



**BUILDING CONSENT AUTHORITY ACCREDITATION
ASSESSMENT REPORT**

Queenstown Lakes District Council

Routine Reassessment

11 to 14 October 2016

ASSESSMENT REPORT

Organisation Details

Organisation	Queenstown Lakes District Council
Address	10 Gorge Road Queenstown 9300 New Zealand
Client Number	7491
Accreditation Number	73
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Programme	Building Consent Authority Accreditation

Assessment Team

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Report Preparation

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Date finalised:	31 October 2016

Introduction

This report relates to the Routine Reassessment of your Building Consent Authority (BCA) which took place between 11 and 14th October 2016 to determine conformance with the requirements of the Building (Accreditation of Building Consent Authorities) Regulations 2006 (Regulations 4 – 18 inclusive) and applicable technical and procedural criteria.

Accreditation is a conclusion by IANZ that your organisation complies with the Building (Accreditation of Building Consent Authorities) Regulations 2006 and other normative documents as relevant. When any non-compliance is identified during an assessment it is IANZ's duty to ensure that compliance is re-established if accreditation is to continue. How re-establishment of compliance is approached depends on the seriousness of the non-compliance, but also on the level of proven commitment of your organisation to the principles of accreditation and the accreditation process. Whether a minor non-compliance is raised as a Corrective Action Request (CAR) or a strong recommendation will depend on the level of confidence that IANZ has that your organisation will take effective action in a timely manner to address the issues. Organisations that establish a record of timely and effective actions on any non-compliance are likely to receive fewer CARs.

The assessment was a sampling exercise and therefore this report is based on the observations made during the assessment. Compliance with all legal requirements, including those relating to health and safety, is the responsibility of your organisation. Where some items relating to legal requirements such as health and safety may have been identified, this does not represent an exhaustive report on your compliance with such legal requirements. Auditing for compliance with legal requirements except those explicitly quoted elsewhere in this report is outside the scope of this assessment.

A copy of this report and information regarding progress towards clearance of Corrective Action Requests (CARs) will be provided to the Ministry of Business, Innovation and Employment in accordance with IANZ's contractual obligations.

Executive Summary

This Routine Reassessment of Queenstown Lakes District Council BCA identified that compliance with the accreditation regulations had improved considerably since the April assessment and compliance with the accreditation regulations during this assessment was mostly demonstrated. The assessment outcome was that continued accreditation would be recommended once the two Corrective Action Requests (CARs), briefly summarised below and detailed in the following pages, have been cleared. It is recommended that all submissions are received by IANZ at least 10 working days prior to the clearance date. In this case the information should be received by 16th December 2016 (due to Christmas break and shutdown period).

- CAR 1 Regulation 7(2)(f) – Issuing Code Compliance Certificate
- CAR 2 Regulation 7(2)(f)* & 7(2)(d)(v)* Compliance Schedules

Note that when non-conformance with Regulations 7 to 18 is identified, Regulations 5 and/or 6 also apply.

While two corrective actions had been identified in this assessment, the assessment team observed that a significant amount of work had been undertaken by the building team over the last 6 months. The team had shown a strong commitment to improve and address issues identified earlier in the year. Improvements included the quality of submitted building consent applications, substantially improved statutory timeframes for building consents and monitoring of code compliance certificates. Significant development and improvements to the overall BCA system, procedures, checklists, registers and supervision process had also been undertaken.

Given many of these improvements were relatively new and only recently implemented, evidence of implementation was limited, therefore, a reassessment after one year is recommended to review implementation.

Unless the BCA undergoes any critical changes that require early assessment of the BCA, your next assessment will be carried out in October 2017.

Observations and recommendations contained within this report provide further detail on the BCAs conformity with general accreditation criteria and industry specifics. Strong recommendations have the potential to become non-conformances and will be followed up at the next assessment.

Conditions of Accreditation

Some instances were identified where the systems or procedures did not comply with the stated requirements or applicable technical documents and these are detailed in Corrective Action Request (CAR) numbered 1 and 2.

Any corrective actions requested must be implemented in accordance with the timescale agreed between the assessor and the authorised representative at the exit meeting and recorded on each CAR before the continuation of accreditation can be recommended. Please complete the appropriate section of each CAR explaining your corrective actions and forward a copy along with any supporting documents to IANZ for review. Any CAR marked with an asterisk (*) is similar to one raised previously and clearance must be given priority.

Concerns about the technical findings of the report, or its clearance, that cannot be resolved should be submitted in writing to the Chief Executive Officer of IANZ. The Complaints and Appeals procedure is contained in the IANZ document "Procedures and Conditions of Building Consent Authority Accreditation".

OBSERVATIONS

In this part of the report guidance has been provided regarding the requirements of each regulation or part regulation. This is presented in a text box at the beginning of each section. This information is intended to provide context for the observations that follow.

Regulation 5 Requirements for Policies, Procedures and Systems

5(a) Policies, procedures and systems are required to be documented.

5(b) The BCA is required to have appropriate documentation that includes sufficient detail to ensure that staff using the procedure are clear what to do, when to do it and what records are required to be kept. A BCA is also required to have an appropriate and documented procedure for document control.

The BCA's policies, procedures and systems were documented electronically in the Queenstown Lakes District Council (QLDC) Building Consent Authority Quality Management manual (QMS), held in 'U drive'. There had been significant development of the manual over the last 6 months, migrating a large number of documents from multiple sources to one common system. The manual was structured into two sections; MS manual for all Management procedures and TS manual for Technical procedures.

Both manuals were available to staff in electronic format. Processing records were accessible to staff via Trim (electronic document management system (EDMS)) or to the customer via eDOCs (electronic portal via the council website). Building consents and allocation were managed through the TechOne system.

