

# **TORONTO** STAFF REPORT

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February 8, 2006

To: Audit Committee

From: Fareed Amin, Deputy City Manager  
William A. Stewart, Fire Chief and General Manager

Subject: Management Response to the Auditor General's Operational Review of Toronto Fire Services

Purpose:

The purpose of this report is to provide a response to the Auditor General's Operational Review of Toronto Fire Services.

Financial Implications and Impact Statement:

There are no financial implications associated with the approval of this report.

Recommendation:

It is recommended that this report be received for information.

Background:

The 2005 work plan of the Auditor General included a review of the Fire Services, based on the program's risk exposure, potential for City liability, the extent of expenditures, revenues and assets, and the potential impact on public safety. The Fire Services has not been the subject of an audit since amalgamation in 1998, and none of the former fire departments had been the subject of an audit for many years. The Auditor General's review resulted in the report "Operational Review – Toronto Fire Services", being submitted at the February 22, 2006 meeting of the Audit Committee.

After review, the Auditor General focused on control over compliance with City purchasing policies and procedures; Fire Prevention Inspection Services; Vehicle Maintenance Services; management and control over warehouse inventory; and the TFS Gift shop operation.

Comments:

Generally, the Fire Services agrees with all of the recommendations in the Audit report, and notes that in virtually all instances, issues had been identified and solutions were in development or underway prior to the Audit review. Specific points are addressed by each area, below.

Compliance with City Policies and Expenditure Payments

- Fire Services generally experiences issues similar to other divisions across the City with respect to compliance with Corporate Purchasing policies and procedures. Management staff in the Fire Services have been working with management in PMMD to address many of the issues identified. Audit staff acknowledged a slight decline in the use of DPO's by the conclusion of the audit period.
- Management of Fire Services and PMMD met on November 28, 2005 to identify issues, to begin the resolution process for outstanding contract and purchasing issues. It is our expectation that continued discussions with PMMD will further address many of the remaining Audit issues.
- Fire Services management will ensure that adequate training is provided for all staff with purchasing responsibilities and compliance with policies will be identified in staff performance planners.

Fire Prevention Inspection Services

- Many of the issues with respect to Fire Inspection Services in the City relate to the ability to find efficiencies based on staff locations and work processes. Management of the Fire Prevention section have been working on these issues since amalgamation, and agree that some steps can be taken to improve efficiencies, although the implementation of many of these are budget driven.
- Fire Prevention management have identified the need to consolidate the number of work locations for Fire Inspection staff, however, a search for suitable and adequate space within the City has to date been unsuccessful. The 2006 operating budget request included a provision for funds for the rental of space to accommodate staff in South Command as a pilot project, however, due to financial constraints this request has been removed. Without adequate space to locate a significant number of staff, these efficiencies cannot be realized.
- Since amalgamation, the Fire Services have been working on the implementation of a new CAD/RMS system (FireRMS). The major components of this system are now in place, and the records management portion of the systems for the Operations Division went live in

August of 2005. The focus of the continuing development of the system has now been turned to the Fire Prevention and Training Modules of this system.

- Based on the results of this audit, as part of the full implementation of the Fire Prevention module of FireRMS, staff have been assigned to conduct an analysis of handheld units based on the experience of other City divisions and other fire services. It is expected that the use of these units could reduce the amount of time staff spend in the office, and allow additional time for fire inspections, which have been under-resourced since amalgamation. The results of this review, including any budget related implications, will be reported through the 2007 budget process.

#### Vehicle Maintenance Services

- The move to a central location for fleet services within TFS was completed in late 2004. During this process, TFS also assumed control over the repair and maintenance of its entire fleet. Many of the issues identified by the Auditor General are a result of “growing pains”, and are currently being addressed by TFS management.
- Many of the issues identified in the vehicle maintenance section of the Fire Services relate to the issue of records management. One of the recommendations of the report includes working with Corporate IT for full implementation of the M4 System within TFS. This will include the provision of adequate support for the system including training of staff. It is expected that the implementation of this system will alleviate many of the concerns of the audit with respect to inventory control and record keeping. Management from TFS have contacted Corporate IT to begin discussions with respect to full implementation and support of the M4 system.
- TFS have forwarded requisitions to initiate blanket contracts to alleviate many of the issues related to procurement of vehicle maintenance.
- TFS staff are involved in the Corporate Stores/Warehouse rationalization project, and will continue to work towards consolidation of purchasing requirements with other fleet maintenance providers in the City.

#### Management and Control Over Warehouse Inventory

- Staff from Fire Services have been involved in both the Steering Committee and Working Group assigned to the Corporate Stores/Warehouse Rationalization Project. We have reviewed the report presented to Council on December 5/6/7, 2005 and concur with the recommendations, and will continue to be involved in an effort to resolve many of the issues identified in this Audit process. TFS staff have volunteered the Rotherham stores location as a pilot for any new systems the Project Team may wish to implement.
- Other issues identified by the Auditor General with respect to our Quartermaster Division will also be reviewed to address any concerns not included in the Corporate Stores/Warehouse Rationalization Project.

### Gift Shop Operation

- In July 2005, responsibility for the Gift Shop was transferred to a management position created in part for this requirement (Special Projects Manager–Marketing, Fundraising & Sponsorships). This manager is responsible for monitoring all aspects of the Gift Shop operation.
- Following the Audit review period, a full inventory of the Gift Shop was conducted, and processes put in place to provide necessary controls. The proposed automation of the store will simplify monitoring of inventory and sales, and allow reporting of this information as required.
- As part of this report, the Auditor General has requested the City Manager to review the current practice of City divisions and ABC's selling clothing items with City and/or divisional logos to the public, and the associated potential risk and liability to the City. Pending resolution of this issue, the Fire Services has refrained from further developing the Gift Shop, or ordering any additional materials for public sale.

