AGENDA
MIDDLESEX-LONDON BOARD OF HEALTH
Finance and Facilities Committee

50 King Street, London
Middlesex-London Health Unit – Room 3A
Thursday, March 2, 2017 9:00 a.m.

1. DISCLOSURE OF CONFLICTS OF INTEREST

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES – February 2, 2017

4. NEW BUSINESS

4.1 Financial Controls Checklist (Report No. 009-17FFC)

4.2 Impact of Consent Process on Dental Screening Outcomes (Report No. 010-17FFC)

5. OTHER BUSINESS

Next meeting Thursday, April 6, 2017 at 9:00 a.m. Room 3A

6. CONFIDENTIAL

The Finance and Facilities Committee will move in-camera to discuss matters regarding identifiable individuals and a proposed or pending acquisition of land by the Middlesex-London Board of Health.

7. ADJOURNMENT

PUBLIC MINUTES
FINANCE & FACILITIES COMMITTEE
MIDDLESEX-LONDON BOARD OF HEALTH
50 King Street, London
Middlesex-London Health Unit – Room 3A
2017 February 2, 9:00 a.m.

COMMITTEE MEMBERS PRESENT:
Ms. Trish Fulton (Chair)
Mr. Jesse Helmer
Mr. Marcel Meyer
Mr. Ian Peer
Ms. Joanne Vanderheyden

OTHERS PRESENT:
Ms. Elizabeth Milne, Executive Assistant to the Board of Health and Communications (Recorder)
Ms. Laura Di Cesare, Secretary-Treasurer
Dr. Gayane Hovhannisyan, Acting Medical Officer of Health
Mr. John Millson, Associate Director, Finance
Ms. Heather Lokko, Director, Healthy Start
Ms. Suzanne Vandervoort, Director, Healthy Living

At 9:02 a.m., Chair Fulton called the meeting to order.

DISCLOSURES OF CONFLICTS OF INTEREST

Chair Fulton inquired if there were any conflicts of interest. None were declared.

APPROVAL OF AGENDA

It was moved by Mr. Peer, seconded by Mr. Meyer, *that the AGENDA for the February 2, 2017 Finance & Facilities Committee meeting be approved.*

Carried

APPROVAL OF MINUTES

It was moved by Ms. Vanderheyden, seconded by Mr. Meyer, *that the MINUTES of the January 26, 2017 Finance & Facilities Committee meeting be approved as amended.*

Carried

NEW BUSINESS

4.1 Finance and Facilities Committee – Reporting Calendar (Report No. 003-17FFC)

Ms. Di Cesare answered questions in the course of a discussion about various aspects of the Reporting Calendar, including the Finance & Facilities Committee Terms of Reference, the bi-annual review of policies and bylaws, and the review of meeting dates for 2017.

It was moved by Mr. Meyer, seconded by Ms. Vanderheyden, *that that Report No. 003-17FFC re: Finance and Facilities Committee – Reporting Calendar be received for information.*

Carried

4.2 2016 Fourth Quarter Budget Variance Report & Factual Certificate (Report No. 004-17FFC)

Mr. Millson summarized the fourth quarter budget variance report and flagged some highlights, which included:

- The $188,000 favourable variance, of which approximately $99,000 will go back to the Ministry, with the remaining $97,000 returned to the City and County.
- The final audit, which will take place in early April.
- The Dental Treatment Clinic deficit and an update that staff will continue their discussions with the Ministry on this item.
- Answers to questions about WSIB premiums and claims.

Mr. Millson proposed a change to the report's second recommendation, namely to include a note to fund the dental program deficit only "if required."

Mr. Helmer arrived at 9:10 a.m.

In reference to the Factual Certificate, Ms. Vanderheyden disclosed her position on the Board of Governors for Western Fair.

It was moved by Mr. Peer, seconded by Mr. Helmer, *that the Finance & Facilities Committee review and recommend that the Board of Health:*

1) *Receive Report No 004-17FFC re: 2016 Fourth Quarter Budget Variance Report and Factual Certificate be received for information; and*
2) *Fund the 2016 Dental Treatment Program deficit from the general Cost-Shared Program surplus, if required.*

Carried

4.3 2016 Visa/Vendor Payment (Report No. 005-17FFC)

Mr. Millson introduced the report and summarized key highlights, including the reason for the increase in the Visa credit card purchase amounts, which was related to increased purchases of Facebook ads.

Ms. Di Cesare answered questions, and discussion ensued about the costs paid to Hicks Morley Hamilton Steward Storie LLP, as well as costs associated with contraceptives, needle exchange services, and photocopying and consumables.

It was moved by Mr. Peer, seconded by Mr. Helmer, *that the Finance & Facilities Committee receive Report No. 005-17FFC, re: 2016 Vendor/VISA Payments for information.*

Carried

4.4 Public Sector Salary Disclosure Act – 2016 Record of Employees' Salaries and Benefits (Report No. 006-17FFC)

It was moved by Mr. Meyer, seconded by Mr. Helmer, *that the Finance & Facilities Committee recommend that the Board of Health receive Report No. 006-17FFC re: Public Sector Salary Disclosure Act – 2016 Record of Employees' Salaries and Benefits for information.*

Carried

4.5 2017 Proposed Budget (Report No. 007-17FFC)

Mr. Millson summarized the updates made to the budget since its last review at the January 26, 2017 meeting.

Ms. Lokko noted a change to the Healthy Start Division. Ms. Di Cesare also noted a minor change and clarified the method of titling for program assistants, administrative assistants and executive assistants.

It was moved by Mr. Helmer, seconded by Mr. Peer, *that the Finance & Facilities Committee recommend that the Board of Health:*

1) *Approve the 2017 Operating Budget in the gross amount of $35,405,626 as per the appended Report No. 007-17FFC re: 2017 Proposed Budget;*
2) *Forward Report No. 007-17 to the City of London and the County of Middlesex for information; and*
3) *Direct staff to submit the 2017 Operating Budget in the various formats required by the different funding agencies.*

Carried

OTHER BUSINESS

5.1 Next meeting: Thursday, March 2, 2017 @ 9:00 a.m.

CONFIDENTIAL

At 9:33 a.m., it was moved by Mr. Meyer, seconded by Mr. Helmer, *that the Finance & Facilities Committee move in-camera to discuss matters regarding a proposed or pending acquisition of land by the Middlesex-London Board of Health.*

Carried

At 9:41 a.m., it was moved by Mr. Peer, seconded by Mr. Meyer, that the Finance & Facilities Committee return to public session.

Carried

ADJOURNMENT

It was moved by Mr. Helmer, seconded by Ms. Vanderheyden, *that the Finance & Facilities Committee adjourn the meeting.*

Carried

At 9:42 a.m., Chair Fulton *adjourned the meeting*.

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TRISH FULTON
Chair

LAURA DI CESARE
Secretary-Treasurer

MIDDLESEX-LONDON HEALTH UNIT

REPORT NO. 009-17FFC

TO: Chair and Members of the Finance & Facilities Committee

FROM: Laura Di Cesare, Acting Chief Executive Officer

DATE: 2017 March 2

FINANCIAL CONTROLS CHECKLIST

Recommendation

It is recommended that the Finance & Facilities Committee receive Report No. 009-17FFC re: Financial Controls Checklist for information.

