

AGENDA
MIDDLESEX-LONDON BOARD OF HEALTH
Finance and Facilities Committee

50 King Street, London
Middlesex-London Health Unit – Room 3A
Thursday, October 3, 2013 9:00 a.m.

1. DISCLOSURE OF CONFLICTS OF INTEREST

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES – September 5, 2013

4. BUSINESS ARISING FROM MINUTES

5. NEW BUSINESS

5.1. Review of Financial Policies (Report No. 010-13C)

5.2. Counterpoint Needle Exchange Program Agreement (Report No. 011-13C)

5.3. Ministry of Health and Long-Term Care 100% Funding – Panorama Implementation
(Report No. 012-13C)

5.4. Strathroy Office Lease – (Report No. 013-13C)

5.5. Generator Update (Verbal)

6. OTHER BUSINESS

Next FFC meeting is Thursday, November 7, 2013 at 9:00 a.m.

7. ADJOURNMENT



MINUTES
Finance and Facilities Committee
MLHU Board Room – 399 Ridout Street, London
MIDDLESEX-LONDON BOARD OF HEALTH

2013 September 5

COMMITTEE

MEMBERS PRESENT:

Mr. David Bolton
Ms. Denise Brown (arrived 9:25 a.m. left 10:25 a.m.)
Ms. Trish Fulton (Chair)
Mr. Marcel Meyer
Mr. Ian Peer

OTHERS PRESENT:

Mr. Al Edmondson, Board of Health Member (left 10:35 a.m.)
Mr. Dan Flaherty, Manager, Communications
Dr. Christopher Mackie, Medical Officer of Health & CEO (Secretary-Treasurer for Board of Health)
Mr. John Millson, Director, Finance and Operations
Ms. Sherri Sanders, Executive Assistant to the Board of Health (Recorder)
Maria Van Harten, Dental Consultant (arrived 10:45 a.m. left 11:50 a.m.)
Dr. Bryna Warshawsky, Associate Medical Officer of Health and Director, Oral Health, Communicable Disease & Sexual Health Services (left 11:50 a.m.)

MEDIA OUTLETS:

none

At 9:05 a.m., Ms. Trish Fulton, Committee Chair, welcomed everyone to the Finance and Facilities Committee (FFC) meeting.

1. DISCLOSURES OF CONFLICT(S) OF INTEREST

Chair Fulton inquired if there were any disclosures of conflict of interest to be declared. None were declared.

2. APPROVAL OF AGENDA

It was moved by Mr. Peer, seconded by Mr. Bolton *that the agenda be accepted as circulated.*

Carried

3. APPROVAL OF MINUTES

It was moved by Mr. Bolton, seconded by Mr. Peer *that the minutes from the August 1, 2013 meeting be approved.*

Carried

Chair Fulton highlighted that the [Terms of Reference](#) for the committee were discussed at the August meeting. Dr. Chris Mackie, Secretary-Treasurer, reported that the Terms of Reference will be attached to the June 20, 2013 Board of Health meeting minutes.

4. **BUSINESS**

4.1. 2013 Provincial Grant Approval ([Report No. 004-13C](#))

Mr. John Millson, Director, Finance and Operations, assisted Committee members with their understanding of this report. Mr. Millson highlighted that the Health Unit received a 2% increase from 2012's Provincial Grant. The Health Unit did request that the province contribute 75% to the cost-shared programs; however, this amount was not granted. Mr. Millson also noted that there were funding reductions in Healthy Smiles Ontario (HSO), Children in Need of Dental Treatment Expansion (CINOT) and the Panorama project. Staff members will report at a future Finance and Facilities Committee (FFC) meeting about how the Panorama funding will be utilized. Mr. Millson reported that the Health Unit received one-time funding to cover 75% of cost of the Shared Services Review conducted by PricewaterhouseCoopers (PwC).

Discussion ensued about the challenges faced by the Health Unit, because the grants are not announced until well into the current year (e.g., 2013 provincial grant announced in August 2013). Mr. Edmondson reported that the Association of Local Public Health Agencies (alPHa) has taken this issue to the Province; no response has been received. Ms. Brown reported the Leaders of the Opposition were made aware of this issue at the Association of Municipalities (AMO) conference. It was agreed that the timing of funding announcements is a challenge that all publicly funded bodies (e.g., universities and hospitals) must face.

It was recommended that the Board Chair send a letter to the alPHa board chair and request that other Boards of Health do the same.

It was moved by Mr. Meyer, seconded by Mr. Bolton *that Report No. 004-13C be received for information.*

Carried

It was moved by Mr. Peer, seconded by Ms. Brown *that the FFC Committee recommends that the Board of Health authorize the Board Chair to sign the Amending Agreement attached as Appendix C to Report No. 004-13C.*

Carried

4.2. 2013 Budget Variance Report – June 30 ([Report No. 005-13C](#))

Mr. Millson assisted Committee members with their understanding of this report. He highlighted Appendix B that illustrates how part of an anticipated surplus could be used to fund recommendations resulting from the Shared Services Review. Dr. Mackie stated that a report on the progress of implementing the recommendations of the Shared Service Review will be presented at the September 19 Board of Health meeting.

In response to a question about the shortfall in the dental program, Mr. Millson explained that the dental program has its own funding reserve, so any anticipated surplus would not be required to fund the dental program.

It was moved by Mr. Peer, seconded by Ms. Brown *that the FFC Committee receive the Budget Variance Summary found in Appendix A of Report No. 005-13C for information.*

Carried

After discussion, it was moved by Mr. Bolton, seconded by Mr. Peer *that the FFC Committee recommends that the Board of Health approve expenditures in the amount of \$110,000 as identified in Table*

1 of Appendix B of Report No. 005-13C, it being noted that the funding would come from anticipated 2013 surplus.

Carried

Discussion ensued about the staff recommendation to set a target for contribution to the Funding Stabilization Reserve. Mr. Millson informed the committee that discussions had been initiated with the administration of the County and the City about the Health Unit's Reserve Fund Policy that was approved by the Board in June, and about how to put this issue before the respective Councils of the funding municipalities.

In place of the staff recommendation, it was moved by Mr. Meyer, seconded by Mr. Bolton *that Health Unit staff members continue to be prudent with funds and the FFC supports the policy direction of contributing surplus funds to the Funding Stabilization Reserve in order to offset future financial risks.*

Carried

At 10:35 a.m., it was agreed that the Committee take a 10 minute recess.

4.3. 2014 Budget Target – Cost Shared Programs ([Report No. 006-13C](#))

Dr. Mackie assisted Committee Members with their understanding of this report. He also indicated that the 2014 budget will assume the same per cent increase of provincial grant for the Cost-Shared programs received in 2013.

Discussion ensued about the 2014 Budget Planning process. The Committee asked to review Item 4.5 on the agenda before discussing this report further.

4.4. Dental Treatment Clinic – 2012 Shortfall ([Report No. 007-13C](#))

Mr. Millson assisted Committee members with their understanding of this report. Mr. Millson highlighted the strategies proposed by staff to address the shortfall in this area, and advised that this Committee will receive a report in the fourth quarter about how the strategies are working. Dr. Bryna Warshawsky, Associate Medical Officer of Health and Director, Oral Health, Communicable Disease & Sexual Health Services, explained the Healthy Smiles Ontario funding model. Dr. Warshawsky and Dr. Maria Van Harten, Dental Consultant, reported that the Health Unit's Dental Clinic is provided because of the great need in the community. Mr. Millson reported that the Dental Reserve is just over \$175,000.

It was moved by Mr. Meyer, seconded by Mr. Bolton *that the FFC receive this report for information and refer it to the Board of Health.*

Carried

4.5. PwC Budget and Financial Policy Recommendations – Progress Update: (slide presentation)

Dr. Mackie assisted Committee members with their understanding of this report using a [slide presentation](#). MLHU financial policies were reviewed in August in consultation with PwC. FFC will receive a report on revisions in October.

The proposal to update the budget/planning process is designed to better integrate operational planning with budget planning. The proposed activities at each stage, the timelines (including the involvement of the BOH), and the anticipated outputs are described in the [slide presentation](#).

Dr. Mackie presented the abbreviated timeline for the 2014 Budget/Planning Process. He indicated that this interim process for planning the 2014 budget will include Program Budgeting and Marginal Analysis (PBMA), which transparently applies pre-defined criteria to prioritize where proposed decreases or increases could be made.

Chair Fulton and Committee members commended staff on the preparation of the budget planning process and agreed that the proposed process provides the Board of Health with more information about the construction of the budget. Dr. Mackie agreed that staff education and support would accompany the introduction of a new budget/planning process.

It was moved by Mr. Peer, seconded by Mr. Meyer *that the FFC Committee received the information presented by Dr. Mackie.*

Carried

It was moved by Mr. Bolton, seconded by Mr. Peer *that the FFC recommends that the Board of Health endorse the following:*

- 1) *That the 2014 planning parameters include the reallocation of resources based on maximizing the value of services across the four principles of the Ontario Public Health Standards (Need, Impact, Capacity, and Partnerships/Collaboration), and further*
- 2) *That the 2014 planning parameters include 0% increase in municipal funding, and*
- 3) *That the approved parameters be communicated to the City of London and the County of Middlesex.*

Carried

4.6. Middlesex-London Health Unit – March 31st, 2013 Draft Financial Statements [\(Report No. 009-13C\)](#)

Mr. Millson assisted Committee members with their understanding of this report.

In response to a question about “Contract Services”, Mr. Millson explained that the Board of Health administers the Preschool Speech and Language Program for all of Southwestern Ontario. Several agencies provide the service and invoice the Health Unit. The Province provides 100% funding for this program.

It was moved by Mr. Bolton, seconded by Mr. Peer *that the FFC recommend that the Board of Health approve the audited Consolidated Financial Statements for the Middlesex-London Health Unit, March 31st, 2013 as appended to Report No. 009-13C.*

Carried

4.7. Reschedule December Meeting Date

The meeting originally scheduled for December 5, 2013, has been rescheduled to **Thursday, November 28 at 10:00 a.m.**

5. OTHER BUSINESS

Next scheduled Finance and Facilities Committee Meeting – Thursday, October 3, 2013 9:00 a.m. Room 3A, 50 King Street, London

6. ADJOURNMENT

At 12:15 p.m., it was moved by Mr. Peer, seconded by Mr. Meyer *that the meeting be adjourned.*

TRISH FULTON
Chair

CHRISTOPHER MACKIE
Secretary-Treasurer



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2013 October 3

REVIEW OF FINANCIAL POLICIES

Recommendations

It is recommended:

- 1) That the Finance & Facilities Committee make recommendation to the Board of Health to reduce the meal allowance rates as described below; and*
- 2) That the PwC report titled “Expense Policies Best Practices Review” be received for information.*

Background

PricewaterhouseCoopers (PwC) has been engaged to review the Health Unit’s financial policies to support the current staff review and to compare and contrast the policies with the Broader Public Sector directives. The PwC work was substantially completed in August 2013. Attached as [Appendix A](#) is a draft findings report prepared by PwC.