Audits, QMS registers, meeting records, competency assessments, peer reviews and supervision records were saved electronically in the 'U drive', while building consent applications and associated processing, inspection and certification records were completed and saved in electronic format in Trim.

Several examples were observed where the procedures were not ensuring an appropriate outcome for the issue of Code Compliance Certificates and Compliance Schedules. These are discussed under the relevant Regulations of this report. **See CAR 1 and CAR 2.**

Regulation 6 Observance of Policies, Procedures and Systems

6(a) The BCA is required to have a system to ensure that it implements effectively the policies, procedures, and systems required by the regulations.

QLDC BCA had elected to demonstrate the effective implementation of its systems, policies and procedures using internal audits. Most internal audits of the QMS had been carried out in late 2015 and the first 6 months of 2016 by an external contractor. The BCA had also engaged two additional contractors to undertake high level audits of their QMS system over the past 5 months. The next round of annual internal audits was due to commence in November 2016.

Completed audits had identified a number of shortcomings in implementation of the BCAs policies, procedures, and systems. Many had been addressed over the last 6 months, although some earlier audit findings had still not been fully addressed or had only been recently implemented, providing minimal record of evidence (see strong recommendations under the relevant Regulations).

Further discussion regarding auditing of the QMS and technical functions is provided under Regulation 17(2)(h).

6(b)(c) & (d) The BCA must record the decisions it makes under its policies, procedures and systems and the reasons for, and outcomes of, those decisions.

Recording of the decisions, reasons for decisions and outcome of processing decisions was found to be inconsistent. In some cases very good reasons for decisions were recorded (observed at Wanaka office), however, in other examples insufficient reasons were recorded and the level of recording was inconsistent across contractors and staff. See strong recommendation **(R1)** under Regulation 7(2)(d)(iv).

Regulation 7 Performing Building Control Functions

7(2)(a) This regulation requires the BCA to provide information to applicants wishing to apply for a building consent, on how an application is processed, how work is inspected during construction and how completed building work is certified.

The BCA's public information was found on the QLDC's website. Some errors and a lack of some information was noted. A copy of the IANZ guidance sheet was provided to the BCA during the assessment that detailed the information that IANZ recommends to be provided by the BCA.

A recommendation (**R2**) is made that the BCA ensure that public information is reviewed and updated.

Regulations 7(2)(b)(c) & (d)(i) refer to requirements for receipt of applications, checking that they have all the necessary content according to the Building Act and relevant Regulations, then lodging them into the organisation's consent management system.

The BCA had documented a procedure for managing and recording receipt of applications and for the checking of their completeness. Applications were generally received electronically through the portal although they could also be received by post or over the counter. A building consent number was given to each application once it was received and then the statutory clock started.

A review of consent files revealed that the quality of applications had improved and the Form 2 was on most occasions completed appropriately. There were some instances where incomplete or poor quality applications were observed to be accepted. These included applications where insufficient detail regarding the description of work, means of compliance or sufficient documentation had been provided.

A recommendation (**R3**) is made that the BCA ensure that quality of all applications continues to be improved and that they are clear and complete before acceptance.

The organisation's process for lodging applications into their computer system was seen to be effectively implemented.

Regulation 7(2)(d)(ii) requires that the BCA assesses the content of the application in preparation for allocation to a competent processor. This requires a decision about the complexity of the application using the BCA's building categorisation system.

Application content was assessed using the building categories defined in the National Competency Framework. All work reviewed had been appropriately categorised.

Regulation 7(2)(d)(iii) requires the BCA to have a procedure for the allocation of applications to appropriate building control officers (BCOs) or contractors (consultants) for processing.

Work was allocated to processing officers (in-house staff or contractors) according to their assessed competence (recorded on the skills matrix) and current workload. Allocation was recorded on TechOne to the 'overseer' (processing officers). Processing work was observed to have been appropriately allocated.

Regulation 7(2)(d)(iv) requires the BCA to have appropriately documented and implemented procedures for processing of building consents.

The BCA had documented procedures for processing of building consent applications and in many cases records were very good (e.g. some consents processed at the Wanaka office) however, in a number of applications reviewed, record of reasons for processing decisions was inadequate. Compliance with Sections 112, 115 and 118 was often not documented appropriately for commercial applications (minimal). Recording of the decisions, reasons for decisions and outcome of processing decisions was found to be inconsistent across contractors and staff.

A strong recommendation (**R1**) is made to review the procedure and ensure that reasons for decisions are improved by staff and contractors (also see strong recommendation (**R10**) under Regulation 12).

Regulation 7(2)(d)(v) requires the BCA to grant building consents that meet the requirements of the Forms Regulations and are issued in a timeframe compliant with the Building Act. (The statutory clock for processing consent applications is within 20 working days).

Current procedures were effectively implemented. Issued building consents included attachments for specified systems, addenda, conditions and inspection schedules.

Some issued building consents did not include wording required under Form 5, Compliance Schedule "A compliance schedule is / is not required for the building". This was clarified in the procedure during the assessment and the procedure now also required the Form 5 to state whether an existing compliance schedule "is existing and is being altered" or "requires no change". **See CAR 2.**

A review of statutory time frame information revealed that the BCA had significantly improved its compliance with statutory timeframes for issue of building consents over the last 3-4 months. This was a result of increasing its number of contractors and the recruitment of 9 additional staff since January 2016 (four were replacements). The BCA had achieved an average of 26% building consents issued under 20 days in June. July was 52%, August 81% and September 88%. At the time of the assessment the BCA was achieving 95%. This was a remarkable result and shows the council's commitment to improvement and to providing sufficient resourcing.

Regulation (7)(2)(d)(v) also requires the BCA to effectively manage lapsed consents twelve months after they have been issued.