Key Points

- Financial controls are a critical part of an organization's internal controls system. They ensure that the resources are being used correctly and activities reported accurately.
- The Ministry of Health and Long-Term Care (MOHLTC) requires Boards of Health to comply with Schedule E Boards of Health Financial Controls) of the Public Health Financial Accountability Agreement (PHFAA).
- As part of the fourth-quarter financial update to the MOHLTC, each health unit is required to submit a Financial Controls Checklist.
- The Health Unit is in compliance with the MOHLTC's financial controls requirements.

Background

As part of the Public Health Funding Accountability Agreement, the MOHLTC requires each Board of Health to comply with Schedule E (Boards of Health Financial Controls) (attached as Appendix A). The MOHLTC also requires health units to complete and submit a Financial Controls Checklist (attached as Appendix B) as part of the fourth-quarter financial update.

Health Unit – Financial Controls

Many factors contribute to an organization's internal controls. Such controls help organizations achieve their objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with legislation, regulations and guidelines. Broadly defined, they are concerned with all aspects of the risk to which an organization may be exposed. Financial controls comprise a critical part of an organization's internal controls system, ensuring that resources are being used correctly and activities reported accurately. It is the Board's responsibility to ensure that good financial controls are in place, and management's responsibility to ensure that these controls are operating effectively.

A single approach to designing and managing financial controls is not always realistic, given the complexity of the various processes and systems involved. Financial controls must address key risks in the context of the overall business and the environment in which it operates. There are several factors to consider when putting controls in place. These include:

- Division of duties
- Qualifications of staff
- Budgetary controls
- Cash controls
- Expenditure and purchasing controls
- Payroll and personnel controls

- Controls over assets
- Treasury management (accounts payable/receivable)
- Audits
- Insurance

Schedule E of the PHFAA and the new Financial Controls Checklist consider many of these factors. A chart listing the Checklist's requirements, as well as the Health Unit's financial controls currently in place to mitigate risk to the organization, are attached as Appendix C. The current system of financial controls is good and operating effectively. However, even when a good system of controls is in place and being fully utilized, it can provide only reasonable – and not absolute – assurance against material misstatement of accounts, loss or misuse of resources, and non-compliance with laws or regulations.

Conclusion

Financial controls are a critical part of an organization's internal controls system. They ensure that resources are being used correctly and activities reported accurately. The Health Unit has good financial controls that are operating effectively, and is in compliance with the requirements of the Ministry of Health and Long-Term Care.

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

Laura Di Cesare, CHRE
Acting Chief Executive Officer

SCHEDULE E-2

BOARD OF HEALTH FINANCIAL CONTROLS

Financial controls support the integrity of the Board of Health's financial statements, support the safeguarding of assets, and assist with the prevention and/or detection of significant errors including fraud. Effective financial controls provide reasonable assurance that financial transactions will include the following attributes:

- **Completeness** – all financial records are captured and included in the Board of Health's financial reports;
- **Accuracy** – the correct amounts are posted in the correct accounts;
- **Authorization** – the correct levels of authority (i.e., delegation of authority) are in place to approve payments and corrections including data entry and computer access;
- **Validity** – invoices received and paid are for work performed or products received and the transactions properly recorded;
- **Existence** – assets and liabilities and adequate documentation exists to support the item;
- **Error Handling** – errors are identified and corrected by appropriate individuals;
- **Segregation of Duties** – certain functions are kept separate to support the integrity of transactions and the financial statements; and,
- **Presentation and Disclosure** – timely preparation of financial reports in line with the approved accounting method (e.g., Generally Accepted Accounting Principles (GAAP)).

The Board of Health is required to adhere to the principles of financial controls, as detailed above. The Board of Health is required to have financial controls in place to meet the following objectives:

1. **Controls are in place to ensure that financial information is accurately and completely collected, recorded, and reported.**

   Examples of potential controls to support this objective include, but are not limited to:
   - Documented policies and procedures to provide a sense of the organization's direction and address its objectives.
   - Define approval limits to authorize appropriate individuals to perform appropriate activities.
   - Segregation of duties (e.g., ensure the same person is not responsible for ordering, recording, and paying for purchases).
   - An authorized chart of accounts.
   - All accounts reconciled on a regular and timely basis.
   - Access to accounts is appropriately restricted.
   - Regular comparison of budgeted versus actual dollar spending and variance analysis.
   - Exception reports and the timeliness to clear transactions.
   - Electronic system controls, such as access authorization, valid date range test, dollar value limits, and batch totals, are in place to ensure data integrity.

- Use of a capital asset ledger.
- Delegate appropriate staff with authority to approve journal entries and credits.
- Trial balances including all asset accounts that are prepared and reviewed by supervisors on a monthly basis.

2. **Controls are in place to ensure that revenue receipts are collected and recorded on a timely basis.**

   Examples of potential controls to support this objective include, but are not limited to:
   - Independent review of an aging accounts receivable report to ensure timely clearance of accounts receivable balances.
   - Separate accounts receivable function from the cash receipts function.
   - Accounts receivable sub-ledger is reconciled to the general ledger control account on a regular and timely basis.
   - Original source documents are maintained and secured to support all receipts and expenditures.

3. **Controls are in place to ensure that goods and services procurement, payroll and employee expenses are processed correctly and in accordance with applicable policies and directives.**

   Examples of potential controls to support this objective include, but are not limited to:
   - Policies are implemented to govern procurement of goods and services and expense reimbursement for employees and board members.
   - Use appropriate procurement method to acquire goods and services in accordance with applicable policies and directives.
   - Segregation of duties is used to apply the three (3) way matching process (i.e., matching 1) purchase orders, with 2) packing slips, and with 3) invoices).
   - Separate roles for setting up a vendor, approving payment, and receiving goods.
   - Separate roles for approving purchases and approving payment for purchases.
   - Processes in place to take advantage of offered discounts.
   - Monitoring of breaking down large dollar purchases into smaller invoices in an attempt to bypass approval limits.
   - Accounts payable sub-ledger is reconciled to the general ledger control account on a regular and timely basis.
   - Employee and Board member expenses are approved by appropriate individuals for reimbursement and are supported by itemized receipts.
   - Original source documents are maintained and secured to support all receipts and expenditures.
   - Regular monitoring to ensure compliance with applicable directives.
   - Establish controls to prevent and detect duplicate payments.
   - Policies are in place to govern the issue and use of credit cards, such as corporate, purchasing or travel cards, to employees and board members.
   - All credit card expenses are supported by original receipts, reviewed and approved by appropriate individuals in a timely manner.
   - Separate payroll preparation, disbursement and distribution functions.

4. **Controls are in place in the fund disbursement process to prevent and detect errors, omissions or fraud.**

   Examples of potential controls include, but are not limited to:
   - Policy in place to define dollar limit for paying cash versus cheque.
   - Cheques are sequentially numbered and access is restricted to those with authorization to issue payments.
   - All cancelled or void cheques are accounted for along with explanation for cancellation.
   - Process is in place for accruing liabilities.
   - Stale-dated cheques are followed up on and cleared on a timely basis.
   - Bank statements and cancelled cheques are reviewed on a regular and timely basis by a person other than the person processing the cheques / payments.
   - Bank reconciliations occur monthly for all accounts and are independently reviewed by someone other than the person authorized to sign cheques.