Expense Policies Best Practices Review

PwC used a risk-based approach to review existing finance policies. Out of the 13 existing finance area policies, six were deemed to carry a relatively high level of risk from a compliance, financial and reputational perspective. The PwC work focused on three policies that they believed carried the highest level of risks. These policies cover the areas of expense claims, travel reimbursements, out-of-town travel and accommodation expenses.

The PwC review uses the Broader Public Sector directive of 2011 as a guide and recommends areas of opportunity where the Health Unit can strengthen its finance policies. The review also draws on research conducted by PwC in the health and education sectors.

Next Steps

The Senior Leadership Team has begun reviewing the recommendations provided by PwC. The related financial policies will be revised and brought to the Finance & Facilities Committee for review and approval if appropriate. As an interim measure it is recommended that the meal allowances identified in Policy 4-120 “Out-of-Town Travel” attached [Appendix B](#) be revised to \$10/\$20/\$30 from \$17/\$23/\$45 for breakfast/lunch/supper previously approved by the Board of Health. The financial policies including Policy 4-120 will be reviewed in order of highest to lowest risk. Once completed, the Health Unit policy manual will be updated and staff will be educated on the revisions. This process will take a number of months to complete, but it is expected that all 13 policies will be reviewed by the end of March 2014.

At the October 3rd Finance & Facilities Committee meeting, Mr. John Millson, Director of Finance & Operations will present the PwC findings and will address any questions the Committee members may have.

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

Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health

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Expense Policies Best Practices Review

Draft
August 2013

pwc

Introduction

PwC used a risk-based approach to review existing Finance policies. Out of the 13 existing finance area policies, six were deemed to carry a relatively high level of risk from a compliance, financial and reputational perspective.

Due to time and budget constraints, PwC focused on three policies that we believe to carry the highest level of risks. These policies are impacted by recent BPS directives from the Province, and cover the areas of expense claims, travel reimbursement, out-of-town travel and accommodation expenses.

In addition, there are a number of areas that MLHU's finance policies do not currently cover explicitly – these include rules around consultants' meal claims, serving alcohol, hospitality events, record keeping and communication.

#	Policy	Risk Level
4-010	Budget Preparation & Approval	Medium
4-120	Budget Reports	Low
4-030	Equipment, Materials & Supplies Purchase	High
4-040	Petty Cash	Medium
4-050	Insurance Coverage	Medium
4-060	Grant Applications & Agreements	Medium
4-070	Corporate Sponsorship	Medium
4-080	Expense Claims	High
4-090	Travel Reimbursement	High
4-100	Pay Policy	High
4-110	Moving Expenses	Low
4-120	Out of Town Travel & Accommodation Expenses	High
4-130	Corporate Purchase Cards	High

This document outlines leading practices pertaining to the policy areas described above. The document uses the BPS expense directive of 2011 as a guide and recommends areas of opportunity for MLHU to strengthen its finance policies.

The document also draws on research conducted by PwC in the health and education sectors on the subjects covered in this review.

BPS Expenses Directive Overview – Four Principles

Context

The Management Board of Cabinet of the Government of Ontario issued the BPS Expenses Directive to raise the level of accountability and transparency for broader public sector (BPS) organizations and make their practices consistent with those of Ontario’s ministries and agencies. The BPS includes Ontario hospitals, community care access corporations, **every publicly funded organization that receive public funds of \$10 million or more**, and others.

The expenses directive is based on four basic principles:

Principle	Considerations
I. Accountability	Organizations are accountable for public funds used to reimburse travel, meal and hospitality expenses. All expenses support business objectives.
II. Transparency	Organizations are transparent to all stakeholders. The rules for incurring and reimbursing travel, meal and hospitality expenses are clear, easily understood, and available to the public.
III. Value for Money	Taxpayer dollars are used prudently and responsibly. Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety.
IV. Fairness	Legitimate authorized expenses incurred during the course of the business of an organization are reimbursed

PwC has assisted the Ontario health and education sectors to strengthen compliance

PwC's internal audit group identified several common expense policy compliance issues at several health and education sector organizations. The common issues include:

- Meal expenses not supported by itemized receipts (only the invoice or general receipt is available)
- Per diems used instead of reimbursing actual expenses, supported by receipts
- Authorization/approval of expense claims by people other than direct supervisors
- Claims for mileage/meals in excess of set rates
- No policy in place to address consumption of alcohol, others allow employees/board governors to expense alcohol in some circumstances as part of travel or meal claims.
- Hospitality events are held for employees/board governors (e.g. office socials, retirement parties), which is specifically identified as a non-reimbursable expense under the BPS Directive
- Travel within Ontario not preapproved prior to travel dates
- Some expense reports not signed by claimants
- The sophistication of accountability frameworks is inconsistent across the health sector, and some organizations do not have appropriate frameworks in place
- Most BPS organizations do not have policies and procedures in place that address consultants and contractors

Non-compliant organizations will need to revise and improve their expense policies to address the requirements of the BPS Directive.







BPS Expenses Directive Overview – Eight Requirements

There are eight primary requirements of the BPS expenses directive:

Requirement	Considerations	MLHU Alignment
i. Accountability Framework	<ul style="list-style-type: none"> Accountability framework must be established that outlines the approval levels for expenses Also describes the concept of <i>managerial discretion</i> where BPS entities may in very limited circumstances choose to depart from the directive Any expenses submitted for reimbursement must be fair and equitable, reasonable, appropriate, able to stand up to public scrutiny and properly explained and documented 	●
ii. Consultants and Contractors	<ul style="list-style-type: none"> Hospitality, incidental or food expenses of consultants or contractors cannot be reimbursed 	○
iii. Rules on Serving Alcohol	<ul style="list-style-type: none"> Rules regarding serving alcohol must be established Alcohol should be allowed only in very limited circumstances Written approval from the head of the BPS entity for alcohol at hospitality events must be obtained prior to making arrangements No alcohol should be reimbursed for travel or meal expenses 	●
iv. Hospitality Events	<ul style="list-style-type: none"> Rules regarding hospitality events must be established 	○
v. Good Recordkeeping	<ul style="list-style-type: none"> Itemized receipts must accompany all expense claims Credit/debit card receipts are insufficient Claims must be kept on file for future compliance audits 	●

○ Low level of alignment ● Medium level of alignment ● High level of alignment

BPS Expenses Directive Overview – Eight Requirements (Cont.)

Requirement	Considerations	MLHU Alignment
vi. Rules for Claimants	<ul style="list-style-type: none"> • Claimants must obtain approval prior to incurring expense • Documented approval is required for some expenses (e.g. travel), and should be submitted with expense claims • In the unusual circumstance that prior written approval is not possible, the claim should include an explanation as to why this was not possible • Group expenses must be claimed by the most senior person in attendance, or individually • No downloading of expenses is allowed • Claims must be submitted on a timely basis (e.g. within one quarter of expense incurrence) • Any overpayment to a claimant is considered a debt to the organization and must be repaid or may be deducted from a future claim 	
vii. Rules for Approvers	<ul style="list-style-type: none"> • Expense claim approvers must only approve claims for expenses necessarily incurred for business purposes and that include all appropriate documentation • No one may approve their own expenses 	
viii. Communication of Policies	<ul style="list-style-type: none"> • Organizations must post their expense policies on their website so these may be accessed by the public 	
<p>  Low level of alignment  Medium level of alignment  High level of alignment </p>		

Compliance with the Directive is mandatory for BPS organizations

BPS organizations were required to be in compliance with the Expenses Directive as of April 1, 2011. As a result, there is some urgency that all BPS organizations that are not currently in compliance must become compliant as soon as possible. BPS organizations that do not comply with the expenses directive could face some of the following risks:

Risks	Comments
Risk of improper use of funds	<ul style="list-style-type: none"> • If expense policies and/or practices are not aligned with BPS requirements, it could result in funds being diverted from program areas or other important budgetary items • Even if this is not the case, the perception of this possibility could be enough to do damage
Risk of lack of accountability	<ul style="list-style-type: none"> • BPS organizations are accountable to the public, the Ministry of Health and other governmental agencies – non-compliance could indicate that accountability for funding is not taken seriously
Risk of reputation damage	<ul style="list-style-type: none"> • Non-compliance or inappropriate practices could negatively affect the organization's image in the eyes of the local community • Under the Freedom of Information and Protection of Privacy Act (FIPPA), members of the local community, news reporters, or anyone else who is interested, have the legal right to request a viewing of any BPS organization employee's or board governor's submitted expense claims.
Risk of lack of transparency	<ul style="list-style-type: none"> • One of the goals of this directive is to increase transparency of BPS expense policies – non-compliance could signal improper practices regarding fiscal responsibility • Decisions about expenses should be made with due consideration for the prudent and responsible use of taxpayer dollars, and for government direction on accountability and transparency

BPS organizations can demonstrate their commitment to appropriate stewardship of public funds by complying with the BPS Directive.

MLHU provides relatively high meal expense limits and also provides a per diem allowance

Meal Expense Category	MLHU Policies	BPS Expenses Directive	OPS Expenses Directive
Qualifying expenses	<ul style="list-style-type: none"> Expenses must be reasonable and appropriate Many policies discuss qualifying expenses related to out of town travel or business meetings 	<ul style="list-style-type: none"> Recommends that rules be set to address situations where the cost of meals can be reimbursed Makes reference to OPS Directive 	<ul style="list-style-type: none"> Reasonable and appropriate meal expenses may be reimbursed For expenses where employee is away from the office area (24km) over a normal meal period Business meetings that must occur over lunch
Daily allowance (per diems)	<ul style="list-style-type: none"> Per diem available to Board Members and Directors, and applied to 24 hour period (at least 1 overnight stay) Staff are not eligible for per diems Per diem rate is \$85 Includes snacks, cleaning expenses, etc. 	<ul style="list-style-type: none"> Allowances not permitted as these would not be considered reimbursable meal costs 	<ul style="list-style-type: none"> Allowances not permitted as these would not be considered reimbursable meal costs
Meal rate maximum	<ul style="list-style-type: none"> Breakfast - \$17 Lunch - \$23 Dinner - \$45 Maximums include tax and tip 	<ul style="list-style-type: none"> Recommends that maximum meal rates be established Makes reference to OPS Directive 	<ul style="list-style-type: none"> Breakfast - \$8.75 Lunch - \$11.25 Dinner - \$20.00 Maximums include tax and tip

Recommendation: To become compliant with the BPS Directive, MLHU should consider stopping the practice of providing per diems and reassess daily meal rates to ensure expenses can stand up to public scrutiny.

