



TO: Chair and Members of the Board of Health

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2017 July 20

Q2 FINANCIAL UPDATE & FACTUAL CERTIFICATE

Recommendation

It is recommended that the Board of Health receive Report No. 042-17 re: “Q2 Financial Update & Factual Certificate” and appendices for information.

Key Points

- The 2017 approved budget assumes a 1.5% (\$241,968) 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 March 1, 2017 and included one-time funding requests totaling \$141,361.
- On June 20, 2017, the Board received notification from Dr. Eric Hoskins, Minister of Health and Long-Term Care, that the Middlesex-London Health Unit (MLHU) has been approved for base funding of \$250,000 to support local opioid response initiatives. (See [Report No. 038-17](#))
- Roselle Martino, Assistant Deputy Minister, reemphasized the Ministry’s earlier guidance to expect no growth funding for Mandatory Programs in 2017.
- The Health Unit is expecting a break-even position by the end of 2017.
- Included in this financial update is a signed factual certificate which provides assurance that the financial and risk management functions are being performed.

Background

The 2017 operating budget was approved by the Board of Health on February 16, 2017 ([Report No. 007-17FFC](#)). The approved budget includes a \$250,000 contribution to the Technology and Infrastructure Reserve Fund and assumes a 1.5% or \$241,968 increase in Mandatory Programs funding from the Ministry of Health & Long-Term Care (MOHLTC). In addition, as part of the grant submission, one-time funding of \$141,361 was requested for two PHI practicum placements, enforcement of the Healthy Menu Choices Act, a new vaccine fridge, expansion of the HPV vaccine program and nicotine replacement therapy initiatives.

2017 Growth Funding for Mandatory Programs

As reported in [Report No. 038-17](#), as part of this agenda, the Province has not yet provided funding approvals for the 2017 program-based budget grants. As a follow-up to the funding announcement received on June 20, 2017 regarding the \$250,000 in base funding to support local opioid response initiatives, Assistant Deputy Minister Roselle Martino stated that all health units should plan for status quo, or no change in program funding from 2016. The impact of a 0% on growth funding for Mandatory Programs would be a reduction in expected grants of \$241,968 in 2017. The 2017 budget included reallocating \$275,000 to respond to HIV prevention and control. The PBMA proposal was for the creation of an outreach team consisting of a coordinator, a nurse, and outreach worker with the focus on connecting care with person who inject drugs (PWID). For 2017, the \$250,000 additional base funding announced on June 20th could be directed to the same initiative thereby relieving the 0% or no change on Mandatory Program funding for 2017.

Financial Highlights

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

Table 1 below provides a comparison by division of the updated year end variance forecasts. In addition to the information provided in the Q1 Financial Update ([Report No. 020-17FFC](#)) the estimates have increased due to additional favourable variances across divisions.

Table 1 – Anticipated Quarterly Variances by Division

Division	Quarter 1	Quarter 2	Change
Environmental Health & Infectious Disease	\$ 155,014	\$ 211,126	\$ 56,112
Healthy Living	16,410	188,549	172,139
Healthy Start	35,000	89,999	54,999
Office of the Medical Officer of Health	-	-	-
Corporate Services	28,777	130,456	101,679
Foundational Standards	31,300	16,010	(15,290)
General Expenses & Revenues	30,000	30,000	-
Total anticipated variances before agency gapping budget	\$ 296,501	\$ 666,140	\$ 369,639

The \$369,639 increase can be explained by the following:

- \$ 398,503 1) Additional position vacancies across all programs.
- 5,000 2) In additional food safety training revenue
- 25,000 3) Additional savings in the RHAC
- 34,886 4) Other program costs (travel, program resources, cell phone, and i-Parent training)
- (16,750) 5) Additional Human Resource Coordinator resources to support collective bargaining and case management
- (32,000) 6) 4-month Epidemiologist contract
- (10,000) 7) Indigenous Cultural Safety training (40 licenses)
- (10,000) 8) Replacement office chairs
- (25,000) 9) Additional resources to clear duplicate records in Panorama
- \$ 369,639 10) Total net increase from Q1 reported variance**

Overall the net favourable variance has increased to \$666,140 from \$296,501 as identified in the Q1 financial update and will contribute to the overall expected annual gapping budget of \$749,155. The Health Unit is projecting a breakeven position by the end of 2017. Ministry grant approvals are not expected until late summer (Q2) or early fall (Q3).

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 the Finance Team, Corporate Services Division.



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