



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2016 June 8

Q1 FINANCIAL UPDATE & FACTUAL CERTIFICATE

Recommendation

It is recommended that the Finance & Facilities Committee review and recommend to the Board of Health to receive Report No. 018-16FFC re: “Q1 Financial Update Report & Factual Certificate” for information.

Key Points

- The 2016 approved budget assumes a 2% increase in Mandatory Programs funding from the Ministry of Health and Long-Term Care.
- The annual grant request was submitted to the Ministry of Health & Long-Term Care on February 29, 2016 and included one-time funding requests totaling \$154,731 for implementation of the Electronic Cigarettes Act, Nicotine Replacement Therapy and Organizational Structure and Location initiatives.
- Ministry grant approvals are expected in late summer (Q2) or early fall (Q3).
- Included in the financial update is a signed factual certificate which provides assurance that the financial and risk management functions are being performed.

Background

The 2016 operating budget was approved by the Board of Health on February 19, 2016 ([Report No. 008-16](#)). The approved budget includes a \$250,000 contribution to the Technology and Infrastructure Reserve Fund and assumes a 2% increase in Mandatory Programs funding from the Ministry of Health & Long-Term Care. In addition, as part of the grant submission, one-time funding of \$154,731 was requested for the implementation of the Electronic Cigarettes Act, Nicotine Replacement Therapy, and Organizational Structure and Location initiatives.

Financial Highlights

Attached as [Appendix A](#) is the Budget Variance Summary which provides actual and budgeted expenditures for the first three months and projections to the end of the operating year for the programs and services governed by the Board of Health.

Current forecasting shows favourable variances across the organization as a result of position vacancies due to implementation of approved PBMA proposals, maternity leaves, retirements/resignations, medical leaves of absence, and competitive purchasing for the Vector-Borne Disease contracts. These favourable variances are partially offset by the following expenditures:

- \$62,000 Unanticipated costs associated with Tuberculosis case management and a Hepatitis A outbreak. It is expected that the MOHLTC will provide some 100% funding to assist in defraying some of these costs.
- \$15,000 Additional IT consulting required as a result of the vacant Business Analyst position.
- \$10,000 Less lecture revenue – AMOH will be holding one less session of lectures than planned.
- \$50,000 Additional EI benefits for maternity/parental leaves (EI top-up).

- \$10,000 To replace office chairs. There are approximately 100 chairs that require replacement and this is expected to occur over the next 4-5 years.
- \$30,000 Additional extraordinary legal costs.
- \$15,000 Additional costs related to the new cellular phone contract.

Overall the net favourable variance is \$263,270 and will contribute to the overall expected annual gapping budget of \$789,938. The Health Unit is expecting to breakeven by the end of 2016 assuming the Province provides the expected additional funding.

Ministry grant approvals are not expected until late summer or early fall.

Factual Certificate

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

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



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Medical Officer of Health