



# News Release

For Immediate Release

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## **MORE CARE NEEDED IN HIRING & MANAGING HEALTH-CARE CONSULTANTS: AUDITOR GENERAL**

(TORONTO) Ontario's health-care sector makes extensive use of consultants—but all too often without following sound business practices in their selection and oversight, Ontario Auditor General Jim McCarter said in a Special Report tabled today in the Legislative Assembly.

“We acknowledge that consultants can play an important role in the health-care sector,” McCarter said after his Report was tabled. “But we found far too many examples where consultants were engaged on a sole-sourced basis, where significant increases in the initial fee estimate and follow-on work were repeatedly awarded, where there was inadequate oversight to ensure consultants delivered on time and on budget, and where billings for fees and expenses were not properly monitored and supported.”

The 32-page Special Report, entitled *Consultant Use in Selected Health Organizations*, came after the Assembly's Standing Committee on Public Accounts asked the Auditor General to look into the use of external consultants at the Ministry of Health and Long-Term Care (Ministry), the province's Local Health Integration Networks (LHINs), and Ontario hospitals.

McCarter found that the Ministry complied with most—but not all—of the government's established directives regarding the use of consultants. Auditors also visited three of Ontario's 14 LHINs and found they often hired consultants without tenders and often approved follow-on work without proper approvals or supporting documentation. The Auditor General also examined 16 Ontario hospitals and found a patchwork of policies, along with numerous instances where key controls were not established or followed for the consultants they hired.

Among the findings:

- While the Ministry's underlying documentation indicated that competitive processes had been followed, the Auditor General found instances where the hiring process favoured a particular consultant.
- At the hospitals, consultants were often selected without competition and without a clear, written-out agreement setting out exactly what they were supposed to do. Contracts were often extended without tender and allowed to snowball in cost from tens of thousands of dollars to hundreds of thousands of dollars.
- One hospital paid a consultant \$170,000 in expenses between 2007 and 2009. When auditors inquired about these expenses, the hospital asked the consultant to provide receipts to support the expense charges but was told it would have to pay a \$3,000 service fee. The hospital did not pay the fee and the consultant did not provide the requested information.
- Eight of 16 hospitals hired consultants to lobby governments for more funding. McCarter noted that although the amounts were relatively small, this was a “questionable use of funds provided to hospitals for clinical and administrative activities.”

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