Meal rates should be fair, economical and equitable

Meal reimbursement policies are intended to allow claimants to expense one or more meals that they must purchase as a result of work-related travel. Public sector representatives should use taxpayer dollars responsibly since funds allocated to BPS organizations are intended to support student achievement. Inappropriate meal rates could draw detrimental attention to a BPS organization. Additionally, BPS organizations should not allow different meal rates for different representatives¹ (i.e. board governors and directors vs. staff). Therefore, striking a balance between fairness and value for money is critical. Fair and economical meal rates include the following characteristics:

- An understanding of where most meal expenses are incurred (regionally)
- Research on average meal costs for breakfast, lunch and dinner in these regions
- Comparison with other comparable organizations and provincially-accepted meal rates (i.e. OPS)
 - OPS maximum daily rates are \$40
- Detailed criteria and justification of meal rates in excess of provincial averages (e.g. international travel, unusual circumstances)

Regional
average meal
costs

Comparable
organization
meal rates

OPS meal rates

Additional
considerations

Additionally, the BPS Directive requires prior approval for meal reimbursement. Ideally, this should be in writing. For employees who spend significant time on the road, this could be included in their employment contract or in a separate document that outlines their travel requirements and respective meal expense needs.

BPS organization Leading Practice

Original, itemized receipts must be provided with claims for reimbursement of actual meal expenses. Under no circumstances will the organization approve staff expensing of alcoholic beverages. The maximum amount is inclusive of taxes and gratuity. Gratuity amounts are capped at 15% of pre-tax amounts.

¹ – The exception is where existing collective agreements specify meal rates.

MLHU mileage rates are fairly well aligned – slightly higher – than OPS mileage rates

The BPS Directive does not explicitly state maximum allowable mileage rates, however, one of the objectives of the BPS Directive is to contribute to the greater alignment of BPS practices with OPS standards, which have been included as leading practices. We have included rates from the OPS and CRA as public comparatives and from the CAA as an independent comparative of mileage rates.

Ontario Public Sector Mileage Rates	MLHU Rates <ul style="list-style-type: none"> • \$0.42/km – first 500 km • \$0.36/km – over 500 km 	OPS Mileage Rates <ul style="list-style-type: none"> • \$0.40/km – Southern ON • \$0.41/km – Northern ON • Rates reduced in tiers after 4,000 km
Independent Mileage Rates	CRA Rates <ul style="list-style-type: none"> • \$0.54/km – first 5,000 km • \$0.48/km – thereafter • These outline maximum allowances for mileage reimbursement tax deductions • These are the highest of all rates 	CAA Operating Costs¹ <ul style="list-style-type: none"> • CAA estimates the operating cost per km for several representative vehicles • 4-door sedan (Cruze) - \$0.15/km • 4-door minivan (Grand Caravan) - \$0.20/km • 4-door hybrid (Prius) - \$0.09/km • Average depreciation - \$0.25/km

Observation: MLHU's mileage rates appear to be slightly higher than OPS rates, but are within general alignment of best practices as represented by OPS mileage rates.

1 – Operating costs are defined as the fuel, maintenance and tire expense required to operate a car based on an average of 18,000km driven per year. Ownership costs (insurance, licensing, depreciation and finance expense) are not included in this figure

Mileage policies should be consistent with independent sources of acceptable mileage claims

The purpose of mileage expense policies is to reimburse claimants for the costs of operating their vehicles for required driving in excess of their daily commute¹. It is particularly important for public sector organizations that these rates be justifiable. The Canadian Automobile Association (CAA) publishes an annual brochure called “Driving Costs,” that outlines average vehicle operating costs (fuel, maintenance, tires). The 2011 brochure suggests that average operating costs representative of the types of vehicles commonly driven in Canada fall between \$0.09/km and \$0.20/km. The OPS mandated rates are higher than the CAA operating costs.

OPS

- Outlines acceptable mileage rates for Ontario government ministries and agencies
- Reimbursement rates of \$0.40/km in southern Ontario and \$0.41/km in northern Ontario for the first 4,000km – tiered reductions for additional driving to \$0.24/km

It is important to note that the OPS rates are mandated rates for government employees. There could be the perception that as highly publicly funded organizations, BPS organizations should be using the same rates as the OPS. It might be difficult to justify higher mileage rates. For BPS organization with rates that are higher than OPS rates or the BPS organization provincial average, these BPS organization may be able to realize significant cost savings by reducing mileage rates.

BPS organization Leading Practice

All employees not within a collective agreement who use their automobile on Board-approved business shall be reimbursed a mileage allowance at the equivalent rate paid by the Province of Ontario to its employees. This rate will be reviewed on an annual basis as part of the budget process.

BPS organizations may have alternatives to reduce their business travel costs during the year

Remote meetings
(teleconference, video
conference, web seminars)

Carpooling (where
possible)

Business travel by board-
approved standards

Remote meetings are a great way to reduce the cost associated with travel and accommodations for board representatives who need to meet out of town with other colleagues, attend training events, etc. Teleconferences, video conferences and web seminars can significantly reduce travel costs and reduce the amount of time that BPS organization representatives spend away from their homes and work places, contributing to improved work-life balance.

When several representatives from one office location or region are attending the same meeting or event within a reasonable driving distance from the BPS organization's offices, **carpooling** should be considered a priority to reduce both the travel costs incurred and pollution to the environment associated with business travel.

Savings from reducing BPS organization travel demonstrate a BPS organization's commitment to fiscal responsibility.

Observation: MLHU's travel allowance policies states that economy airfare, and rail transportation costs are the norm, but does allow for business class in certain scenarios (i.e. Board members and directors can take business class rail travel, and can also authorize business class air travel).

Travel and accommodation standards should be both economical and practical

Expense Type	Acceptable Option	Other Considerations
Flight	• Economy	<ul style="list-style-type: none"> • Economy ticket is the standard flight to be selected, however, in limited circumstances this may not be possible • In cases where there are multiple stops and/or excessive layover time, BPS organization may decide to allow more direct routes at a higher cost
Car	• Economy	<ul style="list-style-type: none"> • For claimants that travel frequently by car, it is a good practice to determine what threshold of driving distance should determine whether a rental, personal or BPS organization vehicle should be driven
Train	• Economy	<ul style="list-style-type: none"> • There may be limited circumstances where a higher class of travel is acceptable (e.g. need to work with a team, available travel time allows the claimant to reduce accommodation or meal expense)
Hotel	• Standard	<ul style="list-style-type: none"> • Extended stays should be arranged to take advantage of lower weekly or monthly rates • Private stays may be acceptable (OPS directive allows a \$30 reimbursement with appropriate documentation)

- Detailed criteria for flight, rental car, train or accommodation selection should be included in expense policies.
- If BPS organizations have vendors of record, claimants should be required to book travel through these sources to follow board procurement practices and better track expenses and make use of bulk discounts where applicable.
- Travel should always be booked as early as possible (i.e. when it is known and approved) as fares become more expensive closer to travel dates.
- A comparison of costs and travel time for different options (i.e. flight, train, car) should be required to make use of the most reasonable, economical option.
- Use of any option other than the lowest cost may expose the board to public scrutiny and divert funds from priority expenditure areas.

MLHU explicitly prohibits alcohol to be claimed for meal expenses

Both the BPS and OPS Expenses Directives are strict on the provision of alcohol. Both directives require that there be clear and specific procedures in place to govern the request and approval processes and to outline appropriate circumstances where alcohol may be permitted. Both directives are unambiguous that claimants should not be able to expense alcohol as part of their travel and meal claims.

Alcohol Expense Category	MLHU Policies	BPS Expenses Directive	OPS Expenses Directive
Qualifying expenses	<ul style="list-style-type: none"> Alcohol cannot be claimed as part of travel or meal claims However, MLHU does not have explicit rules around circumstances where alcohol can be served, who can claim expenses, and the process for approval of use of alcohol and claim approval is not included 	<ul style="list-style-type: none"> Specific rules around circumstances where alcohol can be claimed, who can claim expenses, and the process for approval of use of alcohol and claim approval should be included Alcohol cannot be claimed as part of travel or meal claims Alcohol during hospitality events should require a high level of approval and a business case; preference should be given to Ontario products (beer, wine) and food should be served 	<ul style="list-style-type: none"> Mirrors BPS Directive Procedures should be in place for prior written approval and forms Consumption of alcohol at a meal or reception with invitees occurs only in very limited circumstances and requires a business case and pre-approval

Recommendation: In order to be compliant with the BPS Directive, MLHU should consider establishing rules regarding alcohol in its expense policies, or even consider zero tolerance as an option for compliance.

Good expense policies have clear and stringent rules regarding alcohol

#	Leading Practice	Considerations
1	No alcohol reimbursement for travel or meal expenses	<ul style="list-style-type: none"> • This is one policy that could receive negative publicity if not implemented • BPS organization would be viewed as not in alignment with most public sector organizations, including the majority of BPS organizations • MLHU clearly prohibits alcohol reimbursement for travel or meal expenses
2	Rules on when alcohol is permitted	<ul style="list-style-type: none"> • Alcohol policies should be able to withstand public scrutiny • Alcohol is allowed in very limited or no situations, and only with prior approval • There should be distinct rules in the expense policy to determine whether an alcohol expense is allowable • For example: no alcohol allowed during business hours or any events where minors are present; may be permitted only as part of approved hospitality events
3	Documented approval procedures	<ul style="list-style-type: none"> • Expense policies should include detailed procedures on how to request permission for serving and expensing alcohol at hospitality events • Written prior approval of the expense should accompany the claim
4	Appropriate approval levels	<ul style="list-style-type: none"> • As alcohol could be a questionable expense for BPS organizations, it is important that approval for serving and expensing alcohol comes from a sufficiently senior administrator – likely the MOH
5	Serve with food	<ul style="list-style-type: none"> • Alcohol should always be served with food
6	Preference to local products	<ul style="list-style-type: none"> • If alcohol is served at a MLHU event, preference should be given to wine, beer or spirits that are produced in Ontario (within the constraints of appropriate procurement policies)

BPS organization Leading Practice

Alcohol will not be reimbursed under any circumstance. Alcoholic beverages appearing on meal receipts will not be reimbursed.