Financial Controls Checklist

Board of Health:	Board of Health for the Middlesex-London Health Unit	Period ended:	Dec. 31/16

Objective:

- The objective of the Financial Controls Checklist is to provide the Board of Health and the Public Health Unit with a tool for evaluating financial controls while also promoting effective and efficient business practices.

Responsibilities:

- This checklist is for the management of the public health unit to document that controls have been implemented. The controls listed in the checklist are not meant to be exhaustive. Management of the public health unit should outline other key controls in place for achieving the control objectives. One must note that no effective financial control is achieved by signing the checklist. The control is achieved through carrying out the key controls themselves.
- The following table outlines the responsibilities for completing and using this Financial Controls Checklist.

Description of Responsibilities	Board of Health	Management of the Public Health Unit
• Completion of Financial Controls Checklist		✓
• Review and assessment of the completed Financial Controls Checklist	✓	✓
• Ongoing design of financial controls		✓
• Ongoing preparation of policies related to financial controls		✓
• Ongoing testing of financial controls		✓
• Ongoing monitoring of financial controls testing results	✓	✓
• Approval of key financial controls and related policies	✓	✓
• Implementation of financial controls		✓

Financial controls support the integrity of the Board of Health's financial statements, support the safeguarding of assets, and assist with the prevention and/or detection of significant errors including fraud. Effective financial controls provide reasonable assurance that financial transactions will include the following attributes:

- **Completeness** – all financial records are captured and included in the board of health's financial reports;
- **Accuracy** – the correct amounts are posted in the correct accounts;
- **Authorization** – the correct levels of authority (i.e. delegation of authority) are in place to approve payments and corrections including data entry and computer access;
- **Validity** – invoices received and paid are for work performed or products received and the transactions properly recorded;
- **Existence** –assets and liabilities and adequate documentation exists to support the item;
- **Error Handling** – errors are identified and corrected by appropriate individuals;
- **Segregation of Duties** –certain functions are kept separate to support the integrity of transactions and the financial statements; and,
- **Presentation and Disclosure** – timely preparation of financial reports in line with the approved accounting method (e.g., Generally Accepted Accounting Principles (GAAP)).

Control Objective	Controls / Description	Control Deficiency (If Any) And Potential Impact
1. Controls are in place to ensure that financial information is accurately and completely collected, recorded and reported.	**Please select (☒) any following controls that are relevant to your board of health:** ☒ Documented policies and procedures to provide a sense of the organization's direction and address its objectives. ☒ Define approval limits to authorize appropriate individuals to perform appropriate activities. ☒ Segregation of duties (e.g., ensure the same person is not responsible for ordering, recording and paying for purchases). ☒ An authorized chart of accounts. ☒ All accounts reconciled on a regular and timely basis. ☒ Access to accounts is appropriately restricted. ☒ Regular comparison of budgeted versus actual dollar spending and variance analysis. ☒ Exception reports and the timeliness to clear transactions. ☒ Electronic system controls, such as access authorization, valid date range test, dollar value limits and batch totals, are in place to ensure data integrity. ☒ Use of a capital asset ledger. ☒ Delegate appropriate staff with authority to approve journal entries and credits. ☒ Trial balances including all asset accounts that are prepared and reviewed by supervisors on a monthly basis. ☐ Other – (*Please specify*)	*List control deficiencies and their potential impact.* *What is the action plan to correct the identified control deficiencies? Who is responsible to action the items? When will they be actioned?*

Control Objective	Controls / Description	Control Deficiency (If Any) And Potential Impact
2. Controls are in place to ensure that revenue receipts are collected and recorded on a timely basis.	**Please select (☒) any following controls that are relevant to your board of health:** ☒ Independent review of an aging accounts receivable report to ensure timely clearance of accounts receivable balances. ☒ Separate accounts receivable function from the cash receipts function. ☒ Accounts receivable sub-ledger is reconciled to the general ledger control account on a regular and timely basis. ☒ Original source documents are maintained and secured to support all receipts and expenditures. ☐ Other – (*Please specify*)	*List control deficiencies and their potential impact.* *What is the action plan to correct the identified control deficiencies? Who is responsible to action the items? When will they be actioned?*

Control Objective	Controls / Description	Control Deficiency (If Any) And Potential Impact
3. Controls are in place to ensure that goods and services procurement, payroll and employee expenses are processed correctly and in accordance with applicable policies and directives.	**Please select (☒) any following controls that are relevant to your board of health:** ☒ Policies are implemented to govern procurement of goods and services and expense reimbursement for employees and board members. ☒ Use appropriate procurement method to acquire goods and services in accordance with applicable policies and directives. ☒ Segregation of duties is used to apply the three way matching process (i.e. matching 1) purchase orders, with 2) packing slips, and with 3) invoices). ☒ Separate roles for setting up a vendor, approving payment and receiving goods. ☒ Separate roles for approving purchases and approving payment for purchases. ☒ Processes in place to take advantage of offered discounts. ☒ Monitoring of breaking down large dollar purchases into smaller invoices in an attempt to bypass approval limits. ☒ Accounts payable sub-ledger is reconciled to the general ledger control account on a regular and timely basis. ☒ Employee and Board member expenses are approved by appropriate individuals for reimbursement and are supported by itemized receipts. ☒ Original source documents are maintained and secured to support all receipts and expenditures. ☒ Regular monitoring to ensure compliance with applicable directives. ☒ Establish controls to prevent and detect duplicate payments. ☒ Policies are in place to govern the issue and use of credit cards, such as corporate, purchasing or travel cards, to employees and board members. . ☒ All credit card expenses are supported by original receipts, reviewed and approved by appropriate individuals in a timely manner. ☒ Separate payroll preparation, disbursement and distribution functions. ☐ Other – (*Please specify*)	*List control deficiencies and their potential impact.* *What is the action plan to correct the identified control deficiencies? Who is responsible to action the items? When will they be actioned?*

Control Objective	Controls / Description	Control Deficiency (If Any) And Potential Impact
4. Controls are place in the fund disbursement process to prevent and detect errors, omissions or fraud.	**Please select (☒) any following controls that are relevant to your board of health:** ☒ Policy in place to define dollar limit for paying cash versus cheque. ☒ Cheques are sequentially numbered and access is restricted to those with authorization to issue payments. ☒ All cancelled or void cheques are accounted for along with explanation for cancellation. ☒ Process is in place for accruing liabilities. ☒ Stale-dated cheques are followed up on and cleared on a timely basis. ☒ Bank statements and cancelled cheques are reviewed on a regular and timely basis by a person other than the person processing the cheques / payments. ☒ Bank reconciliations occur monthly for all accounts and are independently reviewed by someone other than the person authorized to sign cheques. ☐ Other – (*Please specify*)	*List control deficiencies and their potential impact.* *What is the action plan to correct the identified control deficiencies? Who is responsible to action the items? When will they be actioned?*

Prepared by : John Millson — *Associate Director, Finance* **Date:** *January 31, 2017*

Approved by : Di Cesare — *Acting Chief Executive Officer* **Date:** *February 2, 2017*