Conclusion:

Fire Services management have reviewed the results of the Operational Review conducted by the Auditor General, and in large part concur with the stated recommendations. In most cases, work was already underway to address these concerns as the Audit was being conducted.

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William A. Stewart  
Fire Chief and General Manager  
Toronto Fire Services

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Fareed Amin  
Deputy City Manager

## Fire Services Operational Review

### Auditor General's Office Audit Recommendations and Management's Response

No.	Auditor General's Office Audit Recommendations	Agree / Disagree	Management Response / Comments
1.	<p>The Fire Chief and General Manager take appropriate steps to ensure purchases are in compliance with Corporate purchasing policies and procedures. In particular:</p> <p>(a) discontinue the practice of using Departmental Purchase Orders where the use of a blanket contract and purchase order would be more appropriate and continue working with the Purchasing and Materials Management Division to ensure blanket contracts and purchase orders for frequently required goods and services are issued;</p> <p>(b) discontinue the practice of splitting purchases to keep the purchase amount below the maximum level of \$7,500 for Departmental Purchase Orders or below the \$3,000 limit for three quotes;</p> <p>(c) provide necessary training, such that staff understand and comply with City purchasing policies, procedures and guidelines; and</p> <p>(d) incorporate compliance with procurement policies and procedures into the staff performance review process.</p>	Agree	<p>(a) and (b) Staff within Fire Services and Financial Services have been working with staff in PMMD to resolve a number issues around the establishment of Blanket Contracts for a number of complicated areas, including truck repairs, and fleet parts and services. A number of these contracts have been put in place since the start of the Audit process.</p> <p>At the invitation of the Treasurer, senior staff of Fire Services met with the Treasurer and the Acting Director of Purchasing and Materials Management on November 28, 2005. The purpose of this meeting was to identify ways by which the two divisions could enhance their working relationship and better understand each others issues. This is a first step in providing resolution to on-going procurement practices. At the time of this report, staff in the Mechanical unit have been assigned to work on an additional six large blanket contracts. Once these are in place, Fire Services will work to identify additional areas where the establishment of contracts will continue to reduce our dependence on DPO's. Given the emergency services nature of our business, it is unreasonable to expect that business will not be conducted until these contracts are in place.</p> <p>Financial Services staff track the use of DPO's and report on all violations. TFS senior management continues to address any misuse of DPO's with staff responsible when purchasing violations are noted.</p> <p>(c) Procurement training conducted for several staff responsible for purchasing on February 18, 2005. Additional opportunities for training staff who were unavailable to attend or who have assumed new responsibilities for purchasing since this date will be pursued with staff from PMMD, and through Corporate Human Resources courses for the Toronto Public Service.</p>

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			(d) Fire Services staff are in the process of developing performance planners for 2006. Compliance with purchasing policies and procedures, along with undertaking training in the regard for appropriate staff will be included in these planners. Performance Planners will be completed for 2006 by the end of March.
2.	The Fire Chief and General Manager take necessary steps to ensure all sole-source purchases are made in accordance with corporate purchasing policies and procedures.	Agree	As with Recommendation #1 above appropriate training will be provided and compliance will be monitored through quarterly violation reports provided by Financial Services. Performance Planners for 2006, currently under development, will include compliance with purchasing policies and procedures.  Course dates related to Purchasing are currently available in April and September 2006. TFS Management will appropriate staff are enrolled in these courses.
3.	The Fire Chief and General Manager review the appropriateness of establishing a new video production unit within Professional Development, Training and Mechanical Maintenance. Such a review take into account the resources currently available within the Public Information and Media Communications Unit of Staff Services and Communications as well as the potential availability of resources elsewhere in the City.	Agree	The Division Chief of Professional Development and Training will undertake this review in conjunction with the Division Chief of Staff Services who has responsibility for the Public Information section of the Fire Services. The review will explore the ramifications of merging or sharing the resources of the Public Information and Media Communications unit of Staff Services, and Communications with the Professional Development, Training Video unit. Additionally, the potential to meet Fire Services media production needs via the Corporate Communications Unit will be reviewed.
4.	The Fire Chief and General Manager take necessary steps to strengthen management controls over the use of commercial fuel credit cards in Toronto Fire Services by:  (a) developing a formal policy on the issuance and appropriate use of commercial fuel credit cards;	Agree	(a) The Division Chief, Mechanical Maintenance will develop a formal policy on the issuance and use of fuel cards, including the criteria to determine who is eligible to receive a card. The policy will also include instruction to all staff with fuel cards directing them to use fuel pumps located at Headquarters or other Corporate sites, with commercial sites used only as a last resort. This policy is currently being drafted and reviewed by Fire Services management.

**Fire Services Operational Review**

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	<p>(b) implementing monitoring measures to ensure adherence to divisional policy on the use of commercial fuel credit cards;</p> <p>(c) reviewing the necessity and reasonableness of current credit card assignment and usage; and</p> <p>(d) ensuring all fuelling expenses are adequately reviewed and approved by appropriate supervisory staff.</p>		<p>(b) In progress. Fire Services Senior Budget and Operations Analyst has developed an Access database program to record fuel use as directed in a communiqué from the Office of the Fire Chief (FCC 05-55) dated March 17, 2005. Responsibility for entering data collected from various vehicles has been assigned to the admin assistant for each unit. Reports can then be generated from the system for review for reasonableness by the appropriate Division Chief or Deputy. The Division Chief, Mechanical Maintenance will review monthly fuel card statements for reasonableness prior to approval by the appropriate signing authority.</p> <p>(c) A new contract for commercial fuel was awarded in November 2005. As part of this contract renewal process, staff with access to commercial fuel cards were confirmed and as with previous contracts, new cards were issued only to Senior Management staff who have a requirements for 24 hour fuel, and as backups for 24 hour equipment use and special emergency response teams (including HUSAR and CBRN teams). There are a total of 27 fuel cards in use by TFS. The previous Audit report which referred to nine identified only those associated with senior staff who are provided with cars on a 24/7 basis as part of their on-call emergency responsibilities.</p> <p>(d) The Division Chief, Mechanical Maintenance will work with the vendor to ensure billing for commercial credit cards can be separated out for approval purposes. In the future, all fuel purchases by TFS senior staff will be approved by the Fire Chief, and expenses for the Fire Chief will be removed and billed separately for approval by the Deputy City Manager.</p>



