



REPORT FOR ACTION

Assessing Fire Safety and Fire Code Compliance – Update on Toronto Fire Services Service Level Enhancements

Date: September 24, 2019
To: Economic & Community Development Committee
From: Fire Chief & General Manager, Toronto Fire Services
Wards: All

SUMMARY

This report responds to City Council direction related to the Auditor General's 2018 report AU13.11 "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto."

In response to this report, the Audit Committee, at its meeting of July 13, 2018, requested the Fire Chief and General Manager, Toronto Fire Services, to outline operational and financial implications for options related to the assessment of fire safety and compliance with the Ontario Fire Code in buildings within Toronto. Toronto Fire Services (TFS) provided three options designed to enhance annual inspection services. At its meeting of July 23, 2018, City Council endorsed Option 1 which included the assignment of 11 FTEs to the TFS Quality Assurance (QA) section effective September 1, 2018.

City Council further requested the Fire Chief and General Manager, Toronto Fire Services to report back to City Council in advance of the 2020 budget process with respect to outcomes and analysis of the enhanced service levels.

With the addition of 11 FTEs assigned to the TFS QA section, TFS estimated the completion of 80 QA Inspection Review Audits in the fourth quarter of 2018 and 325 QA Inspection Reviews in 2019 and annually thereafter. QA Inspection Review Audits involve a systematic and comprehensive review of all aspects of Ontario Fire Code compliance for a given building, including the associated processes completed by third-party contractors.

TFS has been delayed in achieving the original estimated number of QA Inspection Review Audits as a result of previously unanticipated workloads associated with completing the required re-inspections arising out of the Auditor General's 2018 report "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto".

At this time, TFS intends to maintain the current service level, and continue to analyze the data from the QA Inspection Review Audits, for the purposes of determining, what if any enhancements to the inspection services would be appropriate. TFS intends to complete this process, and be in a position to advise concerning further service level enhancements, including inspections and/or QA Inspection Review Audits, for the 2021 budget process.

RECOMMENDATIONS

The Fire Chief and General Manager, Toronto Fire Services recommends that:

1. City Council request the Fire Chief and General Manager, Toronto Fire Services to report back to City Council in advance of the commencement of the 2021 budget process with recommendations for further Inspection and/or QA Inspection Review Audit service level enhancements.

FINANCIAL IMPACT

In response to the recommendations in AU13.11, in 2019 City Council approved an increase of \$1.136 million in gross expenditures, funded from the property tax base to support 11 permanent positions to conduct Quality Assurance Inspection Review Audits.

There are no additional financial implications resulting from the adoption of the recommendation in this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of July 23, 2018, in considering AU13.11 "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto", City Council directed Toronto Fire Services to report back to City Council in advance of the 2020 budget process with respect to the analysis arising from the enhanced service levels and to provide recommendations for further Inspection and/or Quality Assurance service level enhancements.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.AU13.11>

COMMENTS

QA Inspection Review Audits involve a systematic and comprehensive review of all aspects of Ontario Fire Code compliance for a given building, including the associated processes completed by third-party contractors. With the addition of 11 FTEs assigned to the TFS QA section, TFS estimated enhanced service levels that included the completion of 80 QA Inspection Review Audits in the fourth quarter of 2018 and 325 QA Inspection Review Audits in 2019 and annually thereafter.

TFS completed 86 QA Inspection Review Audits from September 1, 2018 to December 31, 2018. In 2019, TFS completed 51 QA Inspection Review Audits as of August 1, 2019. TFS estimates that an additional 40 QA Inspection Review Audits will be completed by December 31, 2019, totalling 91 QA Inspection Review Audits in 2019. The 51 QA Inspection Review Audits completed in 2019 resulted in TFS discovering two additional third-party fire protection companies engaging in the same activity as was noted in the Auditor General's 2018 report "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto."

As a result, a substantial amount of QA Inspection Review Audit capacity has been expended in order to conduct the comprehensive and often complicated re-inspections required to address these priority issues. In fact, a total of 853 re-inspections were required in order to complete the 51 QA Inspection Review Audits conducted in 2019. Further, a substantial amount of re-inspection work has been required to follow up on the initial Auditor General's 2018 report "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto". Consequently, TFS will be unable to achieve the 2019 forecasted 325 QA Inspection Review Audits in 2019.

On June 28, 2019, amendments to the Fire Protection and Prevention Act (FPPA) came into force, which extend the statute of limitations for charges that are laid under the Ontario Fire Code. Prior to these amendments, the statute of limitations was set at six months from the date of the Ontario Fire Code violation. This has now been amended to set the statute of limitations at one year from the date that TFS becomes aware of the violation. TFS anticipates that the amendment will enable the completion of additional QA Inspection Review Audits on a go-forward basis.

At this time, TFS intends to maintain the current service level with respect to Inspection and QA Inspection Review Audit services. TFS intends to continue to analyze the data arising from the current service levels, to determine what, if any, further enhancements would be appropriate. TFS intends to complete its review, and this process, and be in a position to advise City Council, as part of the 2021 budget process, concerning further Inspection and/or QA Inspection Review Audit service level enhancements.

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SIGNATURE

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