

AGENDA
MIDDLESEX-LONDON BOARD OF HEALTH
Finance & Facilities Committee

Microsoft Teams
Thursday, September 14, 2023 at 9 a.m.

1. DISCLOSURE OF CONFLICTS OF INTEREST

2. APPROVAL OF AGENDA – September 14, 2023

3. APPROVAL OF MINUTES – August 10, 2023

4. NEW BUSINESS

4.1 MLHU2 Financial Statements (Report No. 13-23FFC)

4.2 2023 Funding Update (Report No. 14-23FFC)

4.3 2023 Financial Update (Report No. 15-23FFC)

5. OTHER BUSINESS

The next meeting of the Finance and Facilities Committee will be on Thursday, November 9, 2023 at 9 a.m.

6. ADJOURNMENT



PUBLIC SESSION – MINUTES
MIDDLESEX-LONDON BOARD OF HEALTH
FINANCE AND FACILITIES COMMITTEE

Thursday, August 10, 2023 at 9:00 a.m.
Microsoft Teams

MEMBERS PRESENT: Michael Steele (Chair)
Matthew Newton-Reid
Michael McGuire
Emily Williams, Chief Executive Officer (ex-officio)
Dr. Alexander Summers, Medical Officer of Health (ex-officio)

REGRETS: Selomon Menghsha

OTHERS PRESENT: Stephanie Egelton, Executive Assistant to the Board of Health (recorder)
David Jansseune, Assistant Director, Finance
Kaitlynn Van Diepen, Executive Assistant to the Chief Executive Officer
Morgan Lobzun, Communications Coordinator
Dr. Joanne Kearon, Associate Medical Officer of Health
Carolynne Gabriel, Executive Assistant to the Medical Officer of Health

At 9 a.m., Chair Michael Steele called the meeting to order.

DISCLOSURES OF CONFLICT OF INTEREST

Chair Steele inquired if there were any disclosures of conflict of interest. None were declared.

APPROVAL OF AGENDA

It was moved by **M. Newton-Reid, seconded by M. McGuire**, that the *AGENDA* for the August 10, 2023 Finance & Facilities Committee meeting be approved.

Carried

APPROVAL OF MINUTES

It was moved by **M. McGuire, seconded by M. Newton-Reid**, that the *MINUTES* of the May 11, 2023 Finance & Facilities Committee meeting be approved.

Carried

NEW BUSINESS

2023 Q2 Financial Update and Factual Certificate (Report No. 10-23FFC)

David Jansseune, Assistant Director, Finance presented the Finance and Facilities Committee the 2023 Q2 Financial Update and Factual Certificate.

D. Jansseune noted before his presentation to the Committee that information would be presented to the Committee in a different format to provide more visibility to the Board, reduce commentary, and provide more information on financial variances in the case that the Committee wished to provide a recommendation to the Board on potential changes to how any variances were used.

D. Jansseune reminded the Committee that the Health Unit has three (3) financial segments, with two (2) reporting companies:

- MLHU – Shared Funded Programs
- MLHU – Four 100% Funded Programs (including the Ontario Seniors' Dental Program)
- MLHU2 – Four 100% Funded Programs

D. Jansseune added that it was suggested during mid-year financial reporting to focus on expenditures and variance (favourable and unfavourable).

Shared Funding Programs

The following updates were provided for shared funding programs for Q2:

- During the first half of 2023, the Finance team focused their efforts on ensuring employees were being financially allocated (charged) to the correct departments within the Health Unit's companies. There was a misalignment of approximately \$209,000.
- General expenses are \$418,647 (favourable), which includes \$237,000 in professional services, \$156,000 in program supplies, \$136,000 in interest expenses, and \$81,000 in occupancy costs.
- Salaries, overtime and benefits are \$921,000 (favourable).
- The current gap is \$769,658 (unfavourable) with a planned drawdown in the Employment Cost Reserve to partially offset wage increases.
- The forecast is based on information from January-May. The original Q2 forecast was at a \$1,135,528 deficit, however upon review and revision, the forecast is now at a \$175,000 deficit.

100% Funded Programs

The following updates were provided for 100% funded programs for Q2:

- The programs within the 100% shared funding company should be balanced and not have a surplus or deficit as any unspent funds are returned to the funder.
- Funding for 2023 has not been received at this time.
- The Q2 budget for 100% funded programs is \$15,952,633.
- The COVID-19 budget is \$10.7 million with a forecast of \$8.2 million. The forecast is down from \$20.3 million in 2022 due to less clinics planned. Expenditures at the end of June totaled \$3.9 million. Any surplus from Shared Funded Programs will be used to reduce these expenses, which will result in reduced COVID-19 funding.
- The School Focused Nurses Initiative budget was \$1.4 million with an annual forecast of \$0.8 million. This funding officially ended on June 30 and no further funding has been provided.
- Ontario Seniors' Dental Care Program budget is \$3.7 million with an annual forecast of \$3.7 million. Spending was modest during the first six months but is expected to increase as the Strathroy office becomes fully operational.
- City of London Cannabis Legalization (CLIF) budget is \$0.2 million with an annual forecast of \$0.2 million. This funding is approved carry over from the City of London and future funding has ended.
- Funding for 3 out of the 4 programs will be ending, with Ontario Seniors' Dental Care Program remaining.