The BCA had identified consents that were due to lapse under Section 52 of the Building Act 2004 (i.e. no work had started within 12 months of issue of the building consent). A report generated by the system identified that 145 consents had been lapsed between June 2015 and October 2016. All consents had been appropriately lapsed and previous un-lapsed consents had been reviewed and decisions recorded appropriately.

Regulation 7(2)(e) requires BCAs to plan, manage and perform inspections.

The BCA had documented its procedures for planning, managing and performing inspections. Planning of inspections was assessed and found to be appropriate. Inspections were generally booked by phone. At the time of the assessment inspections being completed up to three days after booking.

From the inspections witnessed the technical expert was satisfied that inspections were being performed competently with appropriate outcomes being determined. Records of reasons for decisions were being recorded and had improved significantly.

Regulation 7(2)(f) requires appropriate completion of Form 6 by applicants, compliance with Form 7 & Section 93(2)(b) of the Building Act by the BCA and for the BCA to be compliant with meeting the statutory clock for processing CCC applications.

The BCA's process for deciding whether to issue a CCC on receipt of a CCC application involved the use of a checklist to ensure all appropriate information was provided before issuing of the CCC. There was some evidence of missing compliance schedule information where it should have been available before the issue of CCC. **See CAR 2.**

During the assessment a building consent with multiple amendments was reviewed. It was noted that at the stage of issuing the code compliance certificate for the building work one CCC was issued for the original building consent number and one for each amendment related to that consent. This had not been observed at previous assessments. This is not appropriate as only one CCC should be issued for each building consent. The CCC states the work complies with the issued building consent (the original consent not amendments). Amendments formalise and support changes to the original consent application only. **See CAR 1.**

The BCA had resolved TechOne reporting issues (an issue in the April assessment) and was able to report CCC statutory compliance. The BCA was reporting average monthly CCC compliance of 99% with the statutory clock over the last 6 months.

Regulation 7(2)(f) also requires the BCA to manage consents that have not had an application for a CCC at 24 months.

The BCA was actively monitoring and managing consents where there had been no application for CCC at 24 months. There were approximately 160 decision letters in the system where CCC had been refused. The procedure was found to be effectively implemented.

Regulation 7(2)(f) additionally requires the BCA to issue Compliance Schedules that list specified systems and the inspection, maintenance and reporting requirements of those systems with the relevant CCC.

The procedure for Compliance Schedules did not provide sufficient guidance for building consents where specified systems are to be altered or amended as part of the building consent. It also didn't adequately describe how the content of a compliance schedule for multiple buildings on a site would be structured. This resulted in compliance schedules being issued inconsistently.

There was some evidence of missing compliance schedule information where it should have been available before the issue of CCC. This information included evidence of compliance of fire alarm and sprinkler installations. The BCA should ensure that all required information is provided and available on file.

See CAR 2.

Regulation 7(2)(f) requires that where a BCA issues a Notice to Fix it is required to comply with the template provided in Form 13 of the Forms Regulations and be issued according to the BCA's documented procedures.

Few Notice to Fix (NTF) had been issued over the last 6 months. One was reviewed for compliance with the Forms Regulations. It appeared to meet the requirements of the Regulations and had been appropriately prepared and completed.

Regulation 7(2)(g) requires a BCA to have a documented and implemented system for management of inquiries other than those addressed by the information detailed under Regulation 7(2)(a).

Management of enquiries had been recently implemented, with the enquiry register only being recently developed (September 2016). There was a register for each site (Queenstown and Wanaka). The procedure was very new and updated on the 10 October. It was planned that information from these registers would feed into management meetings to support improvement of processes. Each office had a rostered staff member to receive and record enquiries that were of a technical nature.

Regulation 7(2)(h) requires a BCA to have a documented and implemented system for management of complaints.

Records of complaints received to the 28 September 2016 were reviewed. The complaints procedure required complaints to be provided in writing in order to be accepted by the BCA. The procedure was brief and lacked detail of how a complaint would be recorded, reviewed, timeframes and where records would be kept.

The complaints were recorded on the electronic complaints register (this appeared to be newly implemented). Records included a complaint ID number, property address and description of complaint. There were no records of what was done to resolve the issue or a reference to where the information could be found. Nor was there a record of the date when the complaint was received or closed.

It is recommended (**R4**) that the BCA review the complaints procedure and ensure better records are maintained of complaints to ensure they are systematically tracked and appropriate action is taken within a reasonable timeframe.

Regulation 8 Ensuring enough Employees and Contractors

Regulation 8 (1) requires the BCA to have a system for ensuring that it has enough employees and contractors to perform its building control functions. Regulation 8 (2) requires the BCA to have implemented a system for assessing the need to employ contractors if it does not have enough available employees assessed as competent to perform the tasks. This process usually includes a review of the range of skills available in-house along with how much work the BCA is processing.

This regulation requires a BCA to have a sufficient number of staff and contractors with appropriate skills and competence to perform its building control and supporting functions. This was an outstanding corrective action (CAR 4) from the March 2016 assessment that required clearance during this assessment.

While a procedure for ensuring enough employees and contractors had been developed and was in place, it was amended during the assessment to better reflect the process the BCA undertook. However, it still didn't fully describe what the BCA would do if its recruitment strategy was unsuccessful.

It is strongly recommended **(R5)** that the BCA review its procedure and describe its plan for future recruitment of staff, contractors or alternative methods of managing the BCA business to attract and retain staff. For example, fees and charges were being reviewed for the next financial year. Due to the demands on the BCA and the number of available staff, most complex commercial applications were being processed by Holmes Farsight (contractors). The BCA could consider increasing commercial fees to better reflect the cost to the Council of sending this work to contractors.