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5.	<p>The Fire Chief and General Manager ensure:</p> <p>(a) staff responsible for authorizing purchases obtain and review sufficient and relevant information to ensure best value prior to committing to purchases of goods and services; and</p> <p>(b) staff responsible for authorizing payments obtain and review relevant supporting details to ensure the reasonableness of the amount invoiced.</p>	Agree	<p>Staff with responsibility for purchasing have been advised that all purchasing documents, including sole source purchases, must include a detailed breakdown of items and unit costs to approve the reasonableness of estimates prior to work being completed. Staff responsible for authorizing payments will ensure that invoices also include sufficient details (i.e., number of units and unit costs) to ascertain the reasonableness of the invoice against the original purchasing documents/estimates.</p> <p>As per Recommendation #1 (c), training for staff as necessary to ensure all are fully aware of the purchasing requirements will be pursued with PMMD or through Corporate Human Resources courses for the Toronto Public Service.</p>
6.	<p>The Director of Purchasing and Materials Management take necessary steps to expedite the establishment of a corporate blanket contract for renting photocopiers in the City, and ensure that an assessment is conducted in each user division to determine usage and the most cost effective model required.</p>	Agree	<p><u>TFS Comments:</u> Staff from Fire Services Financial Services have been in regular contact with PMMD to determine the status of a Corporate wide contract for photocopiers.</p> <p><u>PMMD Comments:</u> Upon completion of the e-Print Strategy by Corporate I &amp; T, a print reproduction (photocopiers, printers, scanners and fax machines) RFP will be developed and issued. It is estimated that the award will be made in the fourth quarter of 2006.</p>
7.	<p>The Fire Chief and General Manager review the cost and benefits of introducing handheld computing equipment in the fire prevention inspection process. Such an analysis to include the costs of original capital investment plus increased efficiency gains. In conducting this review, the Fire Chief and General Manager ensure coordination with both Toronto Public Health and the Toronto Police Service.</p>	Agree	<p>Linked to recommendation #16. The implementation of this recommendation is dependent to some extent on the completion of the Fire Prevention Module of the FireRMS system that was implemented within the Fire Services in August 2005. The first phase of the implementation replaces a Y2K fire reporting system for the Operations Division, to ensure compliance with reporting requirements of the Office of the Ontario Fire Marshal. Now that</p>

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			<p>this major implementation is complete, additional modules related to Fire Prevention and Training are under development.</p> <p>Fire Prevention staff will be assigned to conduct an analysis of handheld units based on the experience of other City of Toronto departments and other Fire Services. This analysis will include both the capital investment requirements and the potential efficiency gains. A report on this analysis will be provided by June 2006.</p>
8.	<p>The Fire Chief and General Manager evaluate the feasibility and associated risk of centralizing district offices within Fire Prevention and Public Education of Toronto Fire Services, with a view to:</p> <p>(a) determining the most cost-effective number and location of district offices;</p> <p>(b) assessing office space requirements for Fire Prevention staff working outside of district offices;</p> <p>(c) assessing potential costs and resource levels required to effectively support a more centralized structure; and</p> <p>(d) presenting to the Community Services Committee by September 1, 2006 with a detailed implementation plan, outlining projected cost savings, actions required, as well as target milestone and completion dates for measuring results.</p>	Agree	<p>The Division Chief, Fire Prevention and Public Information, has been considering a similar initiative since mid-2004, and included requests in the past two budget cycles in this regard. Management has concluded that ideally, Fire Prevention offices should be consolidated from 18 office down to five, including four inspection offices (one per Command), and one Public Education office. The proposed single Public Education office has been included in the development of a new fire station, currently under construction in the Leslie/Hwy 401 area, which is scheduled for completion in 2007.</p> <p>The Policy, Planning, Finance and Administration Division is responsible for providing the administrative staff requirements for the Fire Prevention District Offices. They are aware of this recommendation and have indicated they will work with TFS to identify any administrative efficiencies resulting from the consolidation of district offices.</p> <p>It has been determined that centralized offices for fire prevention would be more efficient as they would allow better pooling of resources and provide increased supervision of staff which should result in increased productivity. The staff time efficiencies could then be redirected to fire prevention and inspection initiatives that have been outstanding since amalgamation due to insufficient resources.</p>

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			<p>A submission as made in the 2006 operating budget process to secure funding for annual rental of space sufficient in size to allow for the consolidation of the South Command offices, as a pilot for the project. This request was removed at the City Manger/CFO review stage of the process.</p> <p>Fire Prevention staff will conduct a detailed feasibility study on the issue of centralization of Command offices by September 1, 2006 and report this to the following Community Services Committee meeting. A key consideration in this review will be the ability to secure sufficient space in each Command to allow consolidation. Any projected costs or efficiencies will be included in the 2007 Fire Services Operating budget request.</p>
9.	The Fire Chief and General Manager develop a formal policy on the timeliness of follow up on fire safety related complaints and measures to ensure fire hazards are properly rectified.	Agree	The development of policies and procedures are underway. Policies to be completed and implemented by June 2006.
10.	<p>The Fire Chief and General Manager, in consultation with the City Solicitor, develop and implement standard policies and procedures to ensure consistency in fire code enforcement efforts, including:</p> <p>(a) defining non-compliance conditions by severity of fire hazard, response time and corresponding progressive enforcement measures to be applied;</p> <p>(b) exploring the viability of stating expected target compliance date on the Notice of Violation; and</p> <p>(c) developing time frames for re-inspection, implementation of corrective measures and timelines for laying charges.</p>	Agree	The development of policies and procedures are underway. These will be developed in consultation with, and will be reviewed by, the City Solicitor. A progress report will be provided in June 2006.

