

TO: Chair and Members of the Board of Health

FROM: Bryna Warshawsky, Acting Medical Officer of Health

DATE: 2013 March 21

OVERVIEW OF FINANCE AND OPERATIONS SERVICES

Recommendation

It is recommended that Report No. 034-13 re “Overview of Finance and Operations Services” be received for information.

Key Points

- Finance and Operations Services provides financial and facility management services to fulfill various legislative requirements and to ensure effective and efficient use of public health resources.
- The current political environment and reduced growth in revenues will continue to place importance on finding efficiencies and innovative ways to deliver public health programs and services.

Description of Services

Finance and Operations Services (FOS) is a centralized service which provides services to all levels of the organization and to external stakeholders with the overall goal of providing sound financial management through effective administrative policies and practices. FOS staff work closely with program areas to support them in their fulfillment of their operational plans, balancing program performance with expectations given limited resources. FOS's services include:

- Financial planning services including operating budget preparation and monitoring.
- Financial reporting services including financial statement preparation, quarterly and monthly monitoring reports, annual ministry settlement reports, a variety of other reports to the Board of Health and external stakeholders.
- Treasury services which includes accounts payable, accounts receivable, cash management, HST remittances, account reconciliations, corporate purchase card program, and other general accounting functions.
- Insurance and risk management ensuring adequate insurance to protect and preserve the organization's human, physical and financial assets.
- Payroll administration including employee benefits, retiree benefits, pension payments and reporting, annual T4 remittance and reporting, compliance reporting under the Public Sector Salary Disclosure Act, and other payroll related payments and reporting (ie. EI, CPP, WSIB, EHT etc.).
- Procurement services ensuring the goods and services purchased by the Health Unit are done so in a fair, transparent and open procurement process.
- Capital asset management service to ensure the proper inventory and tracking of corporate assets for insurance and valuation purposes.

- Contract management including various agreements to ensure the Health Unit is meeting its obligations and commitments under contract. Contracts are reviewed for program effectiveness and Board of Health liability.
- Facility management (Operations) including management of property leases, furniture and equipment, security and janitorial services, parking, and storage facilities to meet program needs.

[Appendix A](#) provides further details of the above listed services along with some performance measurements or indicators.

Target Population/Client

The primary client population for Finance and Operations Services (FOS) are staff from all levels of the organization. Staff from FOS work closely with program staff to assist the Board in fulfilling the mandate/responsibilities defined in the Health Protection and Promotion Act and the Ontario Public Health Organizational Standards. In addition, the services provided by FOS extend to a number of external stakeholders and agencies including our funders (City of London, County of Middlesex, Province of Ontario, and the Federal Government), other health units, various service providers, Regional HIV/AIDS Connection, OMERS, WSIB, CUPE, ONA, and Canada Revenue Agency, to name a few.

Key Performance Measures

[Appendix A](#) provides details of the key performance measures of FOS. Past efficiencies and future directions / new initiatives are outlined below.

Over the past number of years the focus in this service has been to implement modern systems, manage the growth in programs, develop and implement best practices in procurement, and financial management. In the past, deploying procurement practices has provided significant savings which have been redirected into public health programs and services.

The current funding environment calls for public services to operate as efficiently as possible. This austerity has been accomplished through reduced provincial grants and the Boards commitment to maintain municipal funding at 2004 funding levels. Reduced growth in provincial grants has required Health Unit programs to be more efficient. As mentioned previously, this has been accomplished through employing competitive procurement practices. The reduced growth in funding is expected to continue, and the Health Unit must continue to be innovative and find further efficiencies in order to maintain the current level of services.

Over the next two to four years the Finance and Operations Services is poised to take advantage of the major advancements and significant investment made over the past three years in the Information Technology Services. As the organization has grown, many systems, such as time (payroll) entry, purchase orders, and expense reports have remained paper-based. Finance and Operations will be working closely with Information Technology Services to implement workflow-based system whereby employees enter transactional information directly into a digital form rather than submitting paper-based forms. This information can then be imported into corporate systems directly. Financial staff will still be responsible to ensure transactions meet corporate policies and will provide the financial controls required. These enhancements are expected to provide process improvements in Finance as well as other programs areas.

Budget Overview

Staffing Levels

The 2013 budget for Finance and Operations Service included 9.0 full-time equivalents (FTE), with 0.5 FTE being funded by the Health Smile Ontario funding (100% Ministry of Health and Long-Term Care). The position allocation is as follows:

- 1.0 Director
- 0.5 Administrative Assistant to the Director (shared with Human Resources)
- 1.0 Accounting & Budget Analyst
- 1.0 Accounting & Payroll Analyst
- 3.5 Accounting & Administrative Assistants
- 1.0 Manager of Procurement and Operations
- 1.0 Receiving & Operations Coordinator
- 9.0 Total full-time equivalents**

Operating Budget

Expenditure Category	Amount	% of Budget
Personnel Costs	\$ 746,849	98.5%
Administrative Expenses	4,400	0.6%
Purchased Services	3,180	0.5%
Materials & Supplies	3,620	0.4%
Furniture & Equipment	0	0.0%
Other Expenses	300	0.0%
Total Expenditures	\$ 758,349	100.0%
Less: 100% HSO funding	(32,357)	
Total Cost-Shared Expenditures (Net)	\$ 725,992	

As can be seen from the above chart, most of the expenditures to deliver these services are personnel costs, making up 98.5% of the annual expenditures.

Public Health Specific Services / Requirements

Even though many organizations perform financial and facility management type services, there are some specific requirements for managing public health programs and services. The Ontario Public Health Organizational Standards set out a number of obligations for Boards of Health. Finance and Operations Services fulfills the following Board of Health responsibilities:

- 2.1 Remuneration of board of health members
- 2.2 Informing municipalities of financial obligations
- 3.1 Board of health stewardship responsibilities
- 3.2 Strategic plan
- 6.1 Operational plan
- 6.2 Risk management
- 6.6 Financial records
- 6.7 Financial policies and procedures
- 6.8 Procurement
- 6.9 Capital funding plan

Also specific to public health is the complex structure of funding arrangements and relationships between the various public health programs with many different budgets and reporting requirements. Finance and Operations Services manages 97 distinct budgets through over 25 funding agreements including the Public Health Accountability Agreement. Two different year-ends also add to this complexity.

This report was prepared by Mr. John Millson, Director, Finance and Operations.

A handwritten signature in black ink, appearing to read "Bryna Warshawsky". The signature is fluid and cursive, with the first name "Bryna" and last name "Warshawsky" clearly distinguishable.

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