MLHU2 100% Funded Programs

The following updates were provided for 100% funded programs (MLHU2) for Q2:

- The programs within the 100% shared funding company MLHU2 should be balanced and not have a surplus or deficit as any unspent funds are returned to the funder.
- The MLHU2 results are not consolidated due to year end entry adjustments.
- The Q2 budget for 100% funded programs (MLHU2) is \$2,859,543.

- Funding for programs within this company are from the Public Health Agency of Canada (PHAC), Public Health Ontario (PHO) and the Ministry of Children, Community and Social Services (MCCSS).
- The Smart Start for Babies (PHAC) budget is \$152,000. The total expenditures at June 30 (after 3 months) were \$29,000 with a budget of \$37,000. General expenses were underspent, and it is anticipated that there will be increased spending as the year progresses.
- The Best Beginnings (MCCSS) budget is \$2,483,000 and is spending to budget.
- The Library Shared Services (PHO) budget is \$108,000. The total expenditures at June 30 were \$29,000 with a budget of \$25,000 due to increased spending on supplies, but is on track to be on budget.
- The FoodNet Canada (PHAC) budget is \$116,000 and is spending to budget.

Cashflow

The following updates were provided on cashflow in Q2:

- The 2023 opening bank balance was \$4.2 million and the closing balance on June 30 was \$4.6 million.
- As of June 30, the fixed loan of \$3,050,000 has \$2,740,000 owing and the variable loan of \$1,150,000 has \$1,006,000 owing.
- Significant cash events included: a clawback of \$962,000 from the Ministry of Health from 2022 programs (January), receipt of 2022 COVID-19 funding for \$6.7 million (February), additional Ministry of Health clawback of \$278,000 from 2022 programs (February), receipt of 2023 School Focused Nurses Initiative funding for \$494,000 (March) and Ministry of Health clawback of \$2.4 million for 2022 COVID-19 programming.

Ministry of Health Updates

The following Ministry of Health updates for Q2 were provided:

- Approved funding is still known, with the potential for being released in September.
- Mitigation funding has been approved until December 31, 2023 with uncertainty to extend.
- School Focused Nurses Initiative funding ended on June 30.
- COVID-19 funding will be withheld until the Ministry of Health has reviewed the Health Unit's Q2 Standard Activity Report (SAR).
- 2022 Annual Reconciliation Report (ARR) is due on August 31.
- 2023 Q2 SAR was due July 31 and was submitted on July 27.

D. Jansseune further noted that the reportable matter on the factual certificate regarding the Cali Nails litigation was removed, as this matter was settled.

Committee Member Michael McGuire inquired if there was a fear of losing a program at the Health Unit due to late government funding. E. Williams noted that the Ministry of Health is signaling is that the Ontario Seniors' Dental Care program funding will be supported, as capital funding has already been invested. E. Williams added that pressures for 2024 such as the loss of mitigation funding, inflationary increases and COVID-19 being integrated into the base budget are a risk for reducing programming.

Chair Steele inquired the purpose of Schedule A-4 affixed to the report. D. Jansseune explained the Schedule A-4 was focused on departmental funding and is a new piece of financial informational which the Committee will be able to review. Finance is working to bring more exposure to internally generated revenue. Regarding departmental budgets, budget packages were provided to management for their review.

Committee Member Matthew Newton-Reid inquired why there is a surplus while still having financial pressures to the Health Unit. D. Jansseune noted that the surplus was mainly caused by job vacancies and

at the same time managing mandatory program funding. E. Williams added that restructuring and newly created positions as a result of the restructuring were a factor of the job vacancies creating a surplus. Human Resources and Finance are conducting monthly workforce planning meetings to review staffing complements with divisions.

It was moved by **M. Newton-Reid, seconded by M. McGuire**, *that the Finance & Facilities Committee review and recommend to the Board of Health to receive Report No. 10-23FFC re: "2023 Q2 Financial Update and Factual Certificate" for information.*

Carried

City of London Budget: Assessment Growth Proposals (Report No. 11-23FFC)

E. Williams provided information on the Health Unit's pending submission to the City of London's Assessment Growth Fund. At the July 20, 2023 Board of Health meeting, the Board approved the submission of the 2024 MLHU budgetary requirements to the City of London which accounted for the discontinuation of provincial mitigation funding and inflationary increases. There is an additional opportunity provided to the Health Unit to request funding from the "Assessment Growth" fund through the submission of business cases, related to population growth that has direct impacts to programs and services. Business cases are due to the City of London on August 15.

Staff have prepared the following business cases to submit to the Assessment Growth Fund, with the total business case amount for submission being \$604,634:

School Health Team

The 14.3% increase in school-aged children (10,000 more by 2021) has increased demand for Public Health Nurses (PHN) on the Secondary School Health Team. The proposal for the Secondary School Health Team is for 1.0 Full Time Equivalent (FTE) PHN to enable all Secondary Schools in London to have nursing support which equates to \$93,089.

Vaccine Preventable Disease Team

The 70% increase in recent immigrants to London has had a notable impact on demand for Immunization Clinic appointments at the Health Unit, as many newcomers do not have access to primary care. The 14.3% increase in school-aged children compounds this issue, as the Health Unit is accountable for ensuring that all children are compliant with the Immunization for School Pupils Act. The proposal for the Vaccine Preventable Disease Team is for 1.0 FTE Program Assistant, 1.0 FTE Public Health Nurse, and