Received by the Board of Health at the board meeting held on: **Date:** *March 2017*

Appendix C to Report No. 009-17FFC

Middlesex-London Health Unit
Financial Controls - 2017

Control Objective	Controls	Controls – MLHU Description
1. Controls are in place to ensure that financial information is accurately and completely collected, recorded and reported.	• Documented policies and procedures to provide a sense of the organization's direction and address its objectives.	Generally, the Health Unit has Board of Health policies (Governance) and Administrative Policies. Specifically the Health Unit's strategic plan and balanced scorecard provide the organization's direction and demonstrates its achievement of objectives.
	• Define approval limits to authorize appropriate individuals to perform appropriate activities.	Signature and authorization level are clearly articulated and practiced (Policy #G-200). A related policy is G-220 Contractual Services which governs what position has authorization to enter into various contracts.
	• Segregation of duties.	A clear segregation of duties exists between the following functions: sales, ordering, receiving (where possible), invoicing, accounts payable, and account reconciliations.
	• An authorized Chart of Accounts.	An authorized chart of accounts is used and only the Associate Director (AD) of Finance and the Accounting & Budget Analyst has authorization to make changes.
	• All accounts reconciled on a regular basis.	Balance sheet accounts are reconciled on a regular basis. Key or crucial accounts such as bank, payroll, and other control accounts are reconciled monthly. Others that are used less frequently are reconciled on a quarterly basis. Income statement accounts are updated frequently through the week and reports available each Monday for review by program managers. Budget to actual variance analysis is performed formally each quarter.
	• Access to accounts is appropriately restricted.	Access to MS Dynamics is only available to staff in finance and human resources. Different job roles have been set up and access assigned by the job role.
	• Regular comparison of budget versus actual dollar spending and variance analysis.	This is done on a quarterly basis and reported to the FFC and BOH. Reports are available to program managers on a weekly basis.

Control Objective	Controls	Controls – MLHU Description
	• Exception reports and the timelines to clear transactions.	Exception reports exists for various processes including the processes which import information into the general ledger such as Corporate purchase card purchase information, and mileage.
	• Electronic system controls, such as access authorization, valid date range tests, dollar value limits and batch totals are in place to ensure data integrity.	Electronic system controls are used; user accounts are password protected, valid date ranges are controlled with "open/closed" periods. All batch reports have totals and are verified when posting to the general ledger. In the payroll sub-ledger, any user over-rides are identified on the batch report.
	• Use of a capital ledger.	Capital items are maintained in an excel spreadsheet with the balances being recorded in the general ledger.
	• Delegate appropriate staff with authority to approve journal entries and credits.	Appropriate use of accounts is verified by finance staff. Transactions (including journal entries) are entered by separate staff that has authorization to approve and post into the general ledger.
	• Trial Balances including all asset accounts are prepared and reviewed by supervisors on a monthly basis.	Trial Balances include all balance sheet and income accounts per company (we have two) and are reviewed regularly. Program Managers have access to the income statement accounts weekly.
2. Controls are in place to ensure that revenue receipts are collected and recorded on a timely basis.	• Independent review of an aging accounts receivable report to ensure timely clearance of accounts receivable balances.	Accounting & Budget Analyst reviews A/R aging report on a monthly basis as part of the reconciliation process and follows-up on unpaid balances quarterly.
	• Separate accounts receivable function from cash receipts function.	These functions are done by separate staff. One Accounting and Administrative position prepares invoices and the second position records receipts. Associate Director (AD) Finance / Accounting & Budget Analyst authorize and post both invoices and receipts.
	• Accounts receivable sub-ledger is reconciled to the general ledger control account on a regular and timely basis.	A/R trial balance is reconciled to the general ledger on a monthly basis.
	• Original source documents are maintained and secured to support all receipts and expenditures.	Finance staff request / seek original source documents. If they are unavailable staff sign a lost receipt and provide details on why they haven't included original copies. Documents are secure and retained for a period of seven years as required by the Health Unit records retention policy.

Control Objective	Controls	Controls – MLHU Description
3. Controls are in place to ensure that goods and services procurement, payroll and employee expenses are processed correctly and in accordance with applicable policies and directives.	• Policies are implemented to govern procurement of goods and services and expense reimbursements for employee and board members.	Applicable policies include: G230 - Procurement 4-080 Expense Claims Forms 4-090 Use of Personal Vehicle 4-120 Out of Town Travel 4-130 Corporate Credit Card
	• Use appropriate procurement method to acquire goods and services in accordance with applicable policies and directives.	See G230 – Procurement policy outlines the framework staff are to follow. Oversight for this rests with the Operations & Procurement Manager or in the absence of that person the AD, Finance.
	• Segregation of duties is used to apply the three way matching process (ie: matching purchase orders, packing slips, to invoices.)	Segregation of duties exists. Purchase orders/contracts are performed by Manager of Procurement & Operations, receiving accepts goods and provides packaging slip to payables and A/P staff matches all three prior to processing payment.
	• Separate roles for setting up vendors, approving payments, and receiving goods.	Accounting & Administrative Assistants set up vendors, AD Finance & Accounting & Budget Analyst approve payments and Operations receives goods.
	• Separate roles for approving purchases and approving payment for purchases.	Program Managers/Directors approve purchases and review and approve invoices prior to payment which is processed in Finance.
	• Processes in place to take advantage of offered discounts.	If vendor invoices are received with discounts being offered, accounts payable staff will process the payment according to these discounts.
	• Monitoring of breaking down large dollar purchases into smaller invoices in an attempt to bypass approval limits.	This is monitored for both credit card purchases on and other type of procurement. VISA statements are reviewed by Finance staff. In addition a report to the Finance & Facilities Committee is provided annual for accumulated vendor payments > $100,000.
	• Accounts payable sub-ledger is reconciled to the general ledger control account on a regular and timely basis.	A/P sub-ledger is reconciled to the general ledger control account on a monthly basis.
	• Employee and Board member expenses are approved by appropriate individuals for	Employee expenses are approved by their supervisor and in accordance to the Signing Authority Policy (Policy #G-200).

Control Objective	Controls	Controls – MLHU Description
	reimbursement and are supported by itemized receipts.	Board member expenses are reviewed and approved by the MOH/CEO and reviewed in Finance by the AD of Finance.
	• Original source documents are maintained and secured to support all receipts and expenditures.	Finance staff request / seek original source documents. If they are unavailable staff sign a lost receipt and provide details on why they haven't included original copies. Documents are secure and retained for a period of seven years as required by the Health Unit records retention policy.
	• Regular monitoring to ensure compliance with applicable directives.	Finance staff review all requests for reimbursement and payments for compliance to policies.
	• Establish controls to prevent and detect duplicate payments.	System controls are in place to prevent duplicate entry of invoice numbers. Finance staff cross reference invoices payment requests with VISA bill information. Program Managers review program budgets at a minimum quarterly
	• Policies are in place to govern the issue and use of credit cards, such as corporate purchasing and travel cards to employees and Board members.	Policy # 4-130 Corporate Credit Card governs the issuance and use of corporate issued credit cards.
	• All credit card expenses are supported by original receipts, reviewed and approved by appropriate individuals in a timely manner.	Finance staff request / seek original source documents. If they are unavailable staff sign a lost receipt and provide details on why they haven't included original copies. Documents are secure and retained for a period of seven years as required by the Health Unit records retention policy. Corporate Cards are submitted and reviewed monthly. Authorization is subject to Policy #G-200
	• Separate payroll preparation, disbursement and distribution functions.	Payroll is prepared by the Payroll & Benefits Administrator. Staff provide time entry to their appropriate Manager for approval. Distribution of records is done through MyTime and payments are made directly through EFT. Manual (cheque) payments are kept to a minimum.

