



***Paramedic Services Fleet Management
Audit Report
Community & Health Services
Paramedic and Seniors Services Branch***

December 2019

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1.0 Management Summary

Audit Services has completed an audit of Paramedic Services Fleet Management, which is under the Paramedic and Seniors Services branch of the Community and Health Services department. The objectives of the review were to ensure policies and procedures are documented and adequate for the overall management of Paramedic Services fleet assets; processes are compliant with York Region policies, Provincial legislation, and industry best practices; adequate controls in place and operating effectively to protect Paramedic Services fleet assets; and fleet management software is used effectively and efficiently.

The audit scope included detailed discussions with management and staff, on site observations, inspection of a sample of records, and review of internal policies and Provincial directives.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

Based on the work Audit Services performed, overall Paramedic Services fleet operations are well managed and maintenance processes are compliant with internal policies and Provincial directives. Opportunities for control and process improvements have been noted and discussed in the body of this report. These opportunities include revision of preventative maintenance templates to better align with manufacturer schedules; integration of maintenance software systems; performance of a needs assessment to identify additional resources required to maintain service levels in a growing community; and improved monitoring and follow-up of expired vendor certificates of insurance.

It should also be noted that there were key areas identified during the audit where controls and processes were strong and working effectively as designed. These areas include: compliance with government regulations; procurement; documented policies and procedures; continuous improvement and participation in industry initiatives; and security of physical assets.

Should the reader have any questions or require a more detailed understanding of the risk assessment and sampling decisions made during this audit, please contact the Director, Audit Services.

Audit Services would like to thank Paramedic Services staff and management for their co-operation and assistance provided during the audit.

2.0 Introduction

York Region Paramedic Services provides emergency and non-emergency medical response in and around the Region. As at the start of audit fieldwork on September 30th, 2019 Paramedic Services fleet consisted of 108 vehicles in total, of which 93 are frontline units such as ambulances and rapid response units, and the remainder are support and training vehicles.

Paramedic Services is governed by the Ontario Ministry of Health and Long Term Care (“the Ministry”). Accordingly, it is subject to a comprehensive Ministry audit once every three (3) years, in addition to unannounced spot checks conducted by the Ministry at random intervals. Audit Services reviewed the results of the two most recent comprehensive Ministry audits

conducted in 2015 and 2018, and noted that Paramedic Services was recognized by the Ministry as being fully compliant in both instances.

Vehicle maintenance and repairs are performed primarily by external vendors who are sourced in accordance with the Region's procurement policies. The Ministry requires that preventative vehicle maintenance be performed at intervals recommended by the original equipment manufacturer (OEM). Audit Services reviewed service records for a sample of frontline vehicles and found that preventative maintenance of Paramedic Services fleet is aligned with OEM service schedules and Ministry directives.

During the course of fieldwork, Audit Services noted that Paramedic Services fleet management is actively engaged in industry initiatives, and regularly collaborates with other municipalities in continuous quality improvement efforts. For example, York Region Paramedic Services is currently working with five (5) other regional paramedic services in Ontario, as well as the ambulance manufacturer, to redesign the current ambulance body. The prototype that has been developed is smaller, lighter, more ergonomically efficient, and includes enhanced safety features allowing paramedics to be securely restrained while performing patient care in transit. As of December 2019 the manufacturer is pursuing approvals and certification with the Province and the Canadian Motor Vehicle Safety Standards.

3.0 Objectives and Scope

AUDIT OBJECTIVES

The objectives of this engagement were to ensure:

- Policies and procedures are documented and adequate for the overall management of Paramedic Services fleet assets.
- Processes are compliant with York Region policies, Provincial legislation, and industry best practices.
- Adequate controls are in place and operating effectively to protect Paramedic Services fleet assets.
- Fleet management software is used effectively and efficiently.

AUDIT SCOPE

The audit objectives were accomplished through:

- Interviews with staff and management.
- Review of relevant documentation, including policies and procedures.
- Site visits and physical observation.
- Review and detailed testing of a sample of records for the period from September 01, 2018 to August 31, 2019.

