



Public Health Ontario

2023 Value-for-Money Audit

Why we did this audit

- Public Health Ontario (PHO) was set up as an independent, board-governed agency in 2007 as part of Ontario's response to SARS. It is a key component of Ontario's public health system, along with the Ministry of Health (Ministry) and the 34 public health units across the province.
- Ontarians rely on PHO's expertise in public health research, disease surveillance, lab testing and health promotion and protection to keep them healthy.
- The COVID-19 pandemic highlighted the importance of clear roles and responsibilities among health and public health partners.

Why it matters

- PHO's laboratory program includes operating 11 sites across Ontario. These laboratory sites conduct important testing of samples and specimens to detect health threats and outbreaks, inform public health surveillance, and enable therapeutic interventions for public health action and patient management. About 70% of PHO's expenditures, which totalled \$222 million in 2022/23, was allocated to its laboratory program.
- A well-managed public health agency contributes to a stronger public health system, which in turn can help protect and improve the health of Ontarians.

What we found

Public Health Ontario Not Leveraged to Achieve Full Capacity and Potential

- Ministries did not consult PHO when some critical policy decisions were made that are likely to impact public health, such as increased access to alcohol and gambling.
- PHO is challenged by a lack of sustainable funding from the Ministry. Since 2019/20, PHO has seen limited increases in base funding, and has had some of its base funding replaced by one-time annual funding that is not guaranteed from year to year.
- PHO does not have formal processes with the Ministry and public health units to inform centralized research priorities, which may result in duplication of efforts and lost opportunities to collaborate, affecting the agency's ability to effectively fulfill the legislative mandate to undertake and co-ordinate public health research.

RECOMMENDATIONS 1, 2 and 3

Public Health Ontario Laboratory Not Operating Efficiently

- Three of the 11 public health laboratory sites perform tests on only 9% to 20% of the samples and specimens they receive, transferring the remainder to other sites. These labs perform tests for diseases such as HIV, syphilis, tuberculosis, influenza, COVID-19 and West Nile virus. Each of these three sites had base operating costs ranging from \$5 million to \$10 million over the last five years.
- To improve operational efficiency in its laboratory program, in 2017, PHO proposed consolidating six of its laboratory sites and discontinuing or restricting eligibility for certain lab tests offered. However, the government still had not approved this plan about six years later.

RECOMMENDATION 5

Poor Procurement Governance Due to Weak Policies and Lack of Enforcement

- PHO does not adequately monitor compliance with procurement policies. From 2018/19 to 2022/23, PHO staff from various laboratory sites used their purchasing cards to make recurring purchases of laboratory and health-care supplies from the same vendor, instead of engaging in competitive procurement as required by internal policies.
- PHO does not have a formal process to track vendor performance and non-compliance, yet the Ontario Public Service Procurement Directive requires that vendor performance be managed and documented.

RECOMMENDATION 8

Efforts to Collect Better Data on Performance Indicators Need Improvement

- PHO mostly measures indicators that focus on quantifying the output of the agency's operational activities, rather than indicators of client satisfaction.
- PHO's indicators do not cover all its key functions. For instance, it does not measure the turnaround time of the ethics review services it provides to 26 of the 34 public health units, making it difficult to demonstrate that the agency has been effective in meeting the needs of its clients.

RECOMMENDATION 10

Conclusions

- Public Health Ontario does not yet sufficiently collaborate with the Ministry of Health and local public health units to clearly define and ascertain the agency's role in areas such as undertaking public health research, disseminating knowledge, and delivering public health laboratory services.
- PHO mostly measures outputs, but little in the way of client satisfaction or service quality, and the agency's suite of performance indicators does not cover all of its key functions.

Read the report at www.auditor.on.ca