

Presented To:	Audit Committee
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Type:	Managers' Reports

For Information Only

Value-For-Money Audit - Paramedic Services

Resolution

For Information Only

Relationship to the Strategic Plan / Health Impact Assessment

This report relates to the priorities of "Quality of Life and Place" and "Responsive, Fiscally Prudent, Open Governance" outlined in the 2015-2018 Corporate Strategic Plan.

Report Summary

Issue: There may be insufficient regard for Value For Money in City operations.

Rule: There should be sufficient regard for Value For Money in City operations.

Analysis: A 'Value For Money Audit' was completed to assess the extent of regard for Value For Money in the operations of Paramedic services.

Conclusion: Opportunities exist to enhance Value For Money in Paramedic services are outlined in the attached audit report.

Financial Implications

The recommendations in this report have financial implications.

Signed By

Auditor General
Ron Foster
Auditor General
Digitally Signed Jun 2, 17

Value-for-Money Audit of the
Operations of
Paramedic Services
For the Period
January 1, 2013 to April 30, 2017

May 15, 2017
FINAL REPORT

 **AUDITOR GENERAL**

SUMMARY

Audit Objectives

To assess the extent of regard for value-for-money within the Paramedic Services Division.

Background

The Paramedic Services Division (Division) is responsible for the delivery of performance-based services in compliance with legislative and regulatory requirements while ensuring pre-hospital emergency medical care and transportation to individuals with injuries or illness. The Division is led by the Chief of Fire & Paramedic Services, and two Deputy Chiefs. For 2017, it has 120 full-time positions, 35,624 of part-time hours, 4,266 of overtime hours and a budget of \$21.4 million. Half of eligible costs are funded by the province.

The relevant legislation for the operation of paramedics in Ontario is the Ambulance Act, 1990, which is administered by the Ministry of Health and Long-Term Care (MOHLT). This legislation sets out response times for Cardiac Calls and priority calls. All other response times are established by the municipality.

In February 2016, Audit Committee requested that the Auditor General's Office advance the value-for-money audit of Paramedic Services. Council approved our updated plan on March 22, 2016.

Audit Scope

Operations of the Division from January 1, 2013 to April 30, 2017.

Report Highlights

This audit identifies several strengths within the Paramedic Services Division. It also identifies opportunities to mitigate risks and improve value for money by preparing a multi-year program to catch up on deferred station maintenance and a business case for relocating the Division to the City core.

Audit Standards

We conducted our review in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we adequately plan for the audit; properly supervise audit staff; obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions; and prepare audit documentation related to the planning, conducting, and reporting for each audit. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

Under section 223.19(1) of the Municipal Act, 2001, the Auditor General is responsible for assisting the Council in holding itself and its administrators accountable for the quality of stewardship over public funds and for achievement of value for money in municipal operations. Value for money includes three separate but interrelated values: economy, efficiency, and effectiveness. Economy is about getting the right inputs at the best cost. Efficiency is about getting the most output from the inputs. Effectiveness is about getting the outputs or outcomes that are desired.

For further information regarding this report, please contact Ron Foster at extension 4402 or via email at ron.foster@greatersudbury.ca

OBSERVATIONS AND ACTION PLANS

1. Performance Based Emergency Medical Services

Performance-based emergency medical services focus on clinical excellence, response time performance, patient outcomes and satisfaction, continuous quality improvement, and a healthy work environment conducive to productive growth. Every 3 years, the Paramedic Services Division (Division) is subject to compliance reviews by the MOHLTC to ensure legislative compliance and adherence to quality standards.

Observations

The results of the last compliance reviews were excellent and demonstrate a strong commitment to continuous improvement. Only 5 areas for improvement were identified in this review.

2. Risk Management

Observations

As shown below, the Division has developed and implemented effective controls to mitigate risks. Actively managing risks allows the Division to avoid unnecessary costs and allows staff to spend more time proactively improving the quality of services.

Risk	Total No. of Risks	Risks Before Controls			Risks After Controls		
		High	Med	Low	High	Med	Low
Reputation	8	8	0	0	0	3	5
Operational	22	22	0	0	0	9	13
Financial	18	13	5	0	0	3	15
Legal	6	5	1	0	0	0	6
TOTAL	54	48	6	0	0	15	39

Appendix 1 identifies the most significant items that are classified as “Medium Risks After Controls”. Steps to mitigate these risks are discussed within the next sections of this report.

3. Stations

Observations

Paramedic Services currently operates from 11 stations, eight of which are cohabitated with Fire services. Condition assessments prepared by CCI in 2013 and 2014 indicate that maintenance programs over the last 20 years have not kept up with the pace of deterioration in the City’s stations which on average are over 40 years old. Some maintenance was also postponed pending the outcome of the optimization project that was recently completed.

Impacts

Deferring important maintenance reduces the useful lives of the stations and creates health and safety risks as well as potential non-compliance with relevant provincial legislation.

Recommendation

Coordinate with facilities maintenance and finance staff to develop a multi-year program to catch up on essential station maintenance that has been deferred.

Management Comment & Action Plan

We concur with the Auditor General's recommendation.

4. Headquarters

The Division's senior staff, operational support staff and administrative staff presently operate from the Lionel E. Lalonde Centre in Azilda.

At least 4,000 hours are incurred annually driving ambulances between the City and Azilda where operational staff control the medical supplies and re-stock the ambulances. Relocating the Division to the City core would result in operational efficiencies that may outweigh the costs for the relocation.

Impacts

The estimated cost for relocating the Division to a new building in the City Core would be approximately \$15 million. The Division's share of the annual costs to finance \$15 million over 30 years at 3.5% would be approximately \$800K. The City's share of this annual cost would be approximately \$400K as the MOHLTC would cover 50% of eligible costs.

The potential savings that could be generated from the relocation have not been fully quantified but are significant.

Recommendation

Prepare a business case to determine if the benefits exceed the costs for relocating the Division to the City Core, including the eligibility for 50% cost sharing with MOHLTC.

Management Comment & Action Plan

The 4,000 hours are accumulated by the majority of paramedics starting and ending their shifts at the Lionel E. Lalonde Centre located in Azilda outside of the core deployment response area. Relocating Headquarters to a more centralized location would increase deployment and realize additional significant efficiencies. We would be amenable to preparing a business case that would demonstrate value for money and operational effectiveness by investing in a central headquarters that not only benefit the delivery of Paramedic Services but also all of Fire and Paramedic Services.

Appendix 1 – Most Significant Risks after Controls

Risk	Risk Description	Before Controls	After Controls
		High	Med
O1A	Paramedic stations may be in wrong locations (Headquarters)	14.0	8.9
O1B	Paramedic stations may be in wrong locations (In town Posts)	12.0	6.8
O1C	Paramedic stations may be in wrong locations (Satellite posts)	12.0	6.8
O2	Paramedic stations may lack essential functionality	12.0	6.8
F18	Potential financial impact of Paramedic HQ in wrong location	14.0	8.9