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11.	The Fire Chief and General Manager establish a policy to ensure rotation of Fire Prevention staff regularly to various geographical areas.	Agree, with comments	The current Local 3888 Collective Agreement limits management's ability to move staff work locations. Centralization of offices, as identified in Recommendation #8 would assist in the ability to rotate staff assignments within the same work location. Any new policies related to staff rotation would be issues to be resolved in Collective Agreement negotiations.
12.	<p>The Fire Chief and General Manager take appropriate steps to ensure:</p> <p>(a) consistency and efficiency in the conduct of Fire Prevention inspections through the use of standard inspection forms, checklists and documentation standards;</p> <p>(b) Fire Prevention staff comply with written policies, procedures and standards established by Fire Prevention management; and</p> <p>(c) the level of supervisory review is adequate to ensure consistency in enforcement efforts and compliance with established policies.</p>	Agree	<p>Consistency/standardization of inspection forms will be addressed through the implementation of the Fire Prevention module of the FireRMS system (as per Recommendation #7), as new forms and procedures are developed for the system.</p> <p>Policies and procedures are being developed for the implementation of responsibilities of supervisors and managers in the Fire Prevention Unit. These procedures will include the development of daily logs to ensure accountability systems are in place for supervisory staff. These policies are expected to be fully developed and implemented by June 2006.</p>
13.	<p>The Fire Chief and General Manager consider taking a "risk based" approach in delivering the fire prevention program in the City, and conduct a review to determine:</p> <p>(a) the cost effectiveness of the current inspection program of institutional facilities;</p> <p>(b) the number of additional high fire risk premises in the City requiring routine inspections, appropriate inspection frequency and resource requirements, as well as potential</p>	Agree	Toronto Fire Services senior management has been in negotiations with the Buildings Department since amalgamation (and more recently involving the Deputy City Manager), on the division of responsibilities for inspections under the Building Code. This review is expected to be complete in February 2006, at which time TFS will be able to undertake a review of inspections activities within the Fire Services, based on the inspection activities determined to be the responsibility of TFS. This review will consider the benefits of a more "risk based" approach to Fire Prevention activities based on elements such as building types and

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	<p>risks and liability to the City if identified high fire risk premises are not routinely inspected;</p> <p>(c) the reasonableness of inspection staff resources currently assigned to the four district commands, and possible re-organization to facilitate implementation of a "risk based" inspection program; and</p> <p>(d) report results and recommendations to the appropriate City Committee.</p>		<p>areas of the City. The results of this review will be reported to the Community Services Committee through the 2007 budget process, as part of the overall review of consolidation of office space and efficiency review of hand held devices as discussed in Recommendation #8.</p>
14.	<p>The Fire Chief and General Manager prepare a project plan detailing resource requirements, major milestones and target completion dates, as well as regular status reports to ensure properties requiring retrofit actions, as stipulated by Ontario Fire Code, are inspected within projected time frames. Such plan and the first status report be presented to the appropriate Committee by June 2006.</p>	Agree	<p>Staff have been assigned and a report will be forwarded to Community Services Committee by June 2006.</p>
15.	<p>The Fire Chief and General Manager take appropriate steps to develop and implement results based performance indicators to measure the productivity and cost effectiveness of the Fire Prevention inspection and enforcement services provided by the City.</p>	Agree	<p>Toronto Fire Services has been working with the Office of the Fire Marshal and a number of other Ontario fire services on the development of a joint Performance Measurement and Benchmarking system (OFSPMBS). This system is now available on-line, and provides performance measures for fire suppression activities. TFS staff continue to sit on the Steering Committee for this project, and have continued work on the system, which was recently updated to include measures for Fire Prevention and Public Education activities, including things like number of inspections, violations reported and cleared, # of inspection hours, as well as compliance and conviction data. Data collection for these measures will commence in the first quarter of 2006, with data expected to be available for comparison purposes by the Fall. Staff from TFS and the OFSPMBS team have also been working with representatives from the Ontario Municipal Benchmarking Initiative (OMBI), to</p>

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			ensure that measures developed are relevant to their needs, and to eliminate duplicate processes. This work will continue, and performance related data for Fire Prevention and Public Education activities will begin to be reported by year end, 2006.
16.	The Fire Chief and General Manager take necessary steps to expedite the development of a new information system for Fire Prevention.	Agree	As per Recommendation #7, a project to replace the existing Fire Prevention system is the final phase of the on-going CAD/RMS project. It has always been included and forms an integral part of the overall Records Management application. The current project schedule identifies completion to occur before the end of 2006.
17.	<p>The Fire Chief and General Manager ensure Toronto Fire Services staff prepare:</p> <p>(a) a detailed analysis clearly defining business processes, data and system requirements necessary to effectively manage the Fire Prevention program;</p> <p>(b) an assessment on the system's ability to accommodate changes in technology, such as handheld computing devices; and</p> <p>(c) provide recommendations to senior management for system enhancements, estimated costs, target completion and milestone dates.</p>	Agree	<p>(a) An extensive review and needs analysis of the Fire Prevention Division, along with a gap analysis of the existing functionality in the new Records Management System (RMS) Occupancy module have been completed. A market scan of other applications to determine if any are more suitable to the expressed needs of Fire Prevention is on-going.</p> <p>(b) The new Fire RMS system is already wireless-enabled, with hand-held based inspection software. An alternate application currently under evaluation is also wireless-enabled and supports hand-held devices.</p> <p>(c) Once the current evaluation has been completed and an implementation approach has been selected, a comprehensive project plan will be developed and presented in conjunction with the 2007 budget request.</p>