A review of statutory time frame information revealed that the BCA had significantly improved its compliance with statutory timeframes for issue of building consents over the last 3-4 months. This is a result of increasing its number of contractors and the recruitment of 9 staff since January 2016. The BCA had achieved an average of 26% building consents issued under 20 days in June. July was 52%, August 81% and September 88%. At the time of the assessment the BCA was achieving 95% compliance with building consent timeframes, and almost all CCCs were being issued within the statutory timeframes, averaging 99% each month. The BCA needs to continue to demonstrate substantial statutory compliance.

Other functions (e.g. meetings, lapsing and decision to issue CCCs at 24 months etc.) had been addressed.

Regulation 8(2) prompts the BCA to monitor relevant indicators to determine whether the BCA has sufficient staff to complete all of its required functions. Indicators could include completing internal audits according to the annual program, completing competency assessments annually, performing annual training needs assessments, training being delivered as specified, on-going monitoring of the performance of contractors, continuous improvements being progressed in a timely manner, operations meetings occurring regularly and as planned, strategic reviews happening at least annually, maintenance of the quality manual and monitoring of (and meeting) the statutory clocks.

The BCA was found to be performing functions in relation to quality management systems such as implementation of internal audits, competency assessments, continuous improvement and strategic and operational management reviews in a timely manner. Training and supervision was also being undertaken for new staff as required. Monitoring of contractors had only recently commenced and is discussed under Regulation 12.

The BCA had engaged 9 contractors since early 2016 to assist in its workloads and provide additional competencies during the last 5 months when the BCAs focus was on clearing CARs, reviewing and improving its QMS system, managing staff changes and recruitment. They were still contracted due to high volumes of processing work and the BCA training and supervising a large number of new staff (9 new staff recruited this year, of which 4 were replacements).

Regulation 9 Allocating Work to Competent Employees and Contractors

This Regulation requires the BCA to have a system for ensuring the allocation of processing and inspections to competent persons (employees or contractors).

The organisation used the National Competency Framework category system for its assessment of complexity of building projects. Work was planned to be allocated for processing and inspection according to its complexity and the assessed competence of the staff. Allocation was recorded on TechOne to the 'Overseer' (processing officers).

Regulation 10 Establishing and Assessing Competence of Employees

In regulation 10(1) a BCA is required to have a system for establishing the competence of a person who applies for employment to perform building control functions.

Procedures were appropriate for establishing the competence of a person who applied for employment. Qualifications, previous skills, training and organisational fit were all considered at recruitment stage.

In Regulations 10(2) and (3) the BCA is required to have a system for regularly assessing the competence of employees performing building control functions.

This system is to include:

- 10(3)(a) philosophy and principles of building design and construction;
- 10(3)(b) understanding and knowledge of building products and methods;
- 10(3)(c) knowledge and skill in applying the Act, the building code, and any other applicable regulations under the Act;
- 10(3)(d) ability to process applications, inspect and certify work;
- 10(3)(e) ability to communicate with internal and external persons;
- 10(3)(f) ability to comply with the building consent authority's policies, procedures, and systems.

A review of competence of all technical staff members had been undertaken annually by an external contractor, with records maintained and all aspects of regulation 10 (3) (a-f) having been considered. Consent and inspection record reviews were provided in the findings. Other supporting evidence such as experience, audits, training records and self-development records were included in the assessments.

Regulation 11 Training Employees

Regulation 11(1) requires the BCA to have a system for training its employees and 11(2) details training system requirements including making needs assessments, preparing training plans, providing training, monitoring effectiveness of training, supervising employees, recording qualifications, etc. and recording professional development

Regulation 11(1) To meet this clause the BCA is required to have a training system for employees who perform building control functions.

An appropriate training system was in place and had been recently implemented.

Regulation 11(2)(a) requires regular (annual) training needs assessment for performing building control functions for the BCA. These are usually defined as the training needs for the organisation as a whole and for individuals within that organisation.

Organisational and Individual training needs plans had only been recently prepared in conjunction with HR. The BCA had performed an overarching review of training needs for the organisation then developed individual training plans for staff.

Due to number of new staff recruited this year, the BCA required contractor input across all categories of work, in particular Residential 2 & 3 and Commercial applications. This is likely to continue while new staff are being trained and assessed to be competent in higher categories of work. Training needs for individuals were recorded on individuals training plans and held in Individual Training folders (U drive).

During the review it appeared that the training plans did not fully reflect the current staff competency assessments and skills matrix. Training plans should be fit for purpose and relevant to each role and individual need. In particular if a staff member is being assessed and moved from a lower category to higher category of work (i.e. Res 2 to Res 3 and their understanding of E2 Weather-tightness principles /issues as this is an increase in skill level and understanding of junctions, flashings etc).

It is recommended **(R6)** that the BCA review Individual training plans, competency assessments and skills matrix to ensure they reflect each other.

Regulation 11(2)(b) requires the BCA to have Training Plans for all their staff performing technical roles.

Regulation 11(2)(c) ensuring that employees receive the training agreed for them;

The procedure for proposed training was relatively new and individual plans had been developed and implemented in September. Each staff member had an individual Training Plan for the next 12 months, which identified both formal and informal training.

It was noted that minimal training had been planned over the last 6 months when staff needed it. During the April assessment no training had been planned, undertaken or monitored. Where training needs had been identified, training had been delayed or not undertaken if a course was unavailable.

It is strongly recommended **(R7)** that the BCA ensure that all planned training is undertaken and that training identified throughout the year is addressed in a reasonable timeframe.

Regulation 11(2)(d) requires the BCA to monitor and review employees' application of the training they have received, including by observing relevant activities;.

An appropriate procedure was in place for monitoring and reviewing employees application of the training they had received. As the procedure was relatively new, and most training was planned for the next 12 months, very few records and evidence of monitoring were available to the assessment team. Proposed monitoring would be undertaken via audits, observation and supervision. This would then be recorded on the Training & Tracking Register under the Effectiveness of Training column. Some new staff had received training in the last 6 months and references to supervision records had been recorded under this column.