Control Objective	Controls	Controls – MLHU Description
4. Controls are in place in the fund disbursement process to prevent and detect errors, omissions, or fraud.	• Policy in place to define dollar limits for paying cash vs cheque.	Policy #4-040 governs petty cash disbursement.
	• Cheques are sequentially numbered and access is restricted to those with authorization to issue payments.	Cheques are pre-printed and are sequentially numbered. Accounting & Administrative Assistants have restricted access to the cheque stock.
	• All cancelled or void cheques are accounted for along with explanation for cancellation.	As part of the monthly bank reconciliation cancelled / voided cheques are accounted for and filed with the reconciliation.
	• Process is in place for accruing liabilities.	As part of the annual year end processes, all liabilities are accrued.
	• Stale-dated cheques are followed up on and cleared on a timely basis.	Stale-dated cheques are followed up on and are cleared on a timely basis. Outstanding cheques are reviewed monthly as part of the bank reconciliation process and stale-dated every six months. This involves placing a stop payment on the cheque and contacting the customer to make arrangements to re-issue if appropriate.
	• Bank statements and cancelled cheques are reviewed on a regular and timely basis by a person other than the person processing the cheques / payments.	Bank statements and reconciliation documentation are reviewed by the Accounting & Budget Analyst and / or the AD of Finance.
	• Bank reconciliations occur monthly for all accounts and are independently reviewed by someone other than the person authorized to sign cheques.	The Accounting & Administrative Assistant who doesn't prepare or take cash/receipts performs the bank reconciliation and it is reviewed and posted by the Accounting & Budget Analyst and / or AD of Finance.

MIDDLESEX-LONDON HEALTH UNIT

REPORT NO. 010-17FFC

TO: Chair and Members of the Finance and Facilities Committee

FROM: Laura Di Cesare, Acting Chief Executive Officer
Dr. Gayane Hovhannisyan, Acting Medical Officer of Health

DATE: 2017 March 2

IMPACT OF CONSENT PROCESS ON DENTAL SCREENING OUTCOMES

Recommendation

It is recommended that the Finance and Facilities Committee receive report no. 010-17FFC comparing screening practices between school boards within the jurisdiction of the Health Unit and Ontario for information.

Key Points

- The Thames Valley District School Board (TVDSB) uses a process of active consent for its dental screening whereas the London District Catholic School Board (LDCSB) use a passive consent process.
- This difference in processes leads to significant difference in dental screening outcomes.

Background

The Board of Health (BOH) is mandated by the Ontario Public Health Standards (OPHS) to conduct dental screening of children in schools within its jurisdiction. In the 2015/2016 school year, the Health Unit worked with four (4) public school boards (Thames Valley District School Board "TVDSB"; London District Catholic School Board "LDCSB"; Conseil scolaire catholique Providence; Conseil scolaire Viamonde "CSV"), three (3) private schools, and two (2) First Nations schools to implement the program in 131 elementary schools. The dental screening program is implemented with parental consent. The process of getting parental consent is outlined in the parental notifications sent out by the school boards and schools prior to the dental screening. There are currently two different processes for obtaining consent for the dental screening program.

The first process uses active consent which means that children will not be screened unless parents directly communicate their consent to the school to have their children screened. The second process uses passive consent which means that the children will be screened unless the school receives a note which indicates that the parents do not wish to have their children screened. The active consent process is used exclusively by the TVDSB while all of the other school boards and schools use the passive consent process. It is suggested that these different consent processes lead to two different screening outcomes.

In order to determine whether the consent process leads to different screening outcomes, an analysis was conducted to compare and contrast the differences between the school boards that use different consent processes and the rest of Ontario. This analysis involved the review of screening data for the past five school years (2011/2012 to 2015/2016). The two largest school boards (TVDSB and LDCSB) which are within the jurisdiction of the Middlesex-London Health Unit were selected for the comparison as they use different consent processes. The TVDSB uses the active consent process while the LDCSB uses the passive consent process. These school boards were then compared with the rest of Ontario.

Comparison Between the two Boards and the Rest of Ontario

The purpose was to compare and contrast differences between school boards and the rest of Ontario and to determine whether difference exist between groups. As shown in Appendix A, the results of the analysis demonstrate that:

- LDCSB and TVDSB have statistically different distributions of proportions of screened/absent/excluded students in all school years (2011-12 to 2015-16)
    - This difference is largely driven by the significantly higher proportion of "excluded" students seen in TVDSB (compared to Ontario) and the significantly smaller proportion of "excluded" students seen in LCDSB
- LDCSB has significantly smaller proportions of students classified as "Child in need of Urgent Care" (CUC) when compared to the TVDSB (except in 2014-15 school year)
- LDCSB and TVDSB both have significantly smaller proportions of students classified as "Child in need of Urgent Care" (CUC) when compared to the rest of Ontario

Based on the results, the difference in proportions of students screened is largely driven by the significantly higher proportion of "excluded" students seen in the TVDSB and the significantly smaller proportion of "excluded" students seen in the LDCSB.

Conclusion

As exclusion from the dental screening program is a direct result of the parental consent, the higher proportions of "excluded" students seen in the TVDSB can be attributed to the active consent process. These different consent processes lead to different screening outcomes.

This report was prepared by the Oral Health Team, Healthy Living Division and the Foundational Standards Division.