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18.	The Fire Chief and General Manager review the current fee structure for after hour fire inspection services in order to ensure that full-cost recovery is achieved. Any proposed change be reported to the appropriate Committee.	Agree	Review has been done and new hourly rates have been identified based on actual costs determined by rank of personnel. Toronto Fire Services proposes to amend Chapter 441 in the Toronto Municipal Code to increase the hourly rate of \$45 per person hour (minimum of four hours) through the Community Services Committee by the May 4, 2006 meeting.
19.	The Fire Chief and General Manager review and take necessary steps to: <ul style="list-style-type: none"> <li>(a) ensure the implementation of a proactive and enhanced preventive maintenance program for firefighting vehicles and equipment; and</li> <li>(b) monitor and minimize fire vehicle downtime and service disruptions associated with unscheduled and unexpected repairs.</li> </ul>	Agree	<p>(a) Starting on or before March 1, 2006, the Mechanical Maintenance division will begin scheduling a minimum of one truck per day for preventative maintenance, based on the midway point between required maintenance dates for PMCVI inspections. This should result in an overall decrease in vehicle downtimes for emergency repairs.</p> <p>(b) Monitoring of vehicle downtimes can currently be done through M4, although additional staff training and implementation is required for reliable report results. Additional reporting capabilities and monitoring will be achieved through improvements to the use and support of this system, as identified in Recommendation #31 of this report.</p>
20.	The Fire Chief and General Manager take appropriate steps to ensure fire station staff clearly understand the frequency and timing related to vehicles and equipment inspections required, inspection procedures and standards for documenting inspection results.	Agree	<p>Daily inspection of vehicles has traditionally been a requirement of the Fire Services. This requirement is currently identified as one of the Fire Services SOG's, specifically #A-INSP, which provides Operations personnel with a guideline for the inspection of apparatus, including the completion of a Daily Vehicle Inspection Report.</p> <p>On January 2, 2006 the Operations Division of the Fire Services converted to a 24 hour shift pattern. As part of the implementation of this shift, a new 24 hour Daily Agenda was developed to identify all tasks to be completed by personnel each day. The need for daily</p>

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			<p>vehicle inspections has been added to this agenda, which serves as a check off list and is signed by the staff responsible on a daily basis. These forms are collected by the District Chief and reviewed, with discrepancies followed up and monitored. The forms are then forwarded to the Platoon Chief and in turn the Division Commander for review.</p> <p>Also, on September 15, 2005, FCC 05-160 was issued to all Fire Services staff, advising that in 2006, Fire Services management would begin conducting Operational Readiness Audits. These Audits have been implemented as a result of concerns identified by the Joint Health and Safety Committee within the Fire Services. The audits will be conducted by Platoon Chiefs and Division Commanders, who will perform random spot checks to ensure completion and proper recording of daily responsibilities of fire fighters in the stations, based on a checklist that has been developed by management staff. A check of the daily vehicle inspection reports will be added as a requirement of these internal audits.</p> <p>The goal of TFS management is to ensure that every station is the subject of a random audit at least once per year. A review of the overall program will be conducted after a one year period to determine if the process should be revised.</p>
21.	<p>The Fire Chief and General Manager ensure that:</p> <p>(a) the Mechanical Division maintain complete, reliable, accurate vehicle records and comply with regulatory requirements;</p> <p>(b) policies and formal documentation standards for vehicle repairs and maintenance activities are developed;</p>	Agree	<p>(a) MTO still requires paper records for all vehicle repairs. As the City requires that invoices be sent directly to Metro Hall, copies are now being forwarded to the Toryork facility for filing for MTO purposes following approval at Fire Services Headquarters.</p> <p>(b) Since amalgamation, the development of standardized Standard Operating Guidelines (SOG's) has largely been centred on the Operations Division of TFS. These SOG's were completed in the first quarter of 2005, and development of SOG's within other divisions has begun. The Division Chief, Mechanical Maintenance</p>



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	<p>(c) documentation requirements and management expectations are clearly communicated to garage staff; and</p> <p>(d) management regularly review manual and system records and monitor compliance with established documentation policies and standards.</p>		<p>will develop formal SOG's for vehicle repairs and other activities of the Division, with expected completion by year end 2006.</p> <p>(c) This will be included as part of the SOG process defined above. In addition, all staff of the Mechanical Division are provided with any communications from the Office of the Fire Chief, as are all Fire Services staff. These communications are also posted on the Intranet for convenient access.</p> <p>(d) Assigned to the District Chief within the unit. Further development of the M4 System, as well as SOG's for the unit, which are both the subject of other recommendations of this report, will assist in the implementation of this recommendation.</p>
22.	The Fire Chief and General Manager ensure records maintained by the Mechanical Division accurately account for all repairs performed on each vehicle, including repair and maintenance services rendered under warranty and those performed by private garages.	Agree	As per Recommendation #21 and 30 (c), staff are developing processes to ensure that complete paper records are kept on site at the Toryork Mechanical facility. The implementation of complete SOG's will ensure procedures are in place to meet this requirement. Full implementation of M4, including training of staff and linkages to SAP, will ensure that complete electronic records are also up to date and available.
23.	<p>The Fire Chief and General Manager take steps to ensure cost-effective management of the Mechanical Division including:</p> <p>(a) establishing and maintaining formal, written and enforceable job standards and monitor compliance with those standards; and</p> <p>(b) ensuring accurate tracking of repair time by utilizing the capability built into the M4 Fleet Management Information System.</p>	Agree	<p>(a) The Division Chief of Mechanical Maintenance will establish job standards for standard work (e.g., oil changes, etc.) based on a review of available standards from Corporate Fleet and other fire Services by June 2006. These standards will then be used to monitor compliance by staff to ensure efficient operations.</p> <p>(b) As per Recommendation #31, full implementation of the M4 system will capture and report staff time more effectively. Currently, road-service travel hours, and emergency response hours are often not accurately reported. Finished work orders will be authorized by the responsible Supervisor to confirm accuracy and reasonableness of the noted labour times and parts utilized.</p>