The definition for expenses that qualify as hospitality events needs to be clear and explicit

Hospitality is defined as the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged to work for:

- Designated BPS organizations (i.e. BPS organizations); or
- Any of the Ontario government ministries, agencies and public entities covered by the OPS Expenses Directive.

Both the BPS and OPS Directives are strict on what is considered a hospitality event and what is not.

Hospitality Expense Category	MLHU Policies	BPS Expenses Directive	OPS Expenses Directive
Qualifying expenses	<ul style="list-style-type: none"> • MLHU hosts board-funded hospitality events for employees (e.g. retirement parties) and non-employees • There is no clear definition for what qualifies as a hospitality event 	<ul style="list-style-type: none"> • Rules must provide that functions involving only employees are not hospitality and cannot be reimbursed • Office social events, retirement parties and holiday lunches are not considered hospitality and are not reimbursable 	<ul style="list-style-type: none"> • Non-qualifying expenses mirror the BPS Directive • Qualifying expenses are those that can facilitate government (or BPS organization) business in a desirable manner • Appropriate circumstances include: honouring distinguished people (public or private sector), sponsoring formal conferences, etc.

Recommendation: In order to be compliant with the BPS Directive, MLHU should consider creating/revising policies for hospitality as defined separate and apart from business meetings, staff recognition and catering which are not hospitality as defined in the Directive.

Hospitality is an important consideration in expense policies

The BPS Directive requires that there be rules in place to address and define hospitality events.

Expense Policy Considerations	Hospitality Expenses
Definition	<ul style="list-style-type: none"> • These are events that include individuals who are not employed by either BPS or OPS organizations
Leading practices	<ul style="list-style-type: none"> • Organizations should articulate the type of events that will be considered hospitality, including justification for such events where applicable • Separate policies should be created for professional development, business meetings and catering
Approval authority	<ul style="list-style-type: none"> • Approval authority should come from a senior decision maker to be designated by the organization
Acceptable reimbursable expenses	<ul style="list-style-type: none"> • Acceptable hospitality events at some BPS organizations include: <ul style="list-style-type: none"> • Opening of a new facility, or other major milestone • Acceptable hospitality events based on the OPS Directive include: <ul style="list-style-type: none"> • Sponsoring formal conferences • Honouring distinguished people for exceptional public service in Ontario • Conducting prestigious ceremonies for heads of state, government or private sector individuals • Office social functions must be paid for by staff, administrators and board governors

BPS organization Leading Practice

An employee shall not use board funds to attend office social events, retirement parties, holiday lunches, events, purchase tickets or memberships for specific political parties.

Approval authority levels are required as part of the BPS Directive's accountability framework

Consistent with most BPS organizations, MLHU addresses the need to have approval for reimbursement of expenses. However, based on the information available, MLHU does not clearly outline who should be approving expenses for different levels of employees, senior management and board governors – other than stating that employees need approval from their Director or Manager.

Having well-defined approval authority levels for expense reimbursement is the first requirement of the BPS Directive (accountability framework). Without appropriately outlining who should be approving expenses, there is a risk that several of the BPS Directive principles will not be followed. If taxpayer dollars are not being used responsibly, there is a potential risk of diversion of spending from appropriate uses during a time of fiscal constraint. Beyond reputational risk, imprudent use of funding could result in the risk of reputation loss if this information were to be reported in the local news. BPS organizations are organizations in the public eye and with the proliferation of social media and instant web broadcasting tools available to students and community members, this risk increases. Additionally, the BPS Directive requires a high degree of transparency from organizations, including making expense policies publicly available by posting them to the organizations' public websites.

Any decisions about expenses should be made with due consideration for the prudent and responsible use of taxpayer dollars, and for government direction on accountability and transparency. Defined approval authority levels help to ensure value for money of expenses being incurred as well as accountability that expenses are incurred for legitimate business needs.

Recommendation: For MLHU to become compliant with the BPS Directive, it should consider revising its policies to ensure that approval authority levels are in place for all levels of staff and board governors. All expense policies must be made available on BPS organization public websites.

Well-defined approval levels increase accountability and transparency of expense policies

Leading practice organizations have clear accountability frameworks that outline who can approve what types of expense and where delegation of approval is considered acceptable. The BPS Directive requires BPS organizations to include accountability frameworks in their expense policies. Some of the considerations in determining good accountability frameworks/approval levels include:

- Potential risk of allowing the expense (diversion of funds, reputational, financial, legal)
- Nature of the expense (e.g. alcohol, international travel)
- Frequency of the expense
- Role of claimants and management oversight (e.g. department employee vs. Director of Education)

BPS organization Leading Practice – Approval Levels for Business Travel

Travel Distance	Authority Level of Approval
Local – (distance defined by leading practice board)	Supervisor
Provincial – greater than local distance limit	Manager ¹
Canada – out of Province	Superintendent
International	Director

BPS organization Leading Practice

The board is committed to protecting the interests of taxpayers by ensuring transparency and accountability. Eligible expenses must support the goals and objectives of the board. Expenses for travel, meals, accommodation and hospitality must be planned to ensure that they are economical with due regard for health and safety.

1 – person who reports directly to the Superintendent – claimant’s Principal, Supervisor, Manager, or Officer

Few BPS organizations have policies and procedures on consultant and contractor expenses

Most BPS organizations do not address the BPS Expenses Directive requirement that there be policies and procedures in place regarding expenses for consultants and contractors engaged by BPS organizations. The directive requires that in no circumstance can hospitality, incidental or food expenses be reimbursed for consultants and contractors. This includes contracts between the organization and the respective consultant or contractor. Examples of expenses that should not be reimbursed include:

- Meals, snacks and beverages
- Gratuities
- Laundry or dry cleaning
- Valet services
- Dependent care
- Home management
- Personal phone calls

Observation: MLHU does not have policies and procedures on consultant and contractor expenses.

Recommendation: MLHU should consider establishing comprehensive policies and procedures related to limitations on prohibited expenses for consultants and contractors to comply with the directive.

Rules regarding consultants and contractors are mandatory for BPS Directive compliance

The BPS Directive requires that there be rules in place to address allowable expenses pertaining to consultants and contractors.

Expense Policy Considerations	Consultants and Contractors
Definition	<ul style="list-style-type: none"> • These are individuals who work for the board either internally under contract, or independently as consultants • BPS organizations should define in their policies who would be considered a consultant or contractor with regard to Ministry policies such as the BPS Procurement Directive
Leading practices	<ul style="list-style-type: none"> • Organizations should document comprehensive rules regarding allowable and prohibited expenses for consultants and contractors • Standard contracts should reflect appropriate language regarding expenses for consultants and contractors
Approval authority	<ul style="list-style-type: none"> • Approval authority should come from a senior decision maker to be designated by the organization
Acceptable expenses	<ul style="list-style-type: none"> • No hospitality, incidental or food expenses can be expensed by consultants or contractors • Other allowable expenses must be specifically provided for in the signed contracts <ul style="list-style-type: none"> • E.g. travel costs when a contract requires the consultant/contractor to travel extensively within the BPS organization, beyond simply commuting to the BPS organization • BPS organization should incorporate OPS mileage rates in contracts

BPS organization Leading Practice

Consultants and other contractors will not be reimbursed for any hospitality, incidental or food expenses including the following: meals, snacks and beverages; laundry or dry cleaning, gratuities, valet services, dependant care, home management; or personal telephone calls.

Gift expense policies cover a wide range of qualifying expenses and gift rates

The BPS Directive is silent on recommendations regarding provision of gifts as part of BPS organization activities. However, the Directive does make reference to the OPS Expenses Directive in many instances. In this case, as there is no specific guidance from the BPS Directive, the OPS Directive can be used as a barometer for setting standards for BPS organizations to follow. Under the OPS Directive, gifts are to be provided as token gestures to individuals who are not employed by the government, but who provide some form of *pro bono* service (e.g. public speaking) to the organization.

Gift Expense Category	MLHU Policies	BPS Expenses Directive	OPS Expenses Directive
Qualifying expenses	<ul style="list-style-type: none"> • No policies address the need for approval of gifts • Allow for gifts to be provided at the discretion of the board and in some cases to employees of the board 	<ul style="list-style-type: none"> • No specific recommendations regarding gifts • Makes reference to the OPS Directive 	<ul style="list-style-type: none"> • Gifts may be provided to people not employed by the government of Ontario (or in the case, the BPS organization) in exchange for gifts of service or expertise
Maximum rates			<ul style="list-style-type: none"> • Up to \$30 without prior approval

Recommendation: As there is little consistency in BPS organization gift rates and qualifying expenses, MLHU could consider aligning to OPS expense directives for gift expense policies.

Leading practice BPS organizations have gift policies that are consistent with the OPS Directive

The OPS Directive states that gifts are to be provided as token gestures to individuals who are not employed by the government, but who provide some form of *pro bono* service (e.g. public speaking) to the organization. This precludes gifts from being provided to board employees or board governors. The following are examples of acceptable and unacceptable gifts based on OPS guidance:

Acceptable Gifts	Gifts Not Reimbursable from BPS Organization
<ul style="list-style-type: none"> • All gifts must be \$30 or less • BPS organization pin or mug • Commemorative certificate or plaque • Non-cash gift for a dignitary (non-OPS/BPS) or head of state for speaking at a school • Gift up to \$30 – cash or non-cash – as a token gesture to a host for private accommodation where a hotel would have otherwise been expensed (e.g. board representative requires business travel and stays at a friend’s home instead of booking a hotel) • All gift expenses must be supported by documentation such as itemized receipts and approval 	<ul style="list-style-type: none"> • Cash (except for private stays – refer to acceptable gifts) • Alcohol • Retirement gifts • Birthday gifts • Recognition gifts (e.g. flowers for administrator’s day) • Gifts for BPS organization employees/board governors • Gifts for government employees • Gifts for employees of another BPS organization <p>* Private collection of funds should be used to provide gifts for recognition or life events</p>

BPS organization Leading Practice

Gifts are tokens of appreciation or promotional materials given to persons who are not employed by or contracted to the Board in exchange for pro bono services or employees as identified in the regulations. The Broader Public Sector (BPS) Expenses Directive further defines any BPS employee as not eligible to receive hospitality from a fellow BPS employee even when they are employed by different organizations. Gifts of appreciation should be of a value not to exceed \$30. Gifts of greater value must be approved by the Director for designated staff or by the Chair for elected officials.