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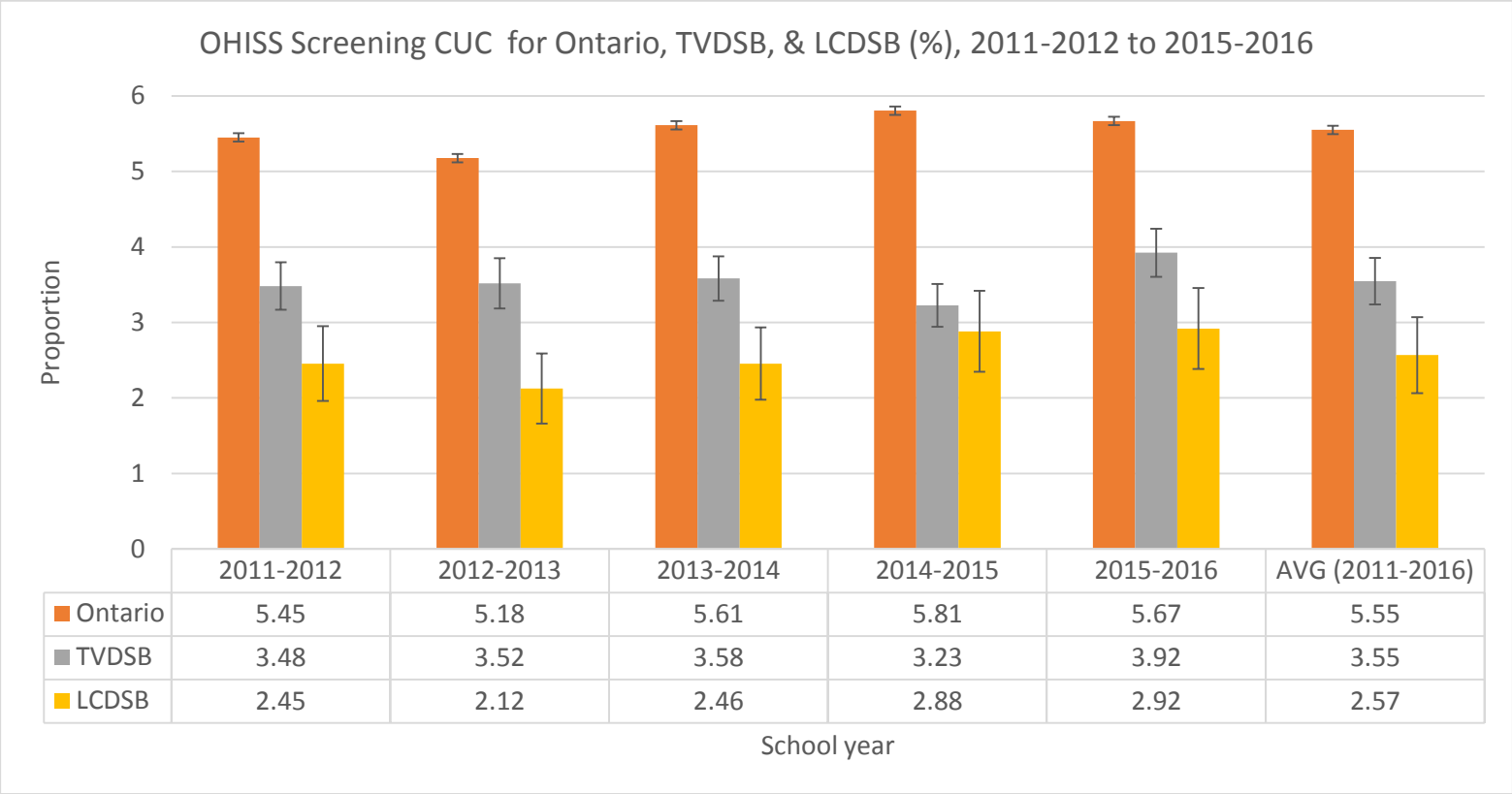
[b]TVDSB = Thames Valley District School Board

Figure 1: Differences in proportions of children in need of urgent care (CUC) between school boards and Ontario, 2011-12 to 2015-16



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	AVG (2011-2016)
Ontario	5.45	5.18	5.61	5.81	5.67	5.55
TVDSB	3.48	3.52	3.58	3.23	3.92	3.55
LCDSB	2.45	2.12	2.46	2.88	2.92	2.57

Source: Oral Health Information Support System (extracted February 3, 2017)
NOTE: Ontario counts and proportions excludes values for LCDSB and TVDSB

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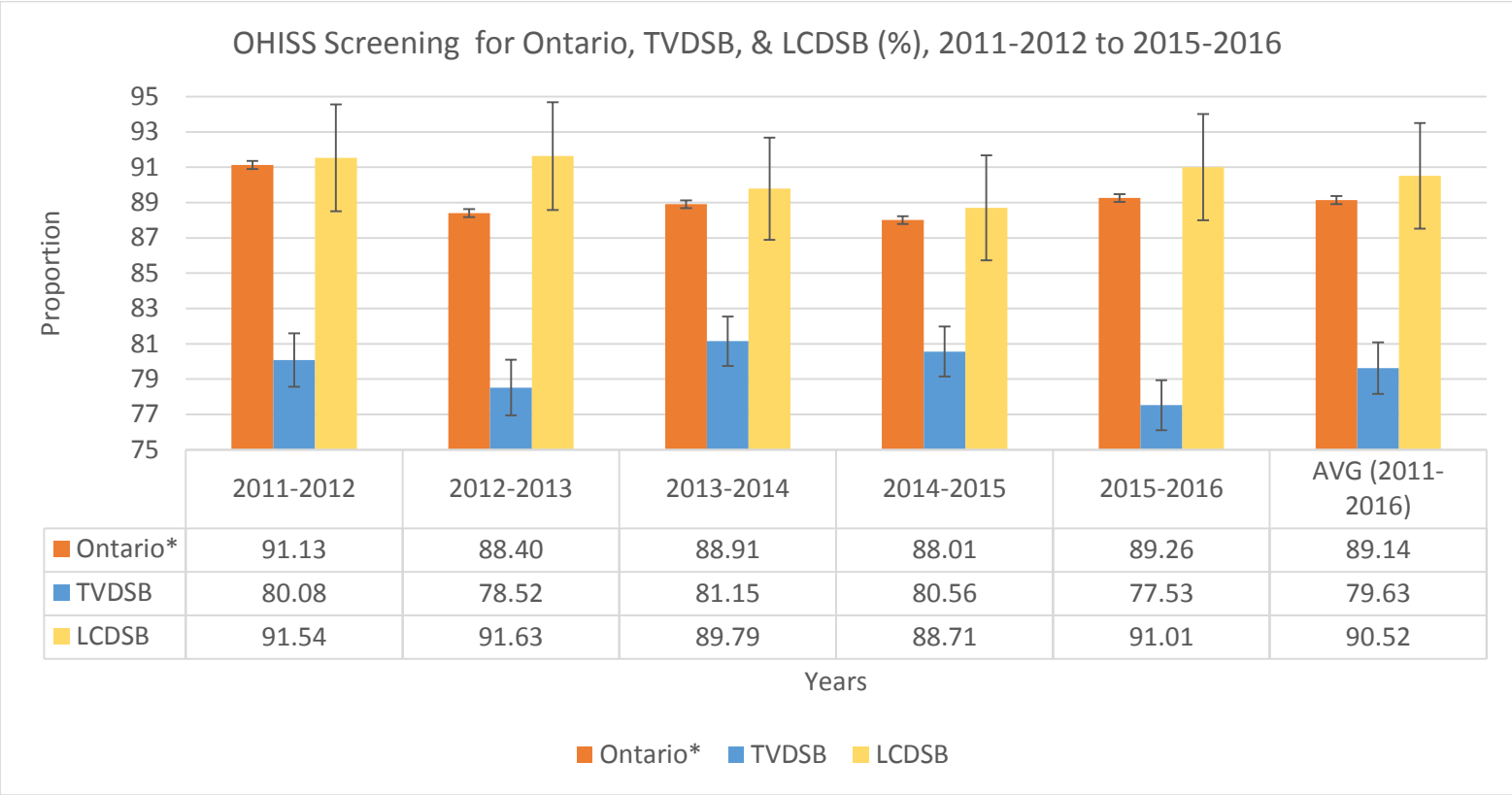
Figure 2: Differences in proportions of children screened between school boards and Ontario, 2011-12 to 2015-16



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	AVG (2011-2016)
Ontario*	91.13	88.40	88.91	88.01	89.26	89.14
TVDSB	80.08	78.52	81.15	80.56	77.53	79.63
LCDSB	91.54	91.63	89.79	88.71	91.01	90.52

