



## MIDDLESEX-LONDON HEALTH UNIT

REPORT NO. 015-19FFC

TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2019 May 2

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### Q1 FINANCIAL UPDATE AND FACTUAL CERTIFICATE

#### **Recommendation**

*It is recommended that the Finance & Facilities Committee review and recommend to the Board of Health to approve Report No. 015-19FFC re: Q1 Financial Update and Factual Certificate.*

#### **Key Points**

- The 2019 approved budget assumes a zero percent increase in Mandatory Programs funding from the Ministry of Health and Long-Term Care (MOHLTC).
- This report does not take into account the impact of the 2019 provincial budget announcement and potential changes to government funding in the current year, as details are not yet available.
- This forecast projects a net deficit of \$433,649 at year end, although further variances are anticipated to fully offset the planned agency gapping budget of \$1,124,269.
- 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 2019 operating budget on February 15, 2019 ([Report No. 007-19FFC](#)). 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.

The Annual Service Plan was submitted to the MOHLTC on April 1, 2019, and included base funding requests totaling \$328,468 and one-time funding requests totaling \$544,994 ([Report No. 006-19FFC](#)). No response has been received from the Ministry with respect to these requests.

This report does not take into account the impact of the 2019 provincial budget announcements and potential changes to government funding in the current year as outlined in [Report 031-19](#).

#### **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. However, based on current spending projections, lower than planned spending is not sufficient to offset the planned agency gapping budget of \$1,124,269 resulting in a forecast deficit of \$433,649. Further vacancies are expected to offset this, and spending will be monitored closely over the balance of the year with an objective to eliminate this budget gap.

### **Factual Certificate**

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



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