



TO: Chair and Members of the Finance and Facilities Committee

FROM: Emily Williams, Chief Executive Officer

DATE: 2022 April 7

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## Q4 FINANCIAL UPDATE AND FACTUAL CERTIFICATE

### *Recommendation*

*That the Finance & Facilities Committee recommend to the Board of Health to receive Report No. 10-22FFC, re: Q4 Financial Update and Factual Certificate for information.*

### **Key Points**

- The 2021 approved budget consists of a zero percent increase in Mandatory Program funding from the Ministry of Health (MoH).
- Interim funding received from the MoH for COVID-19 related activities amounted to \$24.9 million based on projected full year spending at Q2.
- Based on full year spending for COVID-19, adjusted for cost of seconded staff from Mandatory Programs and application of unspent surplus funds from Mandatory Programs, the Health Unit will request an additional \$1.45 million of extraordinary funding from the MoH.
- Included in the financial update is a signed factual certificate, which provides assurance that financial and risk management functions are being performed.
- These Q4 numbers are draft until final audit has been completed, which is scheduled from April 11-22.

### **Background**

The Board of Health approved the 2021 operating budget on February 18, 2021 ([Report No. 04-21FFC](#)). The approved budget consists of no increase in Mandatory Program funding from the Ministry of Health (MoH) but does reflect a change of funding mix between the province and municipalities for previously 100% provincially funded programs.

### **Financial Highlights**

The Budget Variance Summary, which provides budgeted and actual expenditures for the year ended December 31<sup>st</sup> for the programs and services governed by the Board of Health, is attached as [Appendix A](#). This analysis is based on the original budget for 2021 as approved by the Board of Health but does reflect further amendments to extraordinary funding for COVID-19 related activities, as advised by the MoH.

Themes within the Q4 variance analysis contributing to positive variances within some program areas are related to staffing gaps and reduced travel, staff development, professional services, and program supply costs.

Due to the Health Unit's continued focus on administration of COVID-19 related programs, including case and contact management (CCM) and operation of the vaccine program, delays to restart Mandatory Programs in the community continued in the 4<sup>th</sup> quarter.

## COVID-19 and Extraordinary Funding

In response to the COVID-19 pandemic, the Health Unit has hired temporary personnel and reassigned staff from Mandatory Programs that have been paused, to roles related to Case and Contact Management (CCM) and the Vaccine Program. The Budget Variance Summary has been modified to show the costs related to supporting the response to COVID-19, and to demonstrate what costs were covered by approved budgets for salaries and benefits of redeployed staff, and which costs were extraordinary. Extraordinary costs continue to be funded through a one-time funding mechanism established by the MoH.

Due to further delays to restart Mandatory Programs, the Health Unit was unable to fully spend the budget during the year even after fully offsetting the expected agency gapping budget of \$1,257,473. As directed by the MoH, a surplus of unspent program funding, amounting to approximately \$2.0 million, will support total spending for COVID-19-related expenditures. As outlined in the table below, due to additional expenditures in the 4<sup>th</sup> quarter, related in large part to extension of vaccine programs to ensure rapid access to third dose boosters due to spread of the Omicron variant, additional funding amounting to \$1.45 million will be requested from the MoH.

<b>Summary of Covid Funding</b>	
Total Covid expenditures	\$ 31,563,759
Transfer of costs - seconded staff	(3,218,146)
Transfer of unspent surplus - shared funding	(2,009,948)
Net costs to be funded - extraordinary costs	26,335,665
Funds previously committed by MoH	(24,884,000)
Additional MoH funding required	<b>\$ 1,451,665</b>

A summary of incremental funding adjustments to the 2021 Budget is provided below. In addition to incremental funding for COVID-19-related activities, the Health Unit has requested \$654,470 for school focused nurses, a separate program funded by the MoH to support rapid-response support to school boards and schools in facilitating public health and preventive measures relating to the COVID-19 pandemic. Additional adjustments reflect a decision to return supplementary funding from City of London and County of Middlesex in excess of amounts covered by mitigation funding provided from the MoH.

<b>Summary of Funding Adjustments</b>	
Incremental Covid Funding	\$ 1,451,665
School Focused Nurses Funding	654,470
City of London Funding Returned	(640,233)
County of Middlesex Funding Returned	(121,949)
	<b>\$ 1,343,953</b>

## Factual Certificate

A factual certificate, attached as [Appendix B](#), is to be signed by senior Health Unit administrators responsible for ensuring certain key financial and risk management functions are being performed to the best of their knowledge. The certificate is revised as appropriate on a quarterly basis and submitted with each financial update.

This report was prepared by the Finance Team, Healthy Organization Division.

A handwritten signature in black ink that reads "E. Williams". The signature is written in a cursive, flowing style.

Emily Williams, BScN, RN, MBA, CHE  
Chief Executive Officer