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24.	<p>The Fire Chief and General Manager take necessary steps to:</p> <p>(a) utilize the M4 Fleet Management Information System for recording warranty information and tracking warranty repairs;</p> <p>(b) establish criteria for determining when warranty repairs should be performed internally or referred to the manufacturer; and</p> <p>(c) establish formal arrangements with manufacturers, ensuring the recovery of eligible costs when in-house warranty repairs are made.</p>	Agree	<p>TFS will work with Corporate IT to ensure full support and training for the M4 system, as per Recommendation #31.</p> <p>(a) Mechanical support staff will be assigned responsibility to ensure all data associated with vehicles purchased in the last five years is entered into the M4 system by the end of the first quarter of 2006 to ensure any warranty work that may still occur is adequately flagged and tracked. Data will also be entered into M4 as new vehicles are delivered.</p> <p>(b) Establishment of formal criteria for determination of warranty service provider will be included as part of the development of SOG's as per Recommendation #21. At the present time, all major repairs covered under warranty are referred to the manufacturer unless the cost of outsourcing, including consideration of downtime estimates, exceeds the cost of having the work completed by in-house technicians.</p> <p>(c) Fire Services staff will work with PMMD to incorporate this requirement in the tender process as part of the template for requirements and the evaluation process.</p>
25.	<p>The Deputy City Manager, in consultation with the Deputy City Manager and Chief Financial Officer, explore the costs and benefits of designating Fleet Services as the primary provider of maintenance and repair services for Toronto Fire Services' light vehicle fleet.</p>	Agree, with comments	<p><u>TFS Comments:</u> The Fire Services, in conjunction with PMMD, is currently preparing a call for an open contract for overflow work on light vehicles. The intent is to award an open contract to one shop in each of the four Command areas. It is assumed that assuming their resources are adequate, Fleet Services could bid on this contract, which would also ensure the best value for money for the City through a competitive process.</p>

## Fire Services Operational Review

### Auditor General's Office Audit Recommendations and Management's Response

No.	Auditor General's Office Audit Recommendations	Agree / Disagree	Management Response / Comments
26.	The Fire Chief and General Manager and the Director of Purchasing and Materials management take necessary action to expedite the finalization of blanket contracts and purchase orders for referral of general vehicle repairs to private garages.	Agree	<p>A number of requisitions are currently in development with PMMD.</p> <p>The following represents some examples of requests currently in progress: A contract for Fire Apparatus body repair was initiated with PMMD Oct 2005. In addition, four contract requests were sent to PMMD in Dec 2005, including Cummins engine repair, Detroit Diesel Engine repair, Allison automatic transmission repairs, and truck power-washing. Three more contract requests are ready to be sent to PMMD for overflow PMCVI work, overflow heavy truck work, and overflow light vehicle work. Other contracts currently in development include truck filters not available through Corporate stores, heavy truck brake components, miscellaneous shop supplies, and truck suspension repairs.</p>
27.	<p>The Fire Chief and General Manager establish procedures to strengthen management controls to ensure:</p> <p>(a) adequate documentation to support repairs referred to private garages;</p> <p>(b) vendor selection and payments for work performed by private garages are in compliance with Corporate purchasing policies; and</p> <p>(c) random quality assurance inspections of vehicles serviced by private garages are conducted and adequately documented for review by garage management.</p>	Agree	<p>(a) As a result of this audit, District Chiefs within the Mechanical Division are now required to authorize estimates received and track any repair work sent out to private garages, and report this to the Division Chief on a weekly basis for review.</p> <p>(b) As identified in Recommendation #1, Fire Services continues to work with PMMD to set up blanket contracts for all vehicle repairs. The establishment of contracts to cover TFS fleet requirements will ensure ongoing compliance with all purchasing policies regarding maintenance repairs.</p> <p>Without authorized contracts, vendor selection is based on companies that are dealers/repair sites for the specific product in question, or have past experience providing quality service to TFS and the industry as a whole.</p> <p>(c) We understand that Fleet Services has a procedure in place and a standard form for documenting random inspections. Fire Services</p>

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No.	Auditor General's Office Audit Recommendations	Agree / Disagree	Management Response / Comments
			staff will work with Fleet Services staff to determine the appropriateness of this system for our purposes, and will initiate random inspections and document inspection results based on the outcome of these discussions by the end of March 2006.
28.	<p>The Fire Chief and General Manager take appropriate steps to:</p> <p>(a) ensure purchases of auto parts are made in compliance with corporate procurement policies; and</p> <p>(b) explore the possibility of coordinating parts and tool purchases with Corporate Fleet Services for volume discounts.</p>	Agree	<p>(a) As indicated previously, Fire Services staff are working with PMMD to establish blanket contracts for auto parts to comply with purchasing policies.</p> <p>(b) Fire Services has been involved with the Corporate Stores/Warehouse Rationalization Project, and will be included in any further initiatives to consolidate purchasing for any aspect of our requirements.</p>
29.	The Fire Chief and General Manager review the feasibility of utilizing the parts tracking feature in the M4 Fleet Management Information System for implementation in 2006.	Agree	<p>As per Recommendation #31, Fire Services will work with Corporate IT to fully implement the M4 system in the Mechanical section. This will include fully implementing the parts tracking feature. A complete inventory of parts will be conducted at the Toryork Mechanical facility, and this inventory will be entered into M4 to ensure the cost of materials used is assigned to appropriate vehicles. Timeframe for implementation will be determined in consultation with Corporate IT. Fire Services will provide a progress report on implementation by June 2006.</p> <p>As part of the 2006 Operating Budget process, Fire Services requested the addition of a clerk to the Mechanical section for its parts room, to ensure adequate control over inventory ordering and use. Due to budget constraints, this request has been removed from the budget. Fire Services will investigate alternate methods to achieve this control, including a review of the potential to create a position suitable for a modified duties staff person. These discussions will commence immediately and progress will be reported by June 2006.</p>