4.0 Detailed Observations

4.1 Preventative Maintenance Records

Observation

Contents of the Preventative Maintenance sheet (“PM sheet”) template do not align with the original equipment manufacturer’s routine maintenance schedule descriptions, and the date of service is not always recorded by the vendor.

PM sheets provide a record of all routine inspections and maintenance performed on fleet vehicles. The PM sheet template lists all procedures that are to be performed during each preventative maintenance interval. When vehicles are due for preventative maintenance, Paramedic Services fleet service technicians must prepare PM sheets indicating the nature of the service to be performed. Vendors complete the PM sheets by checking off all procedures that were performed, then sign and date the PM sheets at the bottom. Completed PM sheets are retained on file with the corresponding vendor invoices as evidence of work performed and compliance with Provincial mandates.

Based on our review of the PM sheet template and a sample of PM sheets completed by vendors, Audit Services noted the following:

1. Specific maintenance procedures listed on the PM sheet template do not line up exactly with the original equipment manufacturer’s preventative maintenance schedule. Audit Services noted that procedure descriptions are not identical between the manufacturer’s schedule and the PM sheet, and a small number of procedures listed in the manufacturer’s schedule were not specified on the PM Sheet. Improving the layout and wording on the PM sheet may help reduce the risk of missed procedures and non-compliance with Ministry directives.
2. Vehicle repairs and maintenance vendors do not always record the date with their signature on the completed PM sheets. Audit Services noted that Paramedic Services fleet service technicians date the PM sheets when preparing them; however, the date field beside the vendor’s signature is not always completed by the vendor. Ensuring that the actual date of service is recorded on the PM sheet may strengthen the integrity of evidence supporting full compliance with Ministry directives.

Recommendation

Based on our review, we recommend that Paramedic Services management:

1. Redesign the Preventative Maintenance sheet template to better align with the original equipment manufacturer’s routine maintenance schedule descriptions.
2. Ensure that all Preventative Maintenance sheets are dated by the vendor when completed.

Management Response

1. Completed – Paramedic Services has revised the Preventative Maintenance sheet template to align procedures with the descriptions in the original equipment manufacturer’s service manual.
2. Completed – Fleet staff will ensure all Preventative Maintenance sheets are dated when completed.

4.2 Lack of Systems Integration

Observation

Vehicle maintenance requests entered into the QRS system must be manually re-entered into the M5 system to generate a work order and update vehicle records.

QRS is the software system used by Paramedic Services vehicle operators to create a Logistics Report (LR), which is a report of issues such as vehicle damage and mechanical concerns. M5 is the system in which all vehicle records are maintained. The information on the LR must be manually keyed into M5 by the service technicians to generate a work order and update vehicle records. This process is an inefficient use of resources and increases the risk of data entry errors in the M5 vehicle database.

Recommendation

Investigate opportunities to integrate the M5 and QRS systems to eliminate the need for manual transfer of data.

Management Response

Paramedic and Seniors Services is currently in consultation with the Integrated Business Services Branch to explore other systems that will integrate with M5 and other software programs that are currently used by Paramedic and Seniors Services. The existing QRS system is outdated and will be replaced over the next two years. The new system will be selected based on its interoperability with systems such as M5 through a competitive bid process.

{Audit Services note: As a result of the current coronavirus pandemic and the related impact on Community and Health Services (CHS) resources, Audit Services and CHS have agreed to discuss implementation timelines at a later date. Once established, these timelines will be included in our Outstanding Recommendations Follow-Up report to Audit Committee.}

4.3 Resource Assessment

Observation

The existing Paramedic Services fleet operations garage at 80 Bales Drive East does not have the capacity to accommodate all vehicles that are not actively deployed, and reliance on external service providers is heavy.

Vehicles return to Paramedic fleet headquarters for a variety of reasons, including restocking, maintenance and repairs, and when staff attend meetings and training events. In winter months, vehicles that must remain outside due to lack of garage space are required to have their engines regularly cycled on and off to prevent temperature sensitive medications onboard from freezing. This creates a negative environmental impact, burns costly fuel, and increases wear and tear on vehicle engines. Some efforts have been made by management to accommodate additional vehicles inside the garage, by reducing the size of select parking spots and lining up vehicles in interior areas not intended for vehicle parking; however, this may result in an increase in vehicle damage and an increase in the time required to safely extract a vehicle when needed.