Many BPS organizations do not have documented procedures for expense compliance verification

Similar to many BPS organizations, MLHU requires original receipts for reimbursement of travel, meals or hospitality expenses. However, based on information available, MLHU has only limited documented monitoring processes in place to verify that expense claims and reimbursements are in compliance with expense policies (i.e. Lost Receipt Form). Expense policies can be comprehensive, but if they are not adhered to, the BPS Directive principles of accountability and value for money may not be followed appropriately.



Recommendation: Good recordkeeping practices are a critical element of the expense reporting and reimbursement process. MLHU should consider incorporating some level of ongoing monitoring to ensure compliance and formulate these procedures in expense policies.

1 – Documented prior approval is required for most expenses – this should be included in expense claims where applicable

Good recordkeeping practices are critical for the successful implementation of the expenses directive

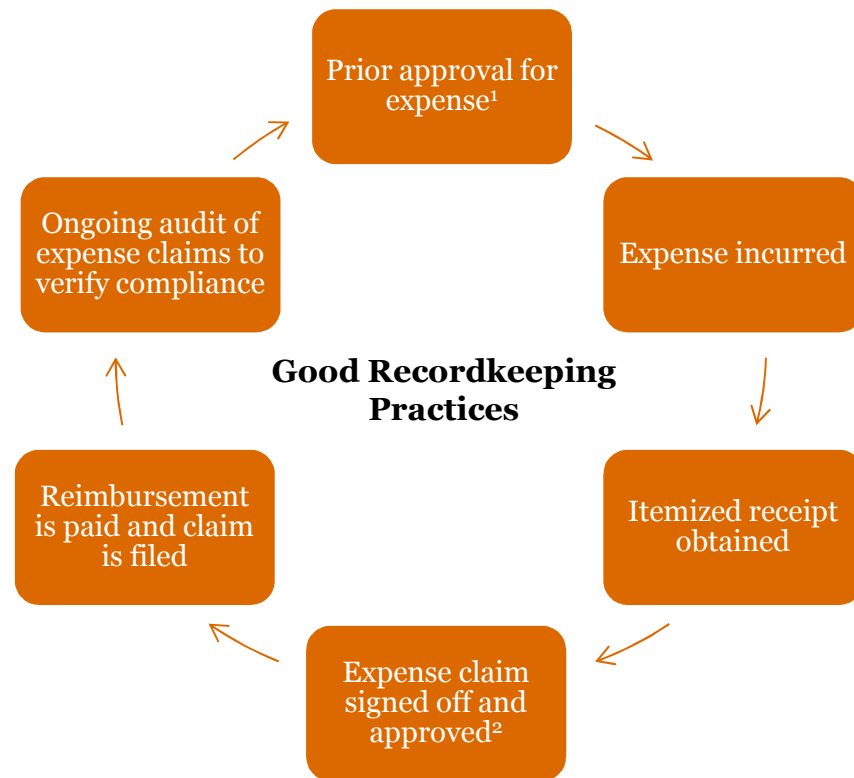
Leading practice BPS organizations require expense claims to be verified for compliance, independent of the expense approver's review. Under BPS, claims are not to be approved unless they include all appropriate documentation. The second level of review should be independent of the expense approver (e.g. performed by the Finance department prior to expense payment). The two primary methods for expense claim verification are:

- Active audit of every claim prior to releasing payment to the claimant
- Passive audit on a sample basis to ensure ongoing compliance

An active approach to expense claim compliance is more time consuming, however, in the early stages of BPS compliance, this approach can help facilitate change management by providing ongoing feedback and assessment over compliance for every claim.

BPS organization Leading Practice

Finance will monitor claims for compliance to policy and will return any non-compliant claims to the person authorizing the claim for follow-up.



Implementation Timeline

Require itemized receipts and prior approvals for expense claims – within 6 months
Expense claim verification process in place – within 1 year

1 – Low cost alternatives to travel (e.g. teleconference) should be considered prior to expense approval
2 – Documented prior approval is required for most expenses and should be included in expense claims



MIDDLESEX-LONDON HEALTH UNIT

ADMINISTRATION MANUAL

SUBJECT:	Out of Town Travel and Accommodation Expenses	POLICY NUMBER:	4-120
SECTION:	Financial Management	PAGE:	1 of 5
IMPLEMENTATION:	July 01 2010	APPROVAL:	
SPONSOR:	Director of Finance & Operations Services	SIGNATURE:	

PURPOSE

The purpose of this policy is to address the methods and procedures by which Board of Health members and Health Unit staff will be governed and compensated when attending to business related to the Health Unit, including conferences, conventions, seminars, workshops, and other professional development opportunities.

POLICY

All Board of Health members and Health Unit staff will follow the processes identified below when travelling on behalf of the Health Unit for the purposes of out of town (County of Middlesex) meetings, workshops, conferences and other professional development opportunities.

PROCEDURE

EXPENSE REVIEW / AUTHORIZATION

The following are responsible for administering this policy within their particular areas of jurisdiction and for auditing and processing all expense statements in accordance with this policy and Policy 4-110 "Signing Authority", while maintaining the right to request additional explanations, documentation or justification of any or all of the expense statements:

- The Board of Health Secretary – Treasurer - with respect to the members of the Board of Health
- The Medical Officer of Health (MOH) – with respect to Directors
- The MOH/Director – with respect to the managers within their respective Service Area
- The Manager – with respect to the staff within their respective team(s).

RELEASE OF EXPENSE INFORMATION

All expense information is considered to be public information and shall be made available, upon request to the Privacy Officer.

AUTHORIZED TRAVEL

Board Members are entitled to receive reimbursement for expenses while attending the following:

- Annual Conferences of the Association of Local Public Health Agencies (alPHA), and Ontario Public Health Association (OPHA);
- One conference in addition to those mentioned in (i) above in any given year, provided that the said conference has a direct relationship to public health concerns or interests,

REVISION DATES (* = major revision):



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SUBJECT: Out of Town Travel and Accommodation Expenses **POLICY NUMBER:** 4-120
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and subject to the approval of the Board of Health and the availability of funds in the budget.

- Other approved Board of Health related business that requires out of town travel.

Staff are entitled to reimbursement for expenses while attending approved out of town travel on Health Unit or public health related business such as meetings or conferences;

TRAVEL CASH ADVANCES

Travel cash advance requests must be made to the appropriate Director/Manager and forwarded to Finance at least one week prior to departure;

- The amount of cash advanced will be calculated by the Director/Manager, based on the estimated expenses associated with each individual circumstance;
- No cash advances will be provided for amounts less than \$100.00.

TRAVEL EXPENSE STATEMENTS

- Board Members and Staff are responsible for filing their respective Travel Expense Statements with their respective authorized individual (see section 1.0 above) within ten days of their return from an out of town event covered by this policy or with their corporate card submission if appropriate;
- Individual receipts must be filed with the Travel Expense Statement for all travel expenses not covered by the per diem allowance and for all hotel (room) accommodations. If at least one overnight stay has been involved and the per diem allowance claimed, individual receipts for items covered by the per diem are not required;
- Individual receipts must be filed with the Travel Expense Statement for all day trips. The maximum meal allowances that will be reimbursed (inclusive of taxes and gratuities), with receipts, are \$17 for breakfast, \$23 for lunch and \$45 for dinner. Purchases of alcoholic beverages will not be reimbursed
- Any funds owed to the Health Unit as a result of cash advances or uncovered expenses of a personal nature, etc. shall be submitted to the Director/Manager with the Travel Expense Statement. Any funds owing to the Health Unit beyond a 30 day period from the date of return from an out of town event will be deducted from the individual's next pay cheque or Board Member remuneration.

REGISTRATION FEES

Registration fees for approved attendance at a convention, conference, seminar, workshop or annual meeting will be reimbursed in full upon submission of an invoice from the appropriate organization or receipt indicating payment has been received from the individual.

PER DIEM ALLOWANCE

- **Availability**
The per diem rate is available to Board Members and Directors and applied to a twenty-four hour period, provided that at least one overnight stay is involved. The rate may be

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extended to additional part days. The rates provided in section 5.0 will be used for reimbursement of part days.

- **Per Diem Rate**

- (i) The Per Diem rate shall be as established by the Board of Health from time to time. The present per diem rate is \$85.00, in Canadian funds for an approximate 24 hour period or \$42.50 in Canadian funds for the period commencing after or ending before 3 p.m. Submission of detailed receipts is not required.
- (ii) If any meal(s) are provided as part of the event, then the Per Diem rate shall be reduced by the amounts described in section 5.0 of this policy, as appropriate.

- **Application**

The per diem allowance is intended to cover the following normal daily expenses:

- meals and snacks
- gratuities
- cleaning expenses
- telephone calls (non-business related)
- parking expenses (not related to overnight stays or transportation terminal parking)
- in town transportation costs;

TRAVEL ALLOWANCE

- **Transportation**

- (i) Board Members and Staff may choose their own method of transportation on the understanding that the most direct route and the most economical, efficient method must be used.
- (ii) Economy airfare is normally to be used, but business class may be authorized by the Director / Manager if:
 - less expensive seats are not available, or
 - the departure time is not acceptable, or
 - the individual is travelling on a continuous flight in excess of five hours
- (iii) The cost of an additional night(s) accommodation may be reimbursed if it is required in order to take advantage of a discount airfare, provided that the cost of the extra accommodation is not greater than the savings realized from the discounted airfare.
- (iv) Only economy rail transportation costs will be reimbursed. Board Members and Directors may be reimbursed for business class rail transportation, (provided that they actually travel business class), and provided that the trip extends over a normal meal period (breakfast, lunch or dinner).
- (v) Private vehicles may be used by Board Members and Staff for out of town transportation. Reimbursement will be made using the most economical method calculated and used as a proxy. For travel under 250 kms (round trip), appropriate mileage rates may be used.
- (vi) Rental vehicles may be used by Board Members and Staff where it is demonstrated that this method of transportation is more cost effective than the use of taxis, limousines, etc. The most economical size of vehicle that is available must be used, depending on the requirements of the occasion and the number of passengers.
- (vii) Board Members and Staff may be reimbursed for the actual costs of taxicabs, airport limousines or buses (or equivalents) for transportation between the individual's home or

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workplace and the designated transportation terminal as well as between the transportation terminal and the hotel or other destination point. Reimbursement will also be made for actual and reasonable costs incurred for such vehicles on approved Health Unit business whether within the City of London, Middlesex County, or at an approved location.