Due to a lack of training and evidence of monitoring of the effectiveness of training over the last 6 months the assessment team were unable to assess the effective implementation of the BCA's procedures. It is strongly recommended **(R8)** that the BCA monitor effectiveness of upcoming training for all staff, and that this be recorded appropriately in the Training and Tracking Register.

Regulation 11(2)(e) requires the BCA to have a procedure in place to supervise an employee whilst under training or at any other time supervision is needed.

There was a significant improvement in the supervision of staff and supporting supervision records over the last 5 months. The BCA's supervision procedure was appropriate and effectively implemented. Nine new technical staff had been recruited in the last nine months and were all under training and supervision at various times. Supervision records were sighted for both processing and inspection staff and discussed with the supervisors during the assessment. Supervisors were actively involved in supervision and mentoring of staff.

Supervision could be either direct or indirect. Records were completed by the supervisor, who had assessed the trainee decisions, reasons and outcomes of decisions for technical aspects when reviewing processing and inspection work performed by a person under supervision. The supervisor provided written comment on the records and these were signed and dated. The supervisors for inspection and processing had each developed and compiled a Supervision Table to keep track of staff supervision and related records. This would be used for future competency assessments and audits.

Regulation 11(2)(f) & (g) requests the compilation of records including qualifications and certificates from training received and on-going professional development.

A procedure for recording professional development (CPD) was new and recently implemented. The review of CPD records indicated there was inconsistency across staff for recording detail of training/learning. Some records of CPD were very detailed for both formal and informal learning, while others were very brief and lacked detail of what was learnt, read, discussed or a date.

It is recommended (**R9**) that the BCA review and revise the procedure to clarify content and detail of records required for training and CPD, and ensure the system is fully implemented.

All staff qualifications and training records were recorded electronically in staff 'Individual Training' folders.

Regulation 12 Choosing and using Contractors

Regulation 12 (1) requires a BCA to have a system for choosing and using contractors and Regulation 12 (2) defines what that system must cover. This includes establishing contractors' competence, engaging contractors, making agreements with contractors, recording contractors' qualifications, monitoring and reviewing their performance and regularly assessing their competence.

The BCA had documented a procedure (MS20) for choosing and using contractors as required. QLDC had engaged nine contractors to undertake processing and inspection functions, QMS and technical audits and competency assessments. Two other consultants had been engaged short term to carry out high level reviews of the Quality Management System.

A corrective action in the April assessment had identified the BCA had not followed its procedures for choosing and using contractors, review of contractor performance and auditing of Regulation 12 to verify compliance had been achieved. An audit had been undertaken in late 2015 by an external contractor, however, no further audits of Regulation 12 had been undertaken between the assessment in April and October 2016. This was in part, due to the next annual audit being due in November 2016.

This could have been raised as a CAR, but because of the progress made and commitment by the BCA to finalise contracts, this has been reduced to an overarching strong recommendation. See discussion and findings below for all of Regulation 12.

A **strong** recommendation (**R10**) is made to complete and implement the new Contracts and ensure the new procedure clarifies the content of a contract. **R10** also strongly recommends that the BCA ensure a robust audit of Regulation 12 is undertaken in the next 12 months to confirm effective implementation.

Regulation 12(2)(a) requires a BCA to establish the competence of a person or organisation that they wish to engage as a contractor.

Regulation 12(2)(f) requires a BCA to regularly (at least annually) reassess the competence of its contractors.

The BCA procedure for establishing competence of contractors was appropriate and had been effectively implemented. The BCA reviewed and recorded the competency level of the contractor on the Skills Matrix and requested a copy of their latest competency assessment. Contractors completed the TS06 Contractor Evaluation Form for the BCA. The competence of the two consultants that were engaged short term, was based on their experience, reputation and credibility within the BCA industry in regards to quality management systems

The BCA procedure for regularly assessing the competence of its contractors was included in the monitoring and review of contractors. The procedure and criteria was unclear on how this would be undertaken. The BCA was in the process of implementing new procedures and had only recently started to review contractor competence and performance via internal audits and annual evaluations.

During the review of contractors and their competency assessments, the assessment team identified that one contractor had undertaken competency assessments on colleagues whose competency levels appeared to be to a higher level than the contractor. This was not appropriate. Competency assessments should be undertaken by an assessor with a competency equal to or at a higher level than the assessed, unless accompanied by other evidence provided by an appropriately competent person.

It was also noted that contractor competency assessments in general were very light on training and CPD records.

Monitoring of contractors is discussed further under regulation 12(2)(e).

Regulation 12(2)(b) requires the BCA to have a system for engaging contractors if required.

Regulation 12(2)(c) requires the BCA to have a system for making agreements with contractors if required.

The BCA was still in the process of implementing its procedures for engaging and making agreements with contractors. This included amending the procedure during the assessment and developing contracts that would be implemented in the following week. The amended procedure included emails as a form of agreement and engagement of contractors. There was evidence of email correspondence with contractors. The procedure still lacked content specifics required within a contract to satisfy the regulations (see below).

The BCA was only in the early stages of implementing its procedures and new contracts. A new 'Building Contractor Engagement Short Form Agreement' was in draft. The proposed draft contract lacked some detail on specifics such as quality assurance (BCA or contractors), level of records required from contractors, current competencies and responsibilities, conflict of interest, performance monitoring, limitations and measurable outcomes (i.e. process, statutory and technical requirements).

Regulation 12(2)(d) requires the BCA to establish and record contractors' qualifications.

The BCA procedure was appropriate and effectively implemented. Records of qualifications were held in the BCA's Contractor Individual Personal folders in the 'U drive'.

Regulation 12(2)(e) requires the BCA to monitor and review contractor performance.

