



TO: Chair and Members of the Board of Health

FROM: Christopher Mackie, Medical Officer of Health
Emily Williams, CEO (Interim)

DATE: 2021 September 16

Q2 FINANCIAL UPDATE AND FACTUAL CERTIFICATE

Recommendation

It is recommended that the Board of Health receive Report No. 42-21 re: “Q2 Financial Update and Factual Certificate” for information.

Key Points

- The 2021 approved budget consists of a zero percent increase in Mandatory Program funding from the Ministry of Health (MoH).
- Funding received from the MoH for COVID-19 related activities amounted to \$13.9 million or approximately half the original budget submitted; after adjusting COVID-19-related spending for seconded staff costs from Mandatory Programs, approximately \$12.3 million has been spent year-to-date to June 30.
- The Health Unit is not currently projecting a spending surplus as favourable variances across the organization will fully offset the planned agency gapping budget of \$1.3 million.
- 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 2021 operating budget on February 18, 2021 (Report No. 004-21FFC). The approved budget consists of no increase in Mandatory Program 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 six months ended June 30th 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 2021 as approved by the Board of Health.

Themes within the Q2 variance analysis contributing to positive variances within some program areas are related to staffing gaps and reduced travel, staff development, professional services, and program supply costs.

The Health Unit is currently expecting to fully spend the budget during the year after fully offsetting the expected agency gapping budget of \$1,257,473.

COVID-19 and Extraordinary Funding

In response to the COVID-19 pandemic, the Health Unit has hired temporary personnel and reassigned staff from Mandatory Programs that have been paused, to roles related to Case and Contact Management (CCM) and the Vaccine Program. The Budget Variance Summary has been modified to show the costs related to supporting the response to COVID-19, and to demonstrate what costs were covered by approved budgets for salaries and benefits of redeployed staff, and which costs were extraordinary. Extraordinary costs continue to be funded through a one-time funding mechanism established by the MoH.

In July, 2021, the MoH announced that funding for Mandatory Programs would be flat at prior year levels and that extraordinary funding for COVID-19 related activities, including CCM and the Vaccine Program, would initially be funded at approximately 50% of budgeted levels submitted, amounting to \$13,860,000 for MLHU. Spending on COVID-19-related activities to June 30th amounted to \$12,295,731. The MoH has committed to providing further funding on an interim basis in connection with mandated interim reporting; the first report to the MoH outlining COVID-19-related spending to June 30th is required by September 17th.

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.

This report was prepared by the Finance Team, Healthy Organization Division.



Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health



Emily Williams, BScN, RN, MBA
Chief Executive Officer (Interim)