- (viii) Sickness and Accident Insurance is available to Board Members and Staff to the extent that such coverage is provided by the Health Unit while travelling inside or outside of Canada. Additional sickness or accident insurance premiums will not be covered by the Health Unit.
- (ix) Board Members or Staff who wish to combine a business trip with personal travel may do so provided that they assume all additional expenses not related to the business travel.
- (x) When more than one Board Member or Staff member is travelling in the same motor vehicle, only the owner/renter of the said vehicle is entitled to reimbursement for mileage expenses as provided by this policy.

- **Accommodation**

- (i) Available government or corporate rates should be requested at the time of booking the hotel reservation. Individuals may be reimbursed for either single or double room based rates (including applicable taxes) depending on individual circumstances. An overnight stay in association with a one day meeting or business event out of town is justified, (and therefore the per diem rate applied), only when the event commences before 10 a.m. or extends beyond 9 p.m.
- (ii) With approval from the Medical Officer of Health / Chief Executive Officer, hospitality accommodation, such as suites, parlours, etc. may be obtained when necessary for entertainment or hosting purposes.
- (iii) If a Board Member or a Staff member chooses to stay overnight with friends or relatives while on business related to the Health Unit, instead of at a hotel, accommodation expenses will not be reimbursed, but appropriate meal allowances will still apply, as required.

- **Telephone Calls**

Board Members and Staff will be reimbursed for all telephone calls (local or long distance) that are directly related to Health Unit business. One reasonable personal call home will be reimbursed for each day of out of town travel.

- **Expenses for Partners**

Board Members and Staff shall be responsible for all additional expenses incurred as a result of a spouse or companion travelling with them, save and except the cost of accommodation as referred to in section 8.2 (i) above.

- **Parking Expenses**

- (i) Board Members and Staff will be reimbursed for the cost of parking their motor vehicle at a transportation terminal while they are out of town on business, subject to the submission of appropriate receipts and provided that the cost of the parking does not exceed the cost of ground transportation from their home or place of business to the transportation terminal. Loss or damage to the vehicle, while parked, shall not be the responsibility of the Health Unit.
- (ii) Board Members and Staff will be reimbursed for the cost of parking their motor vehicle overnight in another city while they are out of town on business, subject to the

REVISION DATES (* = major revision):



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submission of appropriate receipts. Loss or damage to the vehicle, while parked, shall not be the responsibility of the Health Unit.

9 HOSTING

On occasions when it becomes necessary for a Board Member or the Medical Officer of Health to host or entertain people while on out of town business relating to the affairs of the Health Unit, such hosting or entertaining shall not be extended solely to an individual(s) who is employed by the Health Unit or solely to the partner or companion of the Board Member or a staff member, unless the partner or companion is attending in an official or business related capacity. In such cases, all expenses must be accompanied by receipts plus a written explanation setting out of the following:

- the reason for the hosting and the particular circumstances;
- the names and the positions held (if applicable) of the person (s) hosted;
- the location at which the hosting took place.

REVISION DATES (* = major revision):



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2013 October 3

COUNTERPOINT NEEDLE EXCHANGE PROGRAM AGREEMENT

Recommendation

It is recommended that the Finance & Facilities Committee review and make recommendation to the Board of Health to endorse the Board Chair to sign the Counterpoint Needle Exchange Program Agreement with the Regional HIV AIDS Connection as appended to Report No. 011-13C.

Background

At the September 19, 2013 Board of Health meeting, the Board reviewed [Report No. 092-13](#) "Harm Reduction Strategies". One of the harm reduction strategies highlighted in this report was needle and syringe exchange programs. In London, the Counterpoint Needle Exchange program is operated by the Regional HIV AIDS Connection (RHAC) and funded by the Health Unit.

Attached as [Appendix A](#) is the draft agreement between RHAC and the Board of Health. The purpose of the agreement is to outline the terms under which the Health Unit may continue funding the Counterpoint Needle Exchange Program (CNEP). The agreement also defines the obligations of RHAC with respect to the CNEP, including but not limited to financial reporting, requesting resources, service provision, record keeping, handling of confidential information, and insurance requirements.

The term of the agreement is open, but either party may terminate the agreement by providing the other party with six months' written notice. For 2013, the Health Unit funding for the Counterpoint Needle Exchange Program consists of \$234,991 provided 100% by the province and \$65,009 in cost-shared funding for a total of \$300,000.

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

Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health

THIS AGREEMENT made as of the day of , 2013.

BETWEEN:

Regional HIV AIDS Connection

(hereinafter called "RHAC")

- and -

**The Board of the Health of the
Middlesex-London Health Unit**

(hereinafter called "MLHU")

WHEREAS RHAC is a co-sponsor of the Counterpoint Needle Exchange Program and has been operating the Counterpoint Needle Exchange Program, as defined herein;

AND WHEREAS MLHU is a co-sponsor for the program and has been providing funding for operation of the Counterpoint Needle Exchange Program; and

AND WHEREAS the parties wish to enter into this Agreement for the purpose of adding structure and defining the parties' respective obligations with respect to the Counterpoint Needle Exchange Program;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the terms, covenants and provisions herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **DEFINITIONS:**

In this Agreement, the following definitions will apply:

- (a) "Client" means a person receiving services from RHAC.
- (b) "Confidential Information" means all personal information relating to Clients, financial information and other confidential information provided by one party to the other party, and any operation information, to which access is obtained or granted hereunder, which when disclosed to the other party is marked or otherwise designated as confidential.
- (c) "Counterpoint Needle Exchange Program" ("Counterpoint") means the program which provides needles, syringes, condoms, other Harm Reduction Materials, counselling and other services to Clients and receives used needles and syringes from Clients.
- (d) "Harm Reduction Materials" means equipment that is used by injection or illicit drug users including foil, sterile water, skin cleaner, cookers, alcohol swabs, cotton and tourniquets and condoms.

- (e) "Parties" means RHAC and MLHU.
- (f) "Responsibilities" means duties which must be undertaken by MLHU with respect to RHAC pursuant to this agreement.
- (g) "Services" means the services provided by RHAC through the Counterpoint Needle Exchange Program pursuant to this Agreement.

2. TERM:

This Agreement shall commence as of the date hereof. Either party may terminate this Agreement by providing the other party with six (6) months' written notice of termination, subject to the right of earlier termination set out in Section 15 herein.

3. PURPOSE:

The parties acknowledge that the funding for the Counterpoint Needle Exchange Program has increased materially in recent years. The purpose of this Agreement is to delineate the terms under which MLHU may continue funding the Counterpoint Needle Exchange Program. The Agreement shall also define the obligations of RHAC with respect to the Counterpoint Needle Exchange Program, including but not limited to the reporting of the said program's operations to MLHU.

4. FUNDING PROCEDURE:

The following funding procedure shall be followed by RHAC and MLHU in any given year of this Agreement:

- (a) RHAC shall deliver a budget in the form acceptable to MLHU on or before September 15th in any given year (the "RHAC Counterpoint Budget");
- (b) MLHU shall review and vet the said RHAC Counterpoint Budget and provide comments to RHAC for its review and consideration;
- (c) After RHAC has reviewed MLHU's comments on the RHAC Counterpoint Budget, RHAC shall, if it deems necessary, make revisions and submit the final form of RHAC Counterpoint Budget for final consideration and approval;
- (d) MLHU shall consider the RHAC Counterpoint Budget and determine what funding it is prepared to recommend as part of the Oral Health, Communicable Disease and Sexual Health Services budget that MLHU will propose to The Board of Health; and
- (e) Once MLHU's Budget has been approved, MLHU shall advise RHAC of the funding from MLHU that is available for the Counterpoint Needle Exchange Program (the "Needle Exchange Program Funding").

5. FUNDING FINAL

The Needle Exchange Program Funding amount shall be final unless otherwise determined by MLHU. There shall be no increases to the Needle Exchange Program Funding budget unless additional funding is approved by MLHU. In the event that an additional funding request is required by RHAC during any given year, RHAC must demonstrate to MLHU the basis for the additional request for additional funding and that the need for such additional funding could not have been anticipated at the time the RHAC Counterpoint Budget was submitted. MLHU may refuse any RHAC request for additional funding in its sole and absolute discretion.

6. DISBURSEMENT OF FUNDS:

The approved RHAC Counterpoint Budget shall be disbursed on a quarterly basis commencing April 1st of RHAC's fiscal year but only after RHAC has delivered to MLHU a quarterly financial report and quarterly program report as described in Section 7.

7. QUARTERLY REPORTS

a. Quarterly Financial Reports:

A quarterly financial report shall set out RHAC's anticipated funding requirements for the upcoming quarter for the Counterpoint Program. In addition, the report shall include actual expenses versus budgeted expenses for each quarterly period in that fiscal year to-date for the Counterpoint Program. The format for these financial reports will be set out by the MLHU as attached in Schedule A.

b. Quarterly Program Reports:

Quarterly program reports shall include the important program statistics and pressures experienced by the Counterpoint Needle Exchange and shall include:

- (i) the number of syringes and needles and other Harm Reduction Materials that have been delivered to Clients at each location funded by the MLHU;
- (ii) the number of syringes and needles returned by clients by location;
- (iii) the number of new and returning clients seen by the Counterpoint Needle Exchange Program, if available;
- (iv) noted trends among client usage patterns;
- (v) such further and other information as may be required by MLHU or felt to be important by RHAC.

8. RHAC SERVICES:

As part of the Counterpoint Needle Exchange Program, RHAC confirms that it shall perform the services set out below:

- (a) providing new syringes, needles and other Harm Reduction Materials to Clients;
- (b) encouraging the return of all used syringes, needles and other Harm Reduction Materials where possible and appropriate;

- (c) providing condoms and other safer sex materials to Clients;
- (d) providing information on safer sex practices, needle use and disposal, drug treatment options and access to treatment facilities; and
- (e) providing free and confidential services including counselling, practical assistance, referrals to social and medical services in the community and support for people using the Counter Point Needle Exchange Program.

The above Services provided by RHAC shall be provided in a manner that complies with best practice guidelines for needle exchange services and all by-laws, ordinances, statutes, regulations and all other applicable laws.

9. ADJUSTMENT IN SERVICES:

Subject to Section 5 of this Agreement, it is understood that if MLHU refuses RHAC's request for financial resources to cover the operating costs of the Counter Point Needle Exchange Program, RHAC may be required to adjust service hours, reduce material distribution levels, reduce hours or close satellite sites and restrict or eliminate partner distribution (London Cares). In instances of reduced service hours or reduced available equipment, RHAC may be required to refer individuals to MLHU for Services that would otherwise be provided by the Counter Point Needle Exchange Program.

