

### **Status Update on Report for Toronto Fire Services Service Level Enhancements regarding Assessing Fire Safety and Fire Code Compliance**

**Date:** August 24, 2020  
**To:** Economic & Community Development Committee  
**From:** Fire Chief & General Manager, Toronto Fire Services  
**Wards:** All

#### **SUMMARY**

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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 Full Time Employees (FTEs) to the TFS Fire Safety 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 Fire Safety 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 investigative work on the Auditor General's 2018 report, "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto," continued after the publishing of the report in the form of follow-up activities that were required to complete the overall inspection review audits. This follow-up activity resulted in unanticipated workloads impacting TFS' total number of originally estimated QA Inspection Review Audits for 2019.

Further, with the onset of the COVID-19 Pandemic in March 2020, work related to the advancement of the QA Inspection Review Audits was placed on hold in accordance with the COVID-19 emergency declaration in Toronto.

The impact of unanticipated circumstances and events in 2019 and 2020 have resulted in TFS having insufficient data to produce the evidence-based outcomes required to adequately analyze and make recommendations on enhanced service levels. TFS will continue to build a comprehensive data set and to analyze the data arising from the current service levels, to determine what, if any, further enhancements would be appropriate. City Council will be provided a complete and thorough analysis of the enhanced service levels and recommendation prior to the 2022 budget process.

## **RECOMMENDATIONS**

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

1. Direct the Fire Chief and General Manager, Toronto Fire Services to report back to City Council through the Economic and Community Development Committee in advance of the commencement of the 2022 budget process with recommendations for further Inspection and/or Quality Assurance (QA) Inspection Review Audit service level enhancements.

## **FINANCIAL IMPACT**

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There are no immediate financial impacts associated with the recommendation in this report.

In response to the recommendations in AU13.11 in 2019, City Council approved an increase of \$1.136 million gross and net to support 11 permanent positions to conduct Quality Assurance Inspection Review Audits.

Given the increase in workload reflected both in terms of staff time and inspection volumes associated with the re-inspection initiatives, the program will be reviewing both the rate for cost recovery and inspection volumes for the potential to adjust revenues as part of this service review.

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

## **DECISION HISTORY**

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At its meeting of October 29, 2019, City Council requested 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 Quality Assurance (QA) Inspection Review Audit service level enhancements.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC8.13>

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**

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With the addition of 11 FTEs assigned to the TFS Fire Safety 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 in the fourth quarter of 2018 although in 2019, a total of 165 QA Inspection Review Audits were completed.

The 165 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."

The 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. As the investigations into the associated processes unfolded, serious issues were identified, adding to the complexity of the individual audit reviews. As a result, a significant amount of QA Inspection Review Audit capacity has been expended in conducting the comprehensive and complicated follow-up activities required to address these priority issues. These follow-up activities include technical document review, research, site visits for information gathering and report preparation in addition to the standard re-inspections required to ensure compliance. In fact, a total of 1,303 follow-up activities were required in order to complete the 165 QA Inspection Review Audits conducted in 2019.

Further, a substantial amount of re-inspection work was required in order to complete the follow up on the inspections related to 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 was unable to complete the 325 QA Inspection Review Audits forecasted for 2019 as a direct result of previously unanticipated priority work volume.

As of June 30, 2020, TFS has completed 97 QA Inspection Review Audits and 663 follow-up activities. Even after the completion of the follow-up activity associated with the Auditor General's 2018 report, the review audits completed by the TFS Fire Safety QA group continue to identify serious issues with the associated processes completed by third-party contractors.

Of the 97 review audits completed in 2020, 58% of these audits have resulted in the allocation of additional time and resources required to complete the comprehensive and complicated review and follow-up activities. The nature of this work is inherently more complicated. This comprehensive work, being completed by TFS, is resulting in enhanced levels of accountability in the third-party fire protection industry, which is currently unregulated in Ontario.

The findings of the TFS investigation 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" led TFS to initiate proposals for amendments to the Fire Protection and Prevention Act, 1997 (FPPA), in order to extend the statute of limitations for charges that are laid under the FPPA and Ontario Fire Code.

On June 28, 2019, under Schedule 29 of Bill 100, the FPPA was amended with the addition of a new provision that extends the limitation period for initiating prosecutions for FPPA related offences, providing fire departments with one year from when they first have knowledge of a potential offence. Prior to these amendments, the statute of limitations was set at six months from the date of the Ontario Fire Code violation. TFS was instrumental in achieving these amendments as the shared findings of this investigation formed the basis of this legislative change.

This amendment will allow for the QA Inspection Review Audits to be more impactful and result in charges for offences discovered during the review audit process, irrespective of the actual date of the offence. As the work of the TFS Fire Safety QA section continues, the evidence-based results have the potential to identify additional opportunities where the Province of Ontario could support further improvements to fire safety.

In March 2020, with the onset of the COVID-19 pandemic, TFS was forced to shift focus and resources to managing and mitigating the effects of the pandemic on emergency response. As such, much of the work related to the advancement of the TFS Transformation Plan initiatives and CFAI recommendations was placed on hold until the COVID-19 pandemic emergency has been terminated and normal operations have been restored across the City of Toronto.

The parameters of the work associated with these review audits are defined and processes established to support the activities of TFS Fire Safety QA Section. TFS anticipated having 2019 and the first quarter of 2020 to compile a sufficient data set to report back to City Council with respect to the need to enhance the mandated service levels of the TFS Fire Safety QA section.

The impact of unanticipated circumstances and events in 2019 and 2020 have resulted in TFS having insufficient data to produce the evidence-based outcomes required to adequately analyze and make recommendations on enhanced service levels. TFS will continue to build a comprehensive data set and to analyze the data arising from the current service levels to determine what, if any, further enhancements would be appropriate. City Council will be provided a complete and thorough analysis of the enhanced service levels and recommendation prior to the 2022 budget process as may be required.

## **CONTACT**

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## **SIGNATURE**

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