Although there was a procedure to regularly monitor contractor performance, the procedure was brief and nonspecific on measurable outcomes and how contractor performance would be monitored. The procedure did not detail the number or type of reviews that would be undertaken for each contractor (dependent on numbers / workload).

Some records of internal audits and monitoring had recently been undertaken by the Manager and an in-house contractor, but these had not been undertaken for all contractors. The records also lacked technical detail and decisions by the reviewer as well as references to audits and supporting technical information.

A recommendation (**R11**) is made to review the procedure to ensure an adequate number of reviews are undertaken and performance review of contractors includes the review of technical outcomes where appropriate. Also see strong recommendation (**R10**).

Regulation 17(4)(b) requires contractor compliance with QA Systems (either the BCAs or their own).

The review team was advised that all consultants but one that carry out processing and inspection functions for the BCA use the QLDC QA system and related documents (forms, checklists). Holmes Farsight use the Alpha One system for processing building consents. The Contractor Evaluation form identified which QA system was being used by the contractor.

Regulation 13 Ensuring Technical Leadership

Regulation 13(a) relates to identifying employees or contractors, who are competent to provide Technical Leadership and 13(b) relates to giving those technical leaders powers and authorities to enable them to provide leadership.

The BCA's procedures were appropriate and effectively implemented. Technical Leadership had been assessed in the annual competency assessments and identified on the Skills Matrix. All code clauses had been assessed and included in the assessments and staff were aware of who the leaders were. Three technical leaders had been identified for processing, inspections and related BCA functions. Technical Leaders were empowered by records held in the U Drive and delegations.

Regulation 14 Ensuring Necessary Resources

Appropriate technical information is required to be made available to those staff needing to make use of it.

The BCA had access to appropriate Standards using Standards-On-Line and the MBIE website for Building Act and Code legislation, guidance documents and Acceptable Solutions. It also had access to other information through the internet, such as manufacturer literature and BRANZ appraisals. All required standards reviewed at the Queenstown and Wanaka offices were available.

Appropriate technical facilities are required to be made available to BCA staff.

Technical facilities are considered to include communication equipment, tablets and computer hardware and software. Inspection vehicles were adequately equipped with inspection equipment. The BCA used TechOne for managing its processing and inspection activities. TechOne had previously been unable to provide reports on CCC timeframes which was considered to be unacceptable for a BCA of this size. This had been resolved since the April assessment and the BCA was reporting average monthly CCC compliance of 99%.

Appropriate, calibrated equipment is required to be made available to staff.

There were records available of recent checks of equipment that required calibration. There was a difference in the tolerance allowed for thermometers between the record on the checksheet and the procedure but otherwise calibration was considered to be appropriate. The BCA could consider calibrating moisture meters in house using a test block of known electrical resistance rather than sending them for external calibration.

The BCA is required to document the records it will maintain and where and for how long they will be stored.

The quality manual documented record management requirements under MS-04 Document control. Location and retention times for records were specified under the Table of Records. These were appropriate.

Regulation 15 Keeping Organisational Records

A BCA is required by Regulation 15(1) to record its organisational structure and record in the structure reporting lines & accountabilities and relationships with external organisations.

The BCA had documented an organisational chart that recorded reporting lines and accountabilities within the BCA. Relationships with external organisations and contractors were also documented in the chart.

Regulation 15(2) requires that roles, responsibilities, powers, authorities & limitations are recorded. Job descriptions are required for all staff in the BCA (or alternate means to document roles and responsibilities).

Job descriptions, roles and responsibilities and were recorded and held by HR. BCA staff that performed a technical function were warranted by the Council to perform all required actions under the Building Act 2004. Delegations had been approved in May 2016. These included the new Team Leader roles and delegations.

New job descriptions for the new structure were approved and in place for the proposed implementation in November 2016. These included three new Team Leader roles for Inspections, Processing and Administration. The new Quality Assurance Manager (QAM) role was also approved and in the structure. A person had been successfully recruited for the role and the QAM was due to start in November 2016.

Regulation 16 Filing Applications for Building Consent

Regulation 16(1) requires unique identification of Application files.

Each application for building consents was allocated a unique identification number. Amendments were given a unique building consent number and linked to the original consent number as they had the same property ID number.

The purpose of Regulation 16(2)(a) is to provide a means for the BCA to verify an application files' completeness prior to handing it over to the Territorial Authority for storage.

The BCA had documented a procedure to ensure that all relevant documents relating to a building's file were present on the electronic file at CCC stage. Records reviewed demonstrated that required information was mostly provided before issue of CCC.

There was some evidence of missing information where it should have been available before the issue of CCC. This information included evidence of compliance of fire alarm and sprinkler installations. The BCA should ensure that all required information is provided and available on file. This is discussed under Regulation 7(2)(f) and 7(2)(d)(v). **See CAR 2.**

Regulation 16(2)(b) requires that the files are accessible and retrievable and 16(2)(c) requires that they are stored securely.

Files were stored electronically on a server in the QLDC BCA office and 'ghosted' to a second server (QLDC main office). There were plans to move one server to another location separate to QLDC buildings to ensure that failure of one server due to weather conditions etc. would not affect the second server.

It is recommended (**R12**) that the BCA considers how it would be able to maintain ongoing services should there be a computer 'failure' at the QLDC BCA office.

Records were found to be generally appropriately accessible, except as described elsewhere in this report. Service level agreements (SLAs) with internal providers such as IT and Records were in place. Electronic records were backed up daily by the Information Systems team.

Regulation 17 Quality System

Regulation 17(1) requires a BCA to have an integrated Quality System and 17(2) defines requirements for that system.

Regulation 17(2)(a) requires that the system for assuring quality covers the policies, procedures and systems described in regulations 5 to 16 (arguably this should read 5 to 18 for clarity)

QLDC BCA had a documented quality system that included policies, procedures and systems for the management of its BCA functions.