10. AUDITED STATEMENTS:

RHAC shall provide MLHU with audited financial statements at the end of each of its fiscal years. RHAC's fiscal year end is March 31st. The audited statements for any given year shall be delivered to MLHU on or before July 1st of the following year. MLHU shall have the right to audit the financial and other records of RHAC that relate to the Counterpoint Needle Exchange Program. If required, MLHU shall provide RHAC with written notice of their request for an audit of RHAC's Counterpoint Needle Exchange Program. Within thirty (30) days, RHAC shall make the records relating to the Counterpoint Needle Exchange Program available to MLHU for audit.

11. RECORD KEEPING

RHAC shall keep and maintain all financial records, invoices and other financially-related documents relating to the Counterpoint Needle Exchange Program in a manner consistent with generally accepted accounting principles and clerical practices, and shall maintain such records and keep them available for review by MLHU for a period of seven (7) years from the end of the Counterpoint Needle Exchange Program's fiscal year. RHAC shall make those records available to MLHU within ten (10) days after it receives a request from MLHU to do so.

12. CONFIDENTIAL INFORMATION:

- (a) Each party covenants to the other party that it shall keep in confidence the confidential information of the other party to which such party obtains access as a consequence of entering into this Agreement;
- (b) Each party will take all reasonable precautions to protect such confidential information from any use, disclosure and copying, except as expressly authorized by this Agreement;

- (c) Each party will take all reasonable precautions to restrict access to the confidential information of the other party to its own employees and authorized subcontractors; and
- (d) Each party shall periodically implement such procedures as the other party may reasonably require to enhance the security of the confidential information in its possession.

13. PROTECTION OF INFORMATION:

- (a) RHAC and MLHU agree to maintain such policies, procedures and systems as may be necessary to prevent unauthorized parties from accessing, using, disclosing, modifying, disposing, copying, stealing or otherwise compromising the privacy or availability of a Client's information;
- (b) Each party shall comply with its privacy and security policies (as updated periodically to reflect changes in technology and best practices) as well as with all applicable statutes, regulations, rules, and orders pertaining to the collection, use and disclosure of personal information; and
- (c) RHAC acknowledges that it may have to disclose information pertaining to Counterpoint Needle Exchange Program with respect to the Clients' use of services in addition to how its resources are being provided. MLHU will ensure compliance with the terms of this Agreement in utilizing such data. The information given to MLHU will be anonymous and will not contain any uniquely identifying information.

14. INDEMNITY:

RHAC hereby agrees that it will fully indemnify and save harmless MLHU and its successors and assigns with respect to all actions, claims, suits and demands which may be brought against MLHU and against all losses, liabilities, judgments, claims, costs, demands or expenses which MLHU may sustain that arise from MLHU's provision of funding for the Counterpoint Needle Exchange Program or MLHU entering into this Agreement with RHAC.

15. RIGHT OF TERMINATION:

This Agreement shall be in default if either party fails to comply with the terms, covenants and provisions of this Agreement. In the event that this Agreement is in default, the non-defaulting party shall provide the defaulting party with written notice of such default. Such written notice of default shall set out the specific provision of this Agreement that has been contravened, the nature of and facts that constitute default and the actions that are required by the defaulting party to bring the defaulting party back into compliance with the Agreement. In the event that the defaulting party has failed to take actions that would bring itself into compliance with the Agreement within thirty (30) days of receiving the notice of default, the non-defaulting party shall have the right but not the obligation to terminate this Agreement. In the event of default for a period of greater than thirty (30) days after notice has been provided to RHAC, MLHU shall have the right to suspend all or part of the future funding for the Counterpoint Needle Exchange Program at its discretion in any given year until RHAC has taken such actions that are necessary to bring itself into compliance with the terms, covenants and provisions of this Agreement.

16. SCOPE OF AGREEMENT:

The parties acknowledge that MLHU operates a satellite site for services similar to those services provided by the Counterpoint Needle Exchange Program. This Agreement shall have no application to the satellite site MLHU operates for services similar to the Counterpoint Needle Exchange Program. MLHU's satellite site for such services shall not constitute part of the Counterpoint Needle Exchange Program for the purposes of this Agreement.

17. INSURANCE:

MLHU shall not be held liable for any injury, including death, or for any loss or damage to property of RHAC or for any obligation of RHAC or anyone else, incurred or suffered by RHAC or its agents, employees, contractors or voluntary workers in carrying out the project.

RHAC agrees to purchase and maintain during the term of the Agreement general liability insurance in a form satisfactory to the MLHU in an amount of not less than Two Million (\$2,000,000.00) Dollars and shall include the MLHU as an additional insured with respect to the services provided. This insurance will not be cancelled or permitted to lapse unless the insurer provides the MLHU with at least thirty (30) days prior written notice. Evidence that the insurance is in force shall be provided to MLHU upon the execution of this Agreement.

MLHU shall have the right to require such higher limits of insurance or other types of policies appropriate to the Agreement as it may require, acting reasonably. RHAC's failure to fulfill this request relating to additional insurance shall be deemed a breach of this Agreement.

18. NOTICE:

(a) Any notice given pursuant hereto shall be sent to the parties at their respective addresses set out below:

(i) To MLHU:

Middlesex London Health Unit
50 King Street
London ON N6A 5L6

Attention: Dr. Christopher Mackie,
Medical Officer of Health

(ii) To RHAC:

Regional HIV AIDS Connection
186 King Street, Unit #30
London ON N6A 1C7

Attention: _____

(b) Any party may, from time to time, change its address by written notice to the other party given in accordance with the provisions hereof.

19. SUCCESSORS AND ASSIGNS:

Subject to the provisions of this service level agreement, all provisions extend to and bind, or enure to the benefit of, the parties to this contract and to every executor, representative, successor and assign of both parties.

20. SEVERABILITY:

All of the provisions of this Agreement are intended to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate clause hereof. Should any provision of this Agreement be adjudged unlawful or not enforceable, it shall be considered separate and severable from the Agreement and its remaining provisions as though the unlawful or unenforceable provision had not been included.

21. INDEPENDENT CONTRACTOR CLAUSE:

This Agreement does not create an agency, employment or partnership arrangement between MLHU and RHAC. RHAC is an independent contractor and is not a related entity to MLHU. RHAC hereby acknowledges that it operates the Counterpoint Needle Exchange Program from its own premises and with its own equipment without any input or supervision by MLHU.

IN WITNESS WHEREOF RHAC and MLHU have executed this Agreement in the manner prescribed by law.

The Board of Health of the Middlesex London Health Unit

Per: Dr. Christopher Mackie, Medical Officer of Health

Per: Mr. Marcel Meyer, Board Chair
We have authority to bind the Health Unit.

Regional HIV AIDS Connection

Per:

Per:
I/We have authority to bind the Corporation.

Regional HIV/AIDS Connecti

Revenues

	Apr Jun 2011	Jul Sep 2011	Oct Dec 2011	Jan Mar 2012	F12	Apr Jun 2012	Jul Sep 2012	Oct Dec 2012	Jan Mar 2013	F13		
Deferred	75,000	5,056	-	149,892	-	69,836	149,892	-	78,901	70,991		
Funding Rec'd		69,945	251,244	34,910	356,099		180,000	90,000		270,000		
Funding increase												
Earned Rev												
Grant/Proposals												
Fundraised Rev												
Funding Due in												
Total Funding Avail	75,000	75,001	251,244	-	114,983	286,263	149,892	180,000	90,000	-	78,901	340,991

Expenses

	Apr Jun 2011	Jul Sep 2011	Oct Dec 2011	Jan Mar 2012	F12	Apr Jun 2012	Jul Sep 2012	Oct Dec 2012	Jan Mar 2013	F13	
Total Salary Expenses	14,476	14,476	14,476	14,669	58,097	15,124	15,124	15,124	15,124	60,496	
5930 Staff Replacement Costs					-	10	79	40		129	
5955 Travel Time					-					-	
5950 Staff Travel				37	37				141	141	
5533 Rent - Office	1,875	1,875	1,875	1,875	7,500	2,000	2,000	2,000	2,000	8,000	
5240 Office Maintenance		30		620	650				20	20	
Office Rent & Maintenance	1,875	1,905	1,875	2,495	8,150	2,000	2,000	2,000	2,020	8,020	
5530 WAF (client care)				20	20					-	
5525 Skwronski Fund					-	14			16	29	
5160 Donated Materials Expense					-					-	
5499 Recruitment Strategies					-					-	
5500 Participant Honorariums				50	50	95	233	120	75	523	
5495 Admin. Support					-					-	
5494 Other Events					-					-	
5535 Rent - Facility					-					-	
5922 Client Skills Building					-				190	190	
5951 Client Travel					-				105	105	
5498 SS Group/Workshops					-					-	
5447 Ambassador					-					-	
5200 Hospitality					-					-	
5925 Staff Recognition					-					-	
5446 Facilitation					-					-	
5165 Equipment Rental - General					-					-	
5445 Country Cupboard					-					-	
5431 Program Material	18,752	58,411	95,030	20,243	151,950	18,430	55,345	39,474	76,561	189,810	
5496 Bio-Hazard/Sharps Disposal	6,991	17,719	14,989	13,520	53,218	9,922	13,267	15,759	17,313	56,260	
5953 Van Operating Expenses					-					-	
5490 Resource Material	72		107		179			40		40	
Program & Resource Costs	25,815	76,130	110,125	-	6,653	205,416	28,460	68,844	55,393	94,259	246,957
5150 Computer Maint. & Support	75	75	75	75	300		10,446			10,446	
5155 Website Design, Hosting, Maint.	75	75	75	75	300	75	75	75	75	300	
IT Support & Website Design	150	150	150	150	600	75	10,521	75	75	10,746	
5250 Office Supplies	300	300	300	300	1,200	300	300	508	300	1,408	
5310 Photocopying (& office supplies)	450	450	450	450	1,800	450	450	450	450	1,800	
5345 Postage & Delivery	75	231	75	75	456	116	133	75	75	399	
Photocopying, Postage, Office Supplies	825	981	825	825	3,456	866	883	1,033	825	3,607	
5940 Telephone	150	150	150	150	600	150	150	150	150	600	
5210 Insurance					-					-	
5040 Bank S/C					-					-	
5060 Interest on Loan					-					-	
5017 Advertising, Promotion					-					-	
5015 Admin/Fees (to RHAC)	2,500	2,500	2,500	2,500	10,000	2,500	2,500	2,500	2,500	10,000	
Staff Development, Networking	-	70	-	75	145	-	-	241	56	297	
5918 OAN Expenses					-					-	
Total Professional/Consulting Fees	-	-	-	-	-	-	-	-	-	-	
Total Volunteer Development/Appreciat	-	-	-	-	-	-	-	-	-	-	
Totals	45,791	96,362	130,101	14,247	286,501	49,185	100,100	76,556	115,150	340,992	
<i>over or under budget</i>											

Payments Rec'd to date	75,000.00	75,001.00	251,244.00	-	114,982.50	286,262.50	149,892.18	180,000.00	90,000.00	-	78,901.20	340,990.98			
Expenses	45,790.99	96,362.04	130,101.13	14,246.89	286,501.05	49,185.22	100,100.46	76,555.83	115,150.42	-	340,991.93				
	29,209.01	-	21,361.04	121,142.87	-	129,229.39	-	238.55	100,706.96	79,899.54	13,444.17	-	194,051.62	-	0.95



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2013 October 3

MINISTRY OF HEALTH AND LONG-TERM CARE 100% FUNDING – PANORAMA IMPLEMENTATION

Recommendation

It is recommended that the Finance & Facilities Committee make recommendation to the Board of Health to approve the Panorama Implementation Project budget as attached to committee Report No. 012-13C.

