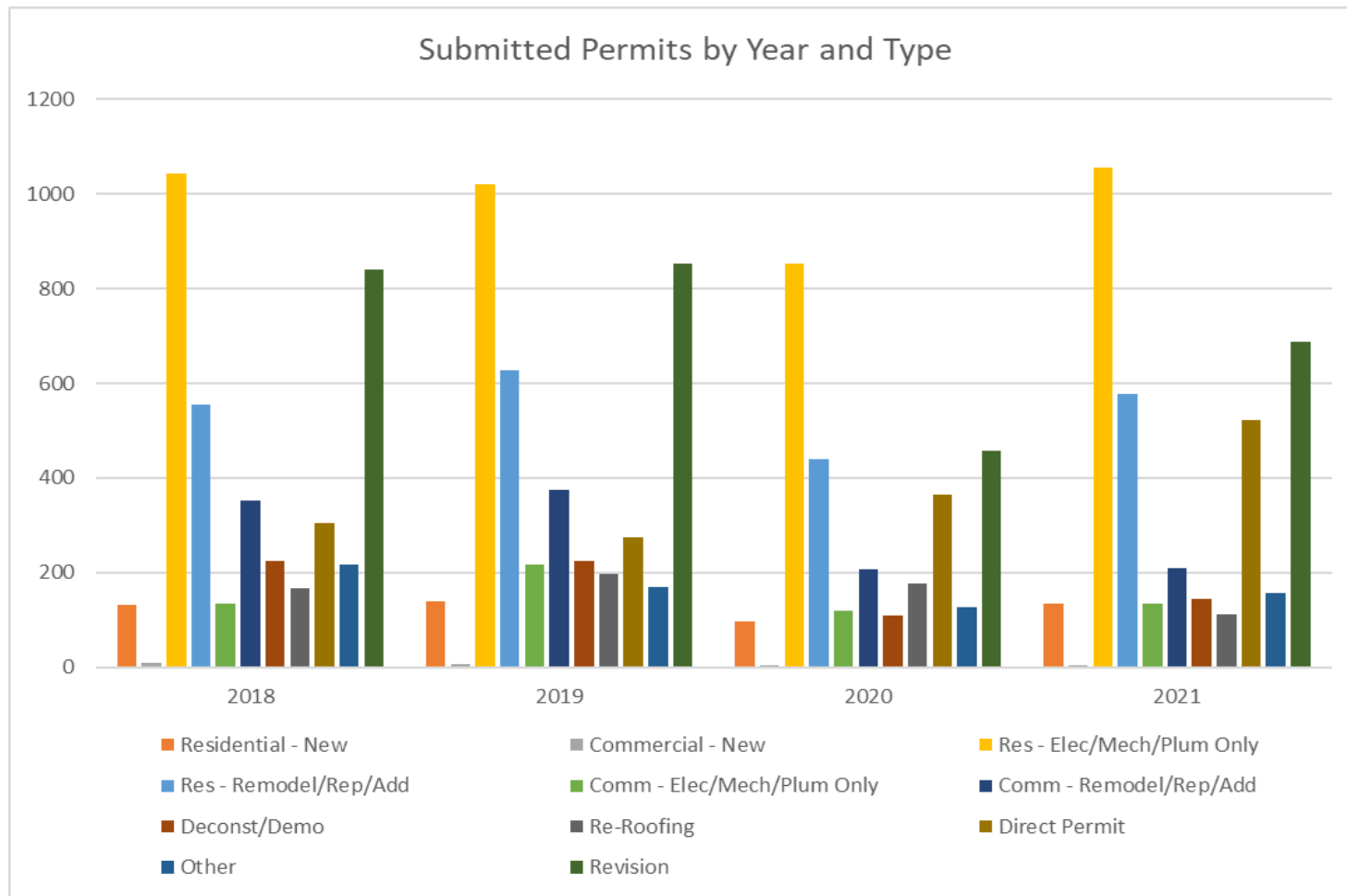
## Organizational and Business Process Analysis

The OCA executed the procedures in the audit program to gather information, interview individual process owners and participants, survey appropriate industry stakeholders, conduct field observations, and analyze the data and information gathered in order to obtain sufficient evidence to address the audit objectives.