## Fire Services Operational Review

### Auditor General's Office Audit Recommendations and Management's Response

No.	Auditor General's Office Audit Recommendations	Agree / Disagree	Management Response / Comments
30.	<p>The Fire Chief and General Manager take appropriate steps to ensure implementation of adequate inventory controls, including:</p> <ul style="list-style-type: none"> <li>(a) utilizing available system features for tracking inventory usage;</li> <li>(b) assigning a staff position to monitor receipts and issuance of parts inventory, and restricting physical access to the stockroom to authorized personnel;</li> <li>(c) recording all parts and labour in the M4 Fleet Management Information System, including unit cost, vendor information and labour hours; and</li> <li>(d) establishing policies and guidelines to provide for an annual inventory process and periodic surprise physical counts of items, and ensuring that discrepancies are adequately investigated and resolved.</li> </ul>	Agree	<p>(a) As per Recommendation #29 above, Fire Services will work with Corporate IT to fully implement the M4 System, including the inventory control feature.</p> <p>(b) Also as per Recommendation #29 above, Fire Services management will investigate alternate arrangements to allow for an inventory control clerk at the Toryork Mechanical Facility. Physical access restrictions to the facility are currently being implemented. A card lock system has recently been installed, although the system cannot be "turned on" until exterior door frames are replaced in the spring of 2006. Following completion of this work, Corporate Security will activate the card access system.</p> <p>(c) Mechanical Division staff will create an SOG to outline the steps involved in the repair process, as part of the overall development of SOG's for the Division to be completed by year end 2006. The SOG will list all work processes, M4 entries and paperwork required to complete a maintenance event from repair request through to finished work order.</p> <p>(d) During the process of fully implementing the M4 system, a complete inventory of parts at the Toryork facility will be conducted. The on-site District Chief has been assigned to ensure that the initial inventory is completed, and that annual counts are conducted to reconcile the inventory. Any discrepancies found will be investigated and appropriate actions taken.</p>

## Fire Services Operational Review

### Auditor General's Office Audit Recommendations and Management's Response

No.	Auditor General's Office Audit Recommendations	Agree / Disagree	Management Response / Comments
31.	<p>The Fire Chief and General Manager take necessary steps to expedite the implementation of the M4 Fleet Management Information System, and include:</p> <ul style="list-style-type: none"> <li>(a) the development of policies and procedures;</li> <li>(b) the securing of technical support from the Information and Technology Division; and</li> <li>(c) the requirement to provide formal training to staff.</li> </ul>	Agree	<p>Fire Services management will work with Corporate IT to fully implement the M4 system. This will include a requirement for Corporate IT to provide support for the system, and provide training as required by Fire Services staff who will be accessing the system for recording data or generating reports. Progress on the full implementation of M4 will be reported by June 2006.</p>
32.	<p>The Deputy City Manager ensure the Mechanical Division of Toronto Fire Services:</p> <ul style="list-style-type: none"> <li>(a) establish clear and measurable objectives and performance goals;</li> <li>(b) coordinate with Fleet Services in establishing efficiency and effectiveness performance measures to evaluate progress toward those goals; and</li> <li>(c) regularly measure and report on progress in achieving performance goals.</li> </ul>	Agree	<p><u>TFS Comments:</u> As per Recommendation #15, performance measures relevant to fleet issues within the Fire Services are under consideration by the Ontario Fire Service Performance Measurement and Benchmarking Project, which is a joint initiative between the OFM and the Ontario Fire Services. This group is currently also working in conjunction with OMBI for the development of relevant performance measures suitable for comparison amongst Ontario municipalities.</p> <p>(a) As with other performance measures initiatives, Fire Services staff will work with staff from the City Manager's Office (for coordination with OMBI) with respect to the development of performance measures for fire's fleet services.</p> <p>(b) Fire management will liaise with Fleet Services management to ensure that measures common to Fleet Services and Fire are reported through the City's annual budgeting process, and as required by other initiatives such as OMBI.</p>

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No.	Auditor General's Office Audit Recommendations	Agree / Disagree	Management Response / Comments
			(c) Fire Services will continue to report on the development of performance measures and results of these measures through annual budget processes and as required by OMBI and other provincial reporting mechanisms.
33.	The City Manager ensure coordination of Fleet Services, Toronto Fire Services and other City fleet operations in establishing common performance measures and standard for fleet operations City-wide.	Agree	<u>TFS Comments:</u> See recommendation #32 above. Assuming the availability of information sources, Fire Services will comply with any performance measurement requirements of the City.
34.	<p>The Deputy City Manager, in conjunction with the Deputy City Manager and Chief Financial Officer, take steps to improve current materials management and control over the warehouse operation in Toronto Fire Services as a part of the corporate Stores/Warehouse Rationalization Project. Such steps to include:</p> <p>(a) developing and implementing a corporate policy on reporting divisional inventory value at year-end;</p> <p>(b) developing and implementing adequate control over access to the inventory information system; and</p> <p>(c) providing inventory control training to Toronto Fire Services staff.</p>	Agree	<p><u>TFS Comments:</u> Staff from Fire Services have been involved in both the Steering Committee and working group assigned to the Corporate Stores/Warehouse Rationalization Project, and as such are very familiar with this project. We have reviewed the report presented to Council on December 5/6/7, 2005 and concur with the recommendations, and will continue to be involved. TFS staff have volunteered the Rotherham stores location as a pilot for any new systems the Project Team may wish to implement.</p> <p>(a) This has not been the past practice of the Fire Services; items were considered to be expensed when received. More recently there has been a sufficient inventory held in this location to warrant an accounting of inventory values at year end. However, a further recommendation of this report suggests that measures be taken to reduce surplus inventory, which is the goal of TFS in 2006. Upon depletion of the current inventory, Fire Services staff will work with Financial Services staff to determine the need and process for year-end accounting of inventories. Also, when the Warehouse Rationalization Project recommendations are implemented, year-end inventory will become a routine part of the operation of all stores locations.</p>