The manual was structured into two sections, MS manual for all Management procedures and TS manual for Technical procedures.

Regulation 17(2)(b) states that a Quality Policy is required.

The DBH Regulation 17 guidance document requires that the quality policy includes high level measurable objectives. The intent of these objectives is to provide a framework for establishing the effectiveness of the quality assurance system.

QLDC BCA had documented a Quality Policy. This provided a number of objectives that were documented in MS-03 and the manual and had defined a number of KPIs. Objectives and KPIs were also in the BCA Development Strategy developed by an external Consultant earlier this year.

Regulation 17(2)(d) requires BCAs to undertake regular operational reviews (meetings) to communicate progress against objectives.

Operational reviews were not reviewed during the April assessment. An audit by an external contractor in December 2015 had identified the meetings were primarily technical. The procedure MS-12 had little detail on the criteria and agenda items required in Operational meetings, however recent meeting agenda and minutes had included continuous improvement, training, complaints and audits.

Monthly team meetings had been planned and were undertaken over the last 6 months, with agenda and minutes documented electronically. The BCA had undertaken weekly meetings during September in preparation for the IANZ assessment.

It is recommended (**R13**) that the BCA clarify the procedure to include all items included in the Regulation 17 guidance are covered for future meetings.

Regulation 17(2)(e) requires a documented system for management of continuous improvement of the performance of the BCA's functions.

The BCA had documented a process for continuous improvement that included a CI register and CI forms to raise a continuous improvement. The register included robust information such as, CI number, date, who raised CI, MS or TS procedure, approved or rejected, assigned to and action taken, Implementation date and completion date. There were 230 CIs on the register, 152 raised since April 2016.

Most completed CI Forms did not have the 'expected completion date' or 'priority High, Med or Low' filled in. These are important for prioritising CIs and specifying timely completion dates for implementation and review. A review process was not documented or undertaken to check that the CI has been appropriately implemented and is effective (fit for purpose).

While the BCA was using the internal audit process, this may not capture all CIs identified during the year. Review of CI implementation needs to be audited within a defined timeframe (dependent on the issue).

It is strongly recommended (**R14**) that the BCA review and revise its procedure to clarify how CIs are prioritised and when review (audit) of implementation is undertaken (within a reasonable timeframe).

Regulation 17(2)(h) requires a procedure for ensuring that internal audit of every building control and related function is undertaken at least annually.

While an audit procedure (MS-18), for ensuring internal audits of all building control functions, was in place, the procedure was brief and did not contain any clear instructions on how audits would be carried out and recorded. An external contractor carries out all the Annual QMS Audits as planned over 12 months. There was evidence that audits had been conducted as scheduled. They were well written, with good records, in particular for the implementation of procedures and systems and identifying improvements.

An audit plan of the QMS had been in place for the 2015/16 year. A new audit plan of the QMS was proposed for the 2016/17 year. Most QMS audits for the last 12 months had been carried out late 2015 and early 2016.

The April assessment had identified a number of regulations that had not been audited, including Choosing & Using Contractors. This had still not been audited between April and October as it was due in November. Although this was scheduled annually, it had been raised as a concern earlier and this has been identified in this assessment as a strong recommendation **(R10)**. See Regulation 12.

There were two types of audits undertaken annually. A full audit of the QMS and Accreditation Regulations by an external contractor and internal technical audits of processing, inspection and certifying functions by an in-house contractor. Technical audits had only recently been implemented and tended to focus on procedural functions and implementation. The wording of the procedure for Internal Audits focussed on 'procedure' and may need clarifying to include technical decisions and outcomes. The BCA had recently created and implemented two 'Internal Audit Outcomes Spreadsheets' for processing and inspections (Sept 2016) to record audits and findings from technical audits.

Regulation 17(2)(i) required a documented and implemented procedure for the identification and management of Conflicts of Interest.

The BCA had documented a procedure for management of conflicts of interest (COI). The procedure included management of pressure on staff. A number of conflicts of interest had been reported. These were mostly for staff with a financial or family interest in work accepted by the BCA.

Regulation 17(2)(j) requires a procedure for communication with internal and external persons. This must document what, how, how frequently communications take place and who is responsible.

The BCA's processes for managing both internal and external communications were documented in the manual. The procedure for communications was appropriate and described strategic, management and team meetings. These were usually held weekly for staff, monthly for management and annually for the strategic review.

The BCA had been exceeding the requirements of the procedure, with quarterly strategic meetings held during 2016 due to the high level of change it was experiencing. Operational meetings had been undertaken weekly during September in preparation for IANZ and large number of improvements being made.

Regulation 17(2)(n) requires an annual strategic review meeting to be carried out according to the BCAs documented agenda.

The BCA had documented a requirement to carry out annual Strategic Management Reviews, however, it had decided to undertake quarterly strategic meetings during 2016 until further notice, due to the high level of change it was experiencing. The last strategic meeting was held on 3 October 2016, with the Manager and senior council staff. Excellent records were available for the three meetings undertaken this year.

Regulation 17(3) requires a Quality Assurance manager to be named.

Stu Geddes was named as the Authorised Representative and Quality Manager for this assessment. The BCA had advertised a full-time role for a Quality Assurance Manager. Bill Nichols has been recruited and was due to start the role in November 2016.

Regulation 17(3)(A) requires a documented system for management of complaints about professionals.

The BCA had a procedure that refers to the possibility of making a formal complaint to the relevant professional authority. It is recommended **(R15)** that further detail of who will be responsible and how complaints will be monitored and recorded be specified.

Regulation 18 Requiring technical qualifications

Regulation 18(2) requires the BCA to have a system to ensure that every employee or contractor that performs building control functions by doing a technical job has appropriate technical qualifications

The Quality Manual documented qualifications considered by the BCA to be appropriate. All technical staff either held appropriate qualifications or were enrolled for a qualification.