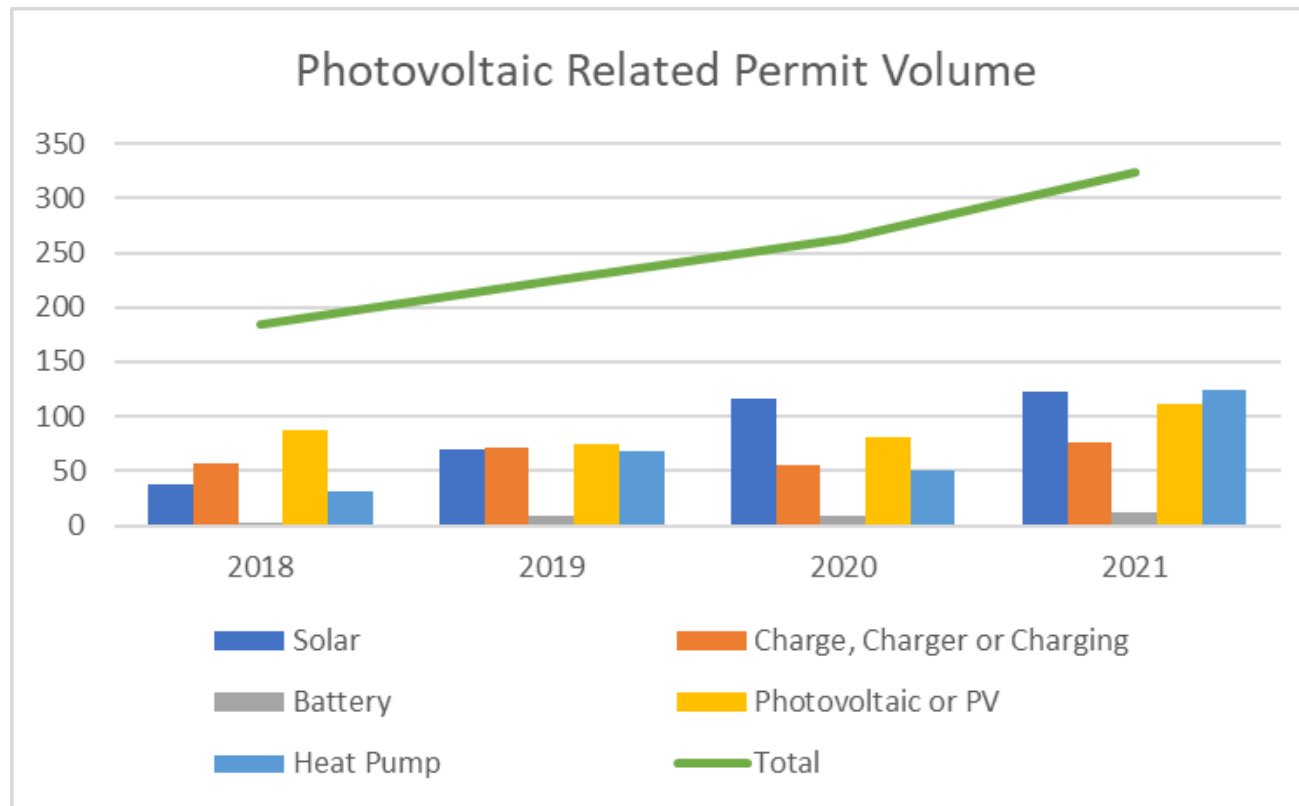
## Reporting

The OCA performed tasks necessary to finalize audit working papers, prepare and review a draft report with the stakeholders, and submit a final audit report.

# Building Permit Volume



# Photovoltaic Building Permit Volume



## Key Observations/Recommendations

#	Finding	Recommendation
1	The lead time for a building inspection is approximately two weeks from request to inspection.	We recommend the City improve inspection lead times by hiring an additional building inspector and implementing other efficiency measures.
2	Customers/applicants need better information on all aspects of the permitting and inspection process.	We recommend PDS continue efforts to enhance and improve the on-line permitting system, including availability and accuracy of guidance documents and enhancing the user interface..
8	PDS is operating under an outdated initiative for the operation of its building permit function.	We recommend PDS keep the future vision for the building permitting process in mind with return to more normal operations post-pandemic, particularly related to balance of in-person versus on-line permitting and how this impacts decisions related to staffing and other resources.



## Summary of Observations

- Inspection Lead Times
- Customer Service/Accessibility
- Guidance/Forms/Checklists
- Permitting Process as Applicant's QA Step
- Communications between Project Coordinators and Departments
- OPS Functionality
- Policies and Procedures
- Need for Updated Strategy

## Summary of Observations (continued)


- Need for Further Technology Improvements
- Training – Project Coordinators and Inspectors
- Building Code Modifications and Ability to Effectively Administer
- Quality Control
- Staff Model – Contractor vs City Employee
- Vacancies and Staff Turnover
- Unpermitted Work



## City Council Action

The City Auditor recommends that the City Council take the following action:

- Review the Building Permitting Process Review report and corresponding recommendations for improvement and recommend the City Council accept the report.



*Questions & discussion*





Thank you!

**Kyle O'Rourke, City Auditor**  
city.auditor@cityofpaloalto.org  
(650) 329-2667