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No.	Auditor General's Office Audit Recommendations	Agree / Disagree	Management Response / Comments
			(b) The Audit review process identified some specific areas where access to the inventory system should be limited. These specific issues have been identified to staff and accounts have been modified to control this access.
35.	<p>The Fire Chief and General Manager take steps to improve current materials management and control over the warehouse operation in Toronto Fire Services by:</p> <ul style="list-style-type: none"> <li>(a) ensuring orders, receipts and distribution of all inventory items are systematically tracked and monitored by management;</li> <li>(b) providing adequate management oversight to ensure irregularities are detected and corrected in a timely manner;</li> <li>(c) developing and implementing measures to reduce the quantity of surplus uniform items in storage; and</li> <li>(d) reviewing the feasibility of reducing the number of staff and delivery vehicles assigned to the warehouse function.</li> </ul>	Agree	<p>(a) Reporting systems as identified through the Corporate Stores/Warehouse Rationalization Project will address this concern, as will actions identified in Recommendation #32 part (b) above. We understand that managers within PMMD will be more involved in this aspect of all stores operations once the project is in place.</p> <p>(b) The Captain responsible for the Quartermaster section of Fire Services has been advised of this concern, and is working to correct the problem. This will be fully addressed through the Corporate Stores/Warehouse Rationalization Project which includes a review of reporting requirements to ensure irregularities can be detected by management.</p> <p>(c) A complete inventory of surplus items was conducted in January 2006. Uniform orders for staff for 2006 are being reduced by the quantity on hand.</p> <p>(d) Fire Services management will review the staffing and delivery requirements of the stores location following implementation of the recommendations of the Corporate Stores/Warehouse Rationalization Project. Modified Duties staff are often assigned to the Quartermaster section in an effort to get people back into the workplace, and to alleviate times of high demand. Staffing as observed by Audit staff at the time of their review included three modified duties staff that are not normally part of the complement of the section. The normal staffing of the Division consists of one Captain, seven stores people and one clerk.</p>



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### Auditor General's Office Audit Recommendations and Management's Response

No.	Auditor General's Office Audit Recommendations	Agree / Disagree	Management Response / Comments
36.	<p>The Fire Chief and General Manager take necessary steps to improve current management control of the gift shop. Such steps to include:</p> <ul style="list-style-type: none"> <li>(a) implementing procedures to ensure adequate controls over orders, receipts and sales;</li> <li>(b) conducting a physical count of existing stock; and</li> <li>(c) ensuring that the operation is adequately supervised.</li> </ul>	Agree	<p>(a) Prior to the findings of this audit, Fire Services submitted a TARF request for a software/hardware package that includes point of sale tracking as well as inventory control. This submission was based on a review of requirements and options available commercially to meet these requirements. The proposed software is Quick Books Point of Sale. The package requested would allow TFS to monitor all aspects of the gift shop along with allowing reporting capabilities for accounting purposes. The package in question would be purchased at no net cost to the City, as funds would be recouped by the sale of goods, as stipulated in the Council report originally approving the sale of TFS merchandise. This request has been put on hold pending decisions related to Recommendation #37 of this report. In the interim, controls over inventory, receipts and sales are being tracked in Excel workbooks.</p> <p>(b) A complete physical count of inventory was completed by staff in December 2005.</p> <p>(c) Responsibility for the TFS Gift Shop was transferred in July 2005 to a management position specifically created, in part, for this requirement (Special Projects Manager – Marketing, Fundraising and Sponsorships). This manager is responsible for monitoring all aspects of the operation. The automation of the store through the software and hardware will simplify monitoring of inventory and sales, and will allow reporting of this information as required.</p>
37.	<p>The City Manager review the current practice of City divisions, Agencies, Boards, and Commissions selling clothing items with City and/or divisional logos to the public, the associated potential risk and liability to the City, and report to appropriate committees on results and recommended action.</p>		<p><u>TFS Comments:</u> The Toronto Fire Services Proposed Sponsorship and Fundraising Programs report was adopted, without amendment, by Council at its meeting on May, 18, 19 and 20, 2004 without amendment.</p> <p>Pending resolution of this issue, the Fire Services has refrained from further developing the Gift Shop, or ordering any additional materials for public sale. This decision has affected our ability to</p>

**Fire Services Operational Review**

**Auditor General's Office Audit Recommendations and Management's Response**

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			<p>fully develop the revenue potential to support the development of our Public Education Centre and/or the Risk Watch program.</p> <p>However, the Fire Services respectfully offers the following: We understand that the practice of selling items, including clothing, with logos is fairly standard amongst both City departments and ABC's (including Toronto Police), as well as in other high profile organizations such as the RCMP. We understand the issues associated with selling items that use the official logo of the Fire Services, and as such, we have worked with staff in Corporate Communications to develop a new logo that is completely different from our corporate logo for clothing items. If the City Manager and Council agree there is risk in selling clothing items with official logos, in the future the Fire Services would only use this logo for promotional hard goods.</p>