

TO: Chair and Members of the Board of Health

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2013 May 9

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## **PRICEWATERHOUSECOOPERS INTERIM REPORT – MAY 9, 2013**

### **Recommendations:**

*That the Board of Health select an option with respect to next steps regarding the recommendations of the PricewaterhouseCoopers interim report.*

***Option A:** Direct that Health Unit staff conduct a detailed analysis of the findings in the interim report and provide recommendations to the Board of Health regarding proceeding with next steps with respect to improving operational efficiency as outlined in the report;*

***Option B:** Identify priority recommendations immediately and direct that Health Unit staff work with PricewaterhouseCoopers to prepare a proposal regarding proceeding with Phase III of the review to further explore operational efficiencies as outlined in the interim report;*

***Option C:** Identify priority recommendations immediately and direct that PricewaterhouseCoopers proceed with Phase III as outlined in the interim report within the total project budget of \$135,000;*

***Option D:** Receive the interim report for information.*

### **Key Points**

This report presents the “Efficiency and Shared Services Review, Interim Report for Phases I and II” prepared by PricewaterhouseCoopers.

The considerations of the Board in the development of the interim report are outlined, as is the review process involving staff members from the Health Unit, City of London and Middlesex County.

The Board of Health is asked to provide recommendations on next steps following review of the interim report.

### **Background**

At its June 21, 2012 meeting, the Board of Health requested a review of the cost efficiencies that could be realized through shared services arrangements. At its meeting in November 15, 2012 ([Report No. 133-12](#)), Terms of Reference for this review were approved by the Board which included that:

- the review would be conducted by PricewaterhouseCoopers;
- the scope of the review would cover Information Technology, Finance and Operations, Human Resources and Labour Relations, and the Office of the Medical Officer of Health.

At its January 17, 2013 meeting, the Board of Health approved PricewaterhouseCoopers' proposal to conduct Phase I and Phase II of the review which would result in an interim report. As stated in [Report No. 002-13](#):

*The interim report will identify any potential efficiencies or cost savings in existing administrative functions, and will also identify which functions the Board may want to consider investigating further for potential sharing with the City of London and/or Middlesex County.*

Phase I and II was estimated to cost \$65,000 to \$75,000. At the end of Phase II and after review of the interim report, the Board of Health was to determine if they would like PricewaterhouseCoopers to proceed with Phase III of the review, which is described in [Report No. 002-13](#) as follows:

*Phase III of the review will involve a more in-depth analysis of the areas the Board decides should be explored further. Phase III is anticipated to cost as much as \$40,000 - \$65,000, but this will depend on decisions the Board makes with respect to areas for further exploration in response to the findings of the interim report.*

[Report No. 002-13](#) also outlines that \$135,000 of municipal surpluses from 2012 has been set aside to perform the review.

For a complete summary of Board of Health reports related to the PricewaterhouseCoopers review leading up to the interim report, please refer to [Appendix A](#). Appendix A also outlines the Board of Health reports that provide detailed information on the Health Unit administrative services that are covered in the PricewaterhouseCoopers review.

At the May 9, 2013 Board of Health meeting, the Board will be reviewing the interim report prepared by PricewaterhouseCoopers entitled "Efficiency and Shared Services Review, Interim Report for Phases I and II" which is attached as [Appendix B](#).

### **Process for Preparing the Interim Report**

The process for preparing the interim report was outlined in [Appendix A](#) of [Report No. 032-13](#) that was presented to the Board of Health by PricewaterhouseCoopers on March 21, 2013. As indicated in slide 10 of [Appendix A](#), Directors Committee received the report on Friday, April 26, 2013. Written feedback was provided to PricewaterhouseCoopers on April 29 and a meeting was held involving Health Unit Directors and PricewaterhouseCoopers on April 30, 2013. On May 1, 2013, a meeting took place involving PricewaterhouseCoopers and representatives from the City of London, Middlesex County and Health Unit to further review the report. The purpose of these reviews was to ensure clarity and accuracy of the factual elements of the report. The opinions and conclusions in the interim report are those of PricewaterhouseCoopers and not subject to input by the Health Unit, City or County staff.

### **Recommendations for consideration by the Board of Health**

With regard to next steps, the Board of Health can consider recommending one of the following options:

**Option A:** Direct that Health Unit staff conduct a detailed analysis of the findings in the interim report and provide recommendations to the Board of Health regarding proceeding with next steps with respect to improving operational efficiency as outlined in the report;

**Option B:** Identify priority recommendations immediately and direct that Health Unit staff work with PricewaterhouseCoopers to prepare a proposal regarding proceeding with Phase III of the review to further explore operational efficiencies as outlined in the interim report;

**Option C:** Identify priority recommendations immediately and direct that PricewaterhouseCoopers proceed with Phase III as outlined in the interim report within the total project budget of \$135,000;

**Option D:** Receive the interim report for information.

PricewaterhouseCoopers consultants Mr. Chirag Shah, Partner, Audit and Assurance Group; Mr. Maurice Chang, Director Management Consulting; and Ms. Erin Dragasevich, Senior Associate will be in attendance at the May 9, 2013 Board of Health meeting to assist the Board with the review of the interim report.

This report was prepared by Dr. Bryna Warshawsky, Associate Medical Officer of Health; Mr. John Millson, Director, Finance and Operations; and Dr. Christopher Mackie, Medical Officer of Health and Chief Executive Officer.

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