



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2018 May 3

Q1 FINANCIAL UPDATE AND FACTUAL CERTIFICATE

Recommendation

It is recommended that the Finance & Facilities Committee recommend that the Board of Health:

- 1. Receive Report No. 020-18FFC re: Q1 Financial Update and Factual Certificate and appendices; and*
- 2. Approve Table 2: Additional Initiatives Under Consideration.*

Key Points

- The 2018 approved budget assumes a zero percent increase in Mandatory Programs funding from the Ministry of Health and Long-Term Care (MOHLTC). The Annual Service Plan was submitted to the MOHLTC on March 1, 2018, and included one-time funding requests totaling \$100,000.
- Budget pressures and additional initiatives have been identified, and are presented for Board approval.
- On April 13th 2018, the Board received notification from Dr. Helena Jaczek that the Middlesex-London Health Unit (MLHU) has been approved for at least a two-percent increase to base funding, and possible 3% (See [Report No. 019-18FFC](#)).
- Included in the financial update is a signed factual certificate, which provides assurance that financial and risk management functions are being performed.

Background

The Board of Health approved the 2018 operating budget on [February 15, 2018 \(Report No. 006-18\)](#). The approved budget includes a \$250,000 contribution to the Technology and Infrastructure Reserve Fund and assumes no increase in Mandatory Programs funding from the MOHLTC.

Financial Highlights

The Budget Variance Summary, which provides budgeted and actual 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, is attached as [Appendix A](#).

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, and medical leaves of absence, as well as some budget pressures.

The Health Unit has reviewed additional PBMA-related initiatives previously identified but excluded from the 2018 operating budget and has further identified new initiatives based on ongoing assessment of community needs. These initiatives amount to \$366,000, and are set out below. They have been factored into the current budget forecast. Table 1 below provides a summary of variance forecasts at Q1 by Division, before and after considering implementation of these additional initiatives. The net favourable variance is currently forecast to be \$82,567, and will contribute to the overall expected annual gapping budget of \$932,963.

Table 1 - Anticipated Variances by Division

Division	Before New Initiatives	After New Initiatives
Environmental Health & Infectious Disease	\$ 78,791	\$ 62,791
Healthy Living	140,666	120,666
Healthy Start	50,050	50,050
Office of the Chief Nursing Officer	(5,000)	(5,000)
Office of the Medical Officer of Health	64,333	14,333
Healthy Organization	119,057	(10,943)
General Expenses & Revenues	670	(149,330)
Total Anticipated Variances before Agency Gapping Budget	\$ 448,567	\$ 82,567

The new initiatives factored into the current budget are presented before considering the proposed two-percent base funding increase to be provided by the MOHLTC in 2018. Note that the Activity-Based Workstation furniture purchasing will only occur once additional gapping becomes available. After taking into account these budget pressures and additional initiatives, as well as the newly announced funding, the Health Unit is forecasting a surplus position at year end.

The pressures and additional initiatives factored into the current budget summary are outlined below.

Table 2 – Budget Pressures and Additional Initiatives Under Consideration

Description of Initiative	Amount
Costs to oversample schools in Middlesex-London to obtain key data for the Ontario Student Drug Use and Health Survey	\$20,000
Initiative to develop MLHU Electronic Client Record	130,000
Incremental budget to support roll-out of Activity-Based Workspace and related acquisition of permanent furniture	150,000
Additional epidemiologist support - six months	50,000
Unplanned overage in wages to address and clear data entry backlog in Panorama data	16,000
Total of new initiatives	\$366,000

Factual Certificate

The factual certificate, attached as [Appendix B](#), is to be signed by senior administrators 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, Healthy Organization Division.



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