Regulation 18(3)(a) requires the BCA to have a system for establishing the circumstances that would make it unreasonable for employees or contractors to hold the defined qualifications and Regulation 18(3)(b) requires those staff to be identified and recorded.

Procedures were appropriate and effectively implemented. Staff or contractors within 5 years of retirement age were considered exempt. The BCA had 3 staff that were exempt due to age.

CORRECTIVE ACTION REQUEST

Building (Accreditation of Building Consent Authorities) Regulations 2006

CAR No: 1

Regulation 7(2)(f) – Performing building control functions

1. A building consent authority must have policies and procedures for performing its building control functions.
2. The policies and procedures must cover the following:
 - (f) issuing code compliance certificates (CCC)

Finding:

The BCA issues each building consent and amendment to the original building consent with a unique number (this is appropriate).

At the stage of issuing the code compliance certificate for the building work, a CCC is issued for the original building consent number and every amendment related to that consent. This is not appropriate as only one CCC should be issued for each building consent, as the CCC states the work complies with the issued building consent (original consent not amendments). Amendments formalise and support changes to the original consent application, they are not separate building consents.

Action Required:

Review and develop a procedure to ensure that only one CCC is issued for each building consent application. This may require a review of TechOne to ensure amendments are not issued a CCC.

Agreed clearance date: **27 January 2017**

For Building Consent Authority use:

Action taken: (please refer to any attachments)

Signed:

Date:

Attachments: Yes / No

Clearance by IANZ:

Signature:

Date:

CORRECTIVE ACTION REQUEST

Building (Accreditation of Building Consent Authorities) Regulations 2006

CAR No: 2*

Regulation 7(2)(d)(v) & 7(2)(f) – Performing building control functions

1. A building consent authority must have policies and procedures for performing its building control functions.
2. The policies and procedures must cover the following:
 - (d)(v) granting consents
 - (f) issuing compliance schedules

Finding:

The procedure for Compliance Schedules did not provide sufficient guidance for building consents where specified systems are to be altered or amended as part of the building consent. It also didn't adequately describe the content of a compliance schedule for multiple buildings on a site.

Some issued building consents did not include the wording under Form 5, Compliance Schedule "A compliance schedule is or is not required for the building".

In some cases the specific inspection maintenance and reporting requirements of the specified systems were not fully listed on the issued compliance schedule as provided by the applicant. There was a mismatch between the information provided by the applicant and the final compliance schedule. There were also some instances where the details in the compliance schedule were not site specific.

There was some evidence of missing compliance schedule information where it should have been available before the issue of CCC. This information included evidence of compliance of fire alarm and sprinkler installations. The BCA should ensure that all the required information is provided and available on the file.

Action Required:

Review and revise the compliance schedule procedure to describe the process for amended and altered specified systems and how multiple sites are reviewed and recorded.

Please provide evidence of effective implementation by providing 3 examples of the completed Form 5 that include a compliance schedule / specified systems.

Provide 3 examples of completed compliance schedules with the supporting documentation, ie, alarm and /or sprinkler certificates, commissioning reports etc.

Agreed clearance date: **27 January 2017**

For Building Consent Authority use:

Action taken: (please refer to any attachments)

Signed:

Date:

Attachments: Yes / No

Clearance by IANZ:

Signature:

Date:

RECOMMENDATIONS

Recommendations are intended to assist your organisation in its efforts to maintain an effective quality management system. They are **not** conditions of accreditation.

- R1. It is **strongly recommended** that the BCA review the processing procedure and ensure that recording of reasons for processing decisions are improved (assessment detail and consistent use of checklists) by staff and contractors.
- R2. It is recommended that the BCA review and revise public information to ensure information is correct and up to date.
- R3. It is recommended that the BCA ensure that quality of all applications continues to be improved and that they complete before acceptance.
- R4. It is recommended that the BCA review the complaints procedure to ensure better records are maintained of complaints and to ensure appropriate action is taken within a reasonable timeframe.
- R5. It is **strongly recommended** that the BCA review its procedure for Resourcing and describe its plan for future recruitment of staff, contractors or alternative methods of managing the BCA business to attract and retain staff.
- R6. It is recommended that the BCA review individual training plans, competency assessments and the skills matrix to ensure they reflect each other.
- R7. It is **strongly recommended** that the BCA ensure that all planned training is undertaken and that training identified throughout the year is addressed in a reasonable timeframe.
- R8. It is **strongly recommended** that the BCA monitor effectiveness of upcoming training for all staff, and that this be recorded appropriately in the Training and Tracking Register.
- R9. It is recommended that the BCA review and revise the recording of professional development procedure to clarify content and detail of record required for training and CPD.
- R10. It is **strongly recommended** that the BCA ensures that the new procedure for choosing and using contractors clarifies the required content of a contract. Using the new procedure, the BCA is **strongly recommended** to develop and implement appropriate contracts with all contractors and ensure the effective implementation of the new Contracts (e.g. by auditing).
- R11. It is recommended that the BCA review the monitoring of contractors procedure to ensure an adequate number of reviews are undertaken and performance review of contractors includes the review of technical outcomes where appropriate.
- R12. It is recommended that the BCA considers how it would be able to maintain ongoing services should there be a computer 'failure' at the QLDC BCA office.
- R13. It is recommended that the BCA clarify the procedure for operational reviews, to ensure all items in the Regulation 17 guidance are covered for future meetings.
- R14. It is **strongly recommended** that the BCA review and revise its Continuous Improvement procedure to clarify how CIs are prioritised and when a review (audit) of implementation is undertaken.
- R15. It is recommended that the BCA provide further detail of who will be responsible for laying complaints and how complaints will be monitored and recorded.