Key Points

- Panorama is a Federal initiative to increase use and coordination of electronic health records. In Ontario, the Ministry of Health and Long-Term Care is leading the implementation of a new communicable disease-related information system at all Ontario health units..
- The Health Unit has received \$230,332 in 100% Ministry funding to support costs associated with Panorama implementation from April 1, 2013 to March 31, 2014.
- Activities to prepare for onsite implementation of Panorama include reviewing information in the existing systems, reviewing business processes, and participating in training activities. The Health Unit also provides consultation and expertise for the further development of Panorama at the provincial level.

What is Panorama?

Public health professionals are responsible for a variety activities aimed at reducing the occurrence and spread of specified communicable diseases that pose a risk to the health of the public. These include monitoring immunization rates in the community, offering immunization clinics, supplying community health care providers with publicly-funded vaccines to administer to their patients, and following up with health care providers, patients and their contacts when communicable diseases are reported. Panorama is an initiative to provide Ontario public health professionals with a comprehensive, secure, web-based information system to more efficiently manage immunization information, vaccine inventory, and cases and outbreaks of communicable diseases. Once fully implemented, Panorama will integrate the work of staff at all 36 health units, the Ministry of Health and Long-Term Care (MOHLTC), Ontario Government Pharmacy and Medical Supply Service, and Public Health Ontario.

The Panorama system is being implemented in Ontario in several phases. The first phase is to deploy two modules: 1) the Immunization module that keeps track of immunizations of school pupils, day care attendees, and those vaccinated at public health clinics; and 2) the Vaccine Inventory module that supports ordering publicly-funded vaccines from Ontario Government Pharmacy in Toronto and distributing these vaccines to local health care providers. It is anticipated that these two components of Panorama will be implemented at all Ontario health units by August 2014; the Health Unit is scheduled to implement these modules in May 2014. The MOHLTC has provided Ontario health units with 100% funding for costs associated with Panorama implementation activities during the 2013-2014 fiscal year.

100% Ministry Funding

On August 15, 2013, the Health Unit was notified that 100% provincial funding of \$230,332 had been received for costs associated with Panorama implementation activities taking place from April 1, 2013 to March 31, 2014. The budget for this funding allocation is shown in [Appendix A](#).

Panorama Preparation Activities

All Ontario health units are expected to prepare for implementing Panorama at their respective sites. These preparatory activities include:

- Review and update of information in the current immunization system (the Immunization Records Information System – IRIS) and inventory management system (Bioinventory System – BIOS) to ensure that they are ready to be migrated into Panorama;
- Review of current immunization and inventory management business processes to ensure that they align with the functionality available in Panorama;
- Review of the current technical environment and completion of any network or desk top upgrades required to successfully run Panorama at clinics located in Health Unit offices and at community-based clinics, including equipment purchases, if necessary;
- Process reviews and the development of key documents required under provincial privacy legislation, including a Privacy Impact Assessment (PIA) and a Threat Risk Assessment (TRA);
- Participation in training activities, some of which are in-person in Toronto.

In addition to preparing for Panorama implementation onsite, the Health Unit is a Builder/Early Adopter health unit, and as such, provides consultation and expertise on the development of Panorama at the provincial level. Related activities include:

- Contribution of front-line expertise to enhance Panorama functionality and reporting features. To date, the Health Unit has offered multidisciplinary representation involving a Public Health Nurse, Program Assistants, and an Epidemiologist;
- Active participation and leadership on provincial working groups.

Conclusion

It is expected that in May 2014, the Health Unit will implement the Immunization and Vaccine Inventory modules of Panorama. To support appropriate preparation for this deployment, and to enable participation in provincial Panorama development, the Ministry has provided \$230,332 in 100% funding to the Health Unit, for associated costs incurred between April 1, 2013 and March 31, 2014.

This report was prepared by Ms. Alison Locker, Epidemiologist, Oral Health, Communicable Disease and Sexual Health Services, Dr. Bryna Warshawsky, Associate Medical Officer of Health and Mr. John Millson, Director, Finance and Operations Service.

Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health and CEO

This report addresses the following requirement(s) of the Ontario Public Health Standards: Vaccine Preventable Disease Standard, Immunization Management Protocol, and Vaccine Storage and Handling Protocol

APPENDIX A

Panorama Project – 100% Ministry Funding Budget April 1, 2013 to March 31, 2014

Table 1 – Panorama Implementation- Expenditure Budget

Object of Expenditure	Amount	% of Total Budget
Personnel Costs	\$ 180,400	78.3%
Administrative Expenses ¹	20,000	8.7%
Materials & Supplies	3,932	1.7%
Purchased Services ²	6,000	2.6%
Furniture & Equipment ³	20,000	8.7%
Total	\$ 230,332	100%

Notes:

- 1) Administrative Expenses include professional development and costs related to travel to project meetings in Toronto
- 2) Fees related to reviewing draft agreements
- 3) Equipment purchase relate to Information Technology (IT) enhancements required to support the implementations

Table 2 – Panorama Implementation Project – Staffing Implications

Staffing Position	FTE
Project Manager – Epidemiologist – 12 mth contract	1.0
Public Health Nurse – Full-time – 6 mths	0.5
Public Health Nurse – casual hours	0.1
Program Assistant – Full-time – 6 mths	0.5
Total	2.1



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2013 October 3

STRATHROY OFFICE LEASE

Recommendation

It is recommended that the Finance & Facilities Committee make the recommendation to the Board of Health to direct staff to perform a market assessment review and to bring back options regarding the Strathroy office lease to the Committee prior to the end of 2013.

Key Points

- The Strathroy office lease will expire on June 30, 2014
- The current lease with CANBA Investments Ltd. has an option to renew for a further 5 year period at a cost of \$12 per square foot, compared with the current \$10.50 per square foot
- Further market assessment is required prior to exercising the renewal option.

Background

Early in 2003, the Health Unit moved its Strathroy office from the Strathroy Middlesex General Hospital to the current location at the Kenwick Mall. Until July 1, 2009, the Health Unit was a subtenant when the space was shared with the Government Access Information Network (GAIN) Centre operated under the auspices of Middlesex County. Since July 1, 2009 the Health Unit has been the sole occupant and lessee of the space. Shortly after signing the new 5-year lease, the Health Unit invested approximately \$50,000 in leasehold improvements to better utilize the increased office space. The leasehold improvements included:

- Installation of controlled access (required the modification of the reception area);
- New flooring in the hallways;
- Conversion of the large GAIN meeting room into three separate rooms, one for storing Public Health Nursing resources, another room for two Public Health Inspector workstations, and one for a smaller meeting room.

Current Lease Arrangement

Per [Appendix A](#), "Executive Summary of Current Lease Terms", the current lease with CANBA Investments Ltd. expires June 30, 2014. If exercised prior to end of 2013, the Health Unit has the option to renew for a further 5 year term at a cost of \$12 per square foot.

There are a number of factors to consider when making a renewal decision, including:

- 1) Viability of Kenwick Mall,
- 2) Condition of Office
- 3) Market Price of Rent

- 1) The Viability of Kenwick Mall - Over the past 5 years, the tenancy of the mall itself has changed. Two major tenants, Shoppers Drug Mart and the Dollarama Store, both have moved out of the Kenwick Mall. The main tenant, Food Basics, continues to operate from the mall. The vacancy rate in the mall has increased, and it appears that the mall may be up for sale.
- 2) The Condition of the Office
In 2009, the Health Unit invested resources in leasehold improvements to better utilize the office space; therefore, the interior of the office is in good condition. The current space is adequate for providing public health services to Strathroy and surrounding communities. Recently however, the office has experienced flooding from what appears to be a damaged roof drain and an aging roof. In addition, the older of the two Heat Ventilation and Air Conditioning (HVAC) units, has required increased costs to repair and maintain. The landlord continues to make basic repairs to the roof, and during the last major rainfall, the office remained relatively dry. In the near future, a further investment in a new HVAC unit may be necessary.
- 3) Market Price of Rent
At \$12 per square foot, the rented space in Strathroy would cost as much as or more than the leases the Health Unit holds in downtown London, depending on the valuation of parking. The \$1.50 per square foot increase would represent a 14.3% increase since the 2009 negotiated price of \$10.50 per square foot. Prior to exercising the renewal option, a market assessment of rents in the Strathroy area should be conducted.

Conclusion

The office lease for the Strathroy office is set to expire on June 30, 2014. The current lease has a renewal option that needs to be exercised six (6) months prior to the lease expiry. A number of factors should be explored prior to exercising this option including assessing the commercial property market in Strathroy. Therefore, it is recommended that the Finance & Facilities Committee make recommendation to the Board of Health to direct staff to perform such an assessment and for staff to take all necessary steps to have recommendations regarding the Strathroy office lease to the Finance & Facilities Committee prior to the end of 2013.

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

Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health

Executive Summary of Existing Lease Terms
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Between: **CANBA Investments Ltd (Landlord)**

And: **The Middlesex London Board of Health (Tenant)**

- Net Rent : \$10.50 per square foot
- Operating Costs : Responsibility of the tenant (No change)
- Common Facilities/Expenses : Common expenses are estimated at \$7.20 per square foot
- Area Measure : 5,772 square feet
- Term : Five (5) years (June 30, 2014)
- Tenant Inducements : None
- Future Options : One five (5) year option to renew at \$12.00 per square foot (must be exercised 6 months prior to end of the lease).