



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2020 September 10

Q2 FINANCIAL UPDATE AND FACTUAL CERTIFICATE

Recommendation

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

- 1) Receive Report No. 021-20FFC re: “Q2 Financial Update and Factual Certificate” for information;*
- 2) Approve the allocation of up to \$40,000 of variance funds to support the development of a strategy to address anti-black racism; and*
- 3) Approve the allocation of variance funds, above those required to offset the agency gapping budget, to relocation-related expenses to a maximum of \$250,000 in 2020.*

Key Points

- The 2020 approved budget assumes a zero percent increase in Mandatory Programs funding from the Ministry of Health (MOH).
- A full year spending deficit of \$130,269 is currently forecast as favourable variances across the organization have not fully offset the planned agency gapping budget of \$1,140,858. Included in the financial update is a signed factual certificate, which provides assurance that financial and risk management functions are being performed.
- In June 2020, the Board of Health identified racism as a public health crisis. Resources are required to develop a strategy for addressing this crisis.

Background

The Board of Health approved the 2020 operating budget on February 27, 2020 ([Report No. 002-20FFC](#)). The approved budget assumes no increase in Mandatory Programs funding from the MOH but does reflect a change of funding mix between the province and municipalities for previously 100% provincially funded programs.

Financial Highlights

The Budget Variance Summary, which provides budgeted and actual 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, is attached as [Appendix A](#). This analysis is based on the original budget for 2020 as approved by the Board of Health and outlined to the Board of Health in Report 002-20FFC.

A full year spending deficit of \$130,269 is currently forecast as favourable variances across the organization have not fully offset the planned agency gapping budget of \$1,140,858.

The Health Unit recommends that variance funds of up to \$250,000 in 2020 be applied towards relocation costs and to defray the anticipated borrowing costs related with the fit-up of the Citi Plaza location.

COVID-19 and Extraordinary Funding

In response to the COVID-19 pandemic, the Health Unit reassigned a majority of its staff to roles related to addressing the pandemic and supporting the community. The Budget Variance Summary has been modified to show the costs related to supporting a community response to COVID-19. It demonstrates what costs were covered by approved budgets for salaries and benefits of staff redeployed and which costs were extraordinary; the extraordinary funds are to be funded through a one-time funding mechanism established by the MOH.

Racism

In June 2020, the Middlesex-London Health Unit [reported](#) that 27% of cases of COVID-19 in Middlesex and London were among people who are from visible minorities. This group represents only 17% of the population served by the Health Unit, meaning that on a relative basis, the group is 81% more likely to experience COVID-19 than those who are not from visible minorities. At that meeting, the Board of Health identified racism as a public health crisis.

In addition, London City Council has asked the Health Unit to be involved in addressing the concerns of local Black Lives Matter protesters. The Health Unit has begun conversations with the Black community to identify how the Health Unit can best support the work to address anti-black racism. It is clear that this work will require dedicated new resources, and that the Health Unit would be best represented in this work by a Black person. Funding to support this will ensure that it receives appropriate attention within the work of the Health Unit and among partners.

Factual Certificate

A 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. Due to shifting responsibilities in response to the COVID-19 pandemic, a financial update and factual certificate were not issued for the first quarter of 2020.

This report was prepared by the Finance Team, Healthy Organization Division and the Office of the Medical Officer of Health.



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Medical Officer of Health



Dr. Michael Clarke, PhD
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