Source: Oral Health Information Support System (extracted February 3, 2017)
NOTE: Ontario counts and proportions excludes values for LCDSB and TVDSB

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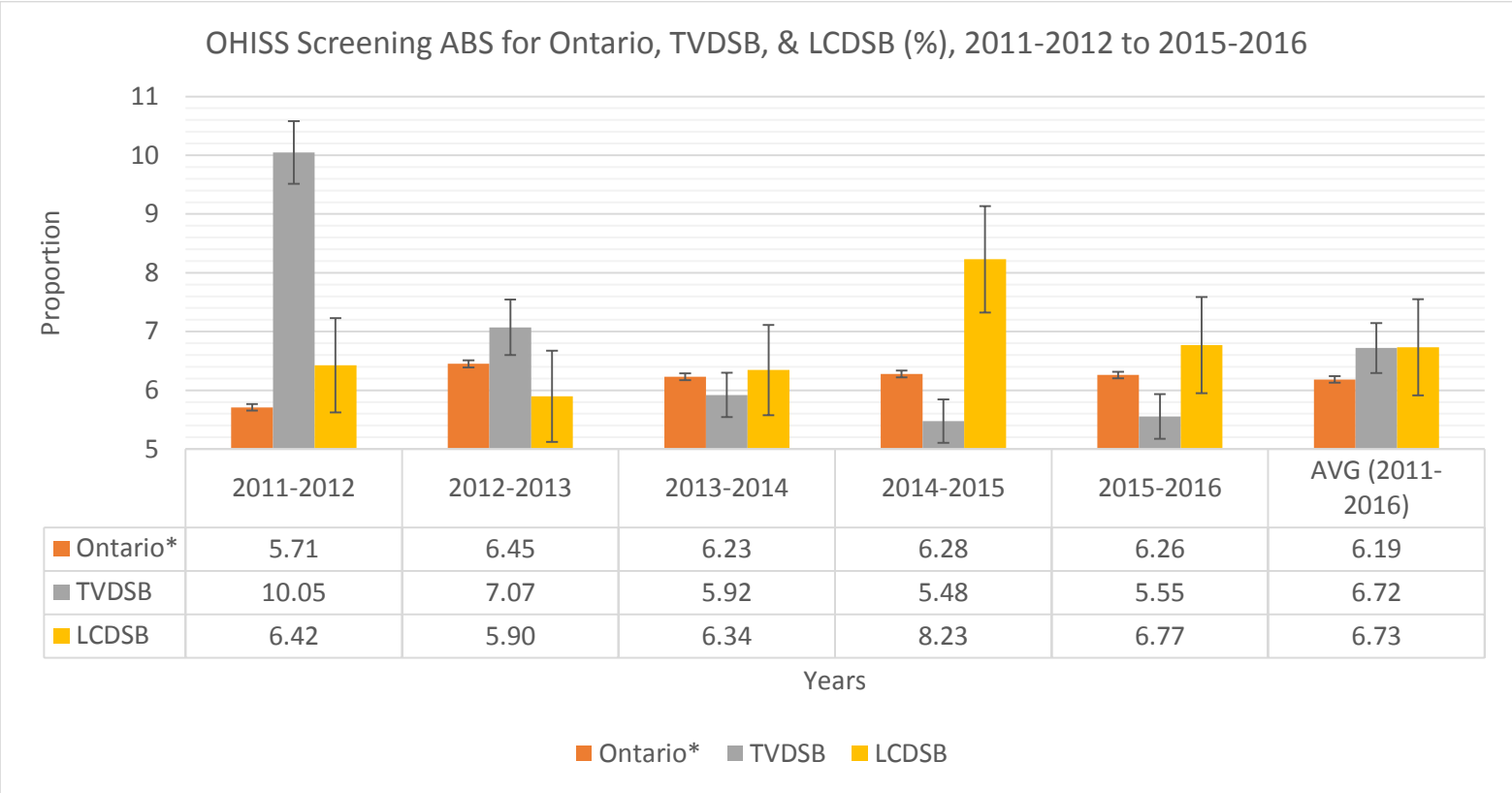
Figure 3: Differences in proportions of children absent from screening between school boards and Ontario, 2011-12 to 2015-16



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	AVG (2011-2016)
Ontario*	5.71	6.45	6.23	6.28	6.26	6.19
TVDSB	10.05	7.07	5.92	5.48	5.55	6.72
LCDSB	6.42	5.90	6.34	8.23	6.77	6.73

Source: Oral Health Information Support System (extracted February 3, 2017)
NOTE: Ontario counts and proportions excludes values for LCDSB and TVDSB

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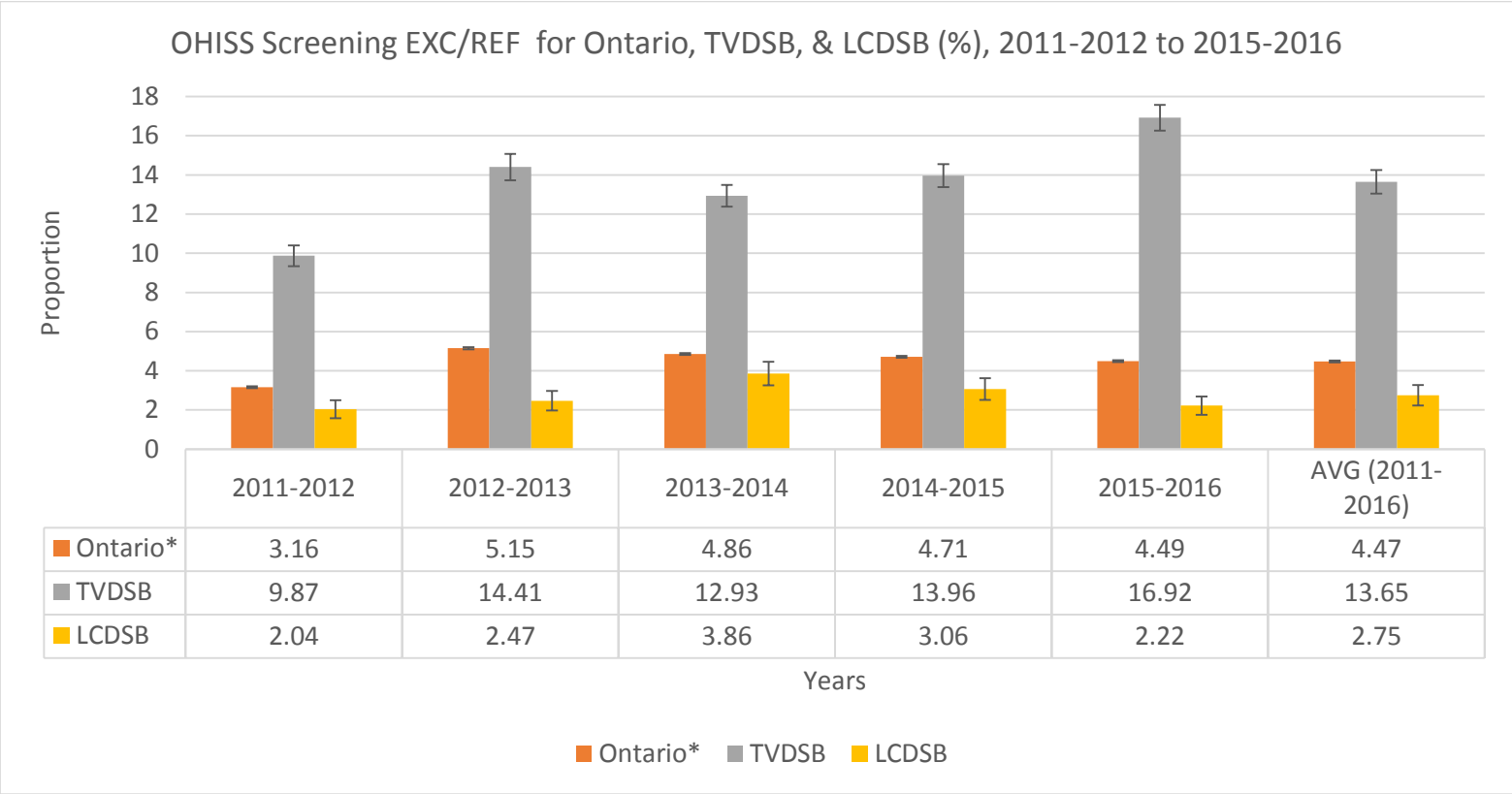
Figure 4: Differences in proportions of children excluded or refusing screening between school boards and Ontario, 2011-12 to 2015-16