In addition, Audit Services noted that Paramedic Services fleet has over 100 vehicles and two fleet technicians; accordingly, the unit relies heavily on external service providers for vehicle repairs and maintenance. Due to the specialized nature of ambulances, the unit has struggled to find and retain external service providers who are willing and able to perform the required work in a timely manner. Vehicles must be transported to the service provider's location and are serviced according to the service provider's schedule, increasing the length of time that vehicles are unavailable for deployment. This may negatively impact response times and spare ratios which may result in noncompliance with legislation, particularly given the projected population growth within the Region as mandated by the Province.

Recommendation

Consider engaging an external consultant, or dedicating internal resources, to perform a needs assessment and determine which priorities must be met with respect to facilities, staffing, and vehicle inventory to accommodate legislated requirements and ensure continued compliance with Provincial mandates in a cost effective manner.

Management Response

Paramedic and Seniors Services is currently updating the Paramedic Services Master Plan to the year 2031 which will identify future staff and stations required to meet our response time performance plan. Once the Master Plan has been updated we will develop sub-plans to support implementation of the Master Plan, including the development of a Fleet Plan. The Fleet Plan will include a needs assessment with respect to vehicles maintenance facilities, staffing, and vehicle inventory to accommodate current and future fleet growth. Options to be considered could include an expansion on the current site, a Headquarters in the southern part of the Region that could accommodate vehicle maintenance, and/or a hub model with vehicle maintenance facilities strategically located across the Region.

{Audit Services note: As a result of the current coronavirus pandemic and the related impact on Community and Health Services (CHS) resources, Audit Services and CHS have agreed to discuss implementation timelines at a later date. Once established, these timelines will be included in our Outstanding Recommendations Follow-Up report to Audit Committee.}

4.4 Expired Certificates of Insurance

Observation

Certificates of insurance from current external service providers are not all up to date in the Region's Risk Management database.

Audit Services reviewed a sample of Paramedic Services vendor contracts and noted that approximately 25% of the contracts in the test sample did not have a current certificate of insurance (COI) in the claims database maintained by the Risk Management branch. Further discussion with Risk Management revealed that there is currently a backlog of expired COIs awaiting follow-up with vendors, as well as current COIs that have not yet been entered into the database. Maintaining evidence of vendors' valid insurance helps ensure that the Region is mitigating its risk of financial loss should the vendor be responsible for any damage or injury.

Recommendation

The Risk Management branch should take the appropriate steps necessary to ensure that all current vendor contracts have valid certificates of insurance in the Region's COI database.

Management Response

Certificates of insurance (COIs) provide proof from our vendors of the required contractual risk transfer via insurance. In the event of a loss occurrence resulting from contract execution, these documents are a required mechanism to trigger any applicable insurance coverage. The Region also relies on the indemnification clause of vendor contracts for protection from loss.

COIs are tracked in a York Region proprietary system called Claims and Certificates System (CCS) and the process for maintaining COI records requires manual entry of all data contained on the COI. The system has an automated feature to send out renewal requests to help ensure timely renewal of COIs. However, the tracking and subsequent follow-up with vendors remains a manual process.

Currently, one fulltime employee is dedicated to the input, tracking and maintenance of the COI database. While the team strives to achieve 100% compliance, timely input and follow up for renewal certificates has become challenging with the growth of the Region and the increasing volume of vendor contracts. Further, the cyclical nature of insurance creates peak times and volumes approximately three times per year.

In the immediate term, Risk Management has started and will continue to utilize temporary staff to reduce the current expired COI backlog and support peak periods. We plan to have all COIs current by Q4 2020.

Over the next 18 months, Risk Management will implement a technology solution to automate the COI tracking process. The new technology may include upgrading the CCS system to include a vendor portal, or purchasing a new system that includes a portal or optical character recognition reader software (OCR) to eliminate manual data entry.

We plan to procure and implement the new technology and related processes by Q4 of 2021. This will allow full compliance with COI tracking, without the use of temporary resources, by Q2 2022.

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