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	AVG (2011-2016)
Ontario*	3.16	5.15	4.86	4.71	4.49	4.47
TVDSB	9.87	14.41	12.93	13.96	16.92	13.65
LCDSB	2.04	2.47	3.86	3.06	2.22	2.75

Source: Oral Health Information Support System (extracted February 3, 2017)
NOTE: Ontario counts and proportions excludes values for LCDSB and TVDSB

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Table 1: Distribution of screen status, by school board, by year, from 2011-12 school year

2011-12	Screened		Absent		Excluded		Total		CUC[a]	
	n	%	n	%	n	%	n	%	n	%
School Board										
LCDSB[b]	3505	91.54%	246	6.42%	78	2.04%	3829	100.00%	94	2.45%
TVDSB[c]	10807	80.08%	1356	10.05%	1332	9.87%	13495	100.00%	470	3.48%
Ontario[d]	622230	91.13%	38963	5.71%	21580	3.16%	682773	100.00%	37604	5.51%
	636542		40565		22990		700097		38168	5.45%

NOTES:
[a]CUC = Child in Need of Urgent Care
[b]LCDSB = London Catholic District School Board
[c]TVDSB = Thames Valley District School Board
[d]Ontario counts and proportions excludes values for LCDSB and TVDSB

Table 2: Distribution of screen status, by school board, by year, from 2012-13 school year

2012-13	Screened		Absent		Excluded		Total		CUC[a]	
	n	%	n	%	n	%	n	%	n	%
School Board										
LCDSB[b]	3450	91.63%	222	5.90%	93	2.47%	3765	100.00%	80	2.12%
TVDSB[c]	9593	78.52%	864	7.07%	1760	14.41%	12217	100.00%	430	3.52%
Ontario[d]	581132	88.40%	42396	6.45%	33879	5.15%	657407	100.00%	34350	5.23%
	594175	88.24%	43482	6.46%	35732	5.31%	673389	100.00%	34860	5.18%

NOTES:
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[d]Ontario counts and proportions excludes values for LCDSB and TVDSB

Table 3: Distribution of screen status, by school board, by year, from 2013-14 school year

2013-14	Screened		Absent		Excluded		Total		CUC[a]	
	n	%	n	%	n	%	n	%	n	%
School Board										
LCDSB[b]	3694	89.79%	261	6.34%	159	3.86%	4114	100.00%	101	2.46%
TVDSB[c]	12912	81.15%	942	5.92%	2058	12.93%	15912	100.00%	570	3.58%
Ontario[d]	624532	88.91%	43753	6.23%	34114	4.86%	702399	100.00%	39881	5.68%
	641138	88.75%	44956	6.22%	36331	5.03%	722425	100.00%	40552	5.61%

NOTES:
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[d]Ontario counts and proportions excludes values for LCDSB and TVDSB

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Table 4: Distribution of screen status, by school board, by year, from 2014-15 school year

2014-15	Screened		Absent		Excluded		Total		CUC[a]	
	n	%	n	%	n	%	n	%	n	%
School Board										
LCDSB[b]	3417	88.71%	317	8.23%	118	3.06%	3852	100.00%	111	2.88%
TVDSB[c]	12432	80.56%	845	5.48%	2155	13.96%	15432	100.00%	498	3.23%
Ontario[d]	634118	89.01%	44762	6.28%	33527	4.71%	712407	100.00%	41879	5.88%
	649967	88.83%	45924	6.28%	35800	4.89%	731691	100.00%	42488	5.81%

NOTES:
[a]CUC = Child in Need of Urgent Care
[b]LCDSB = London Catholic District School Board
[c]TVDSB = Thames Valley District School Board
[d]Ontario counts and proportions excludes values for LCDSB and TVDSB

Table 5: Distribution of screen status, by school board, by year, from 2015-16 school year

2015-16	Screened		Absent		Excluded		Total		CUC[a]	
	n	%	n	%	n	%	n	%	n	%
School Board										
LCDSB[b]	3522	91.01%	262	6.77%	86	2.22%	3870	100.00%	113	2.92%
TVDSB[c]	11501	77.53%	824	5.55%	2510	16.92%	14835	100.00%	582	3.92%
Ontario[d]	648470	89.26%	45445	6.26%	32620	4.49%	726535	100.00%	41559	5.72%
	663493	89.03%	46531	6.24%	35216	4.73%	745240	100.00%	42254	5.67%

NOTES:
[a]CUC = Child in Need of Urgent Care
[b]LCDSB = London Catholic District School Board
[c]TVDSB = Thames Valley District School Board
[d]Ontario counts and proportions excludes values for LCDSB and TVDSB

Table 6: Statistical significance in distributions of "Screened/Absent/Excluded" categories between school boards and Ontario, 2011-12 to 2015-16

	2011-12		2012-13		2013-14		2014-15		2015-16	
School Board	LCDSB[a]	TVDSB[b]	LCDSB[a]	TVDSB[b]	LCDSB[a]	TVDSB[b]	LCDSB[a]	TVDSB[b]	LCDSB[a]	TVDSB[b]
LCDSB[a]	----------	p < 0.0001	----------	p < 0.0001	----------	p < 0.0001	----------	p < 0.0001	----------	p < 0.0001
TVDSB[b]	p < 0.0001	----------	p < 0.0001	----------	p < 0.0001	----------	p < 0.0001	----------	p < 0.0001	----------
Ontario	p < 0.0001	p < 0.0001	p < 0.0001	p < 0.0001	p = 0.013	p < 0.0001	p < 0.0001	p < 0.0001	p < 0.0001	p < 0.0001
Ontario/LCDSB/TVDSB	p < 0.0001		p < 0.0001		p < 0.0001		p < 0.0001		p < 0.0001	

NOTES:
[a]LCDSB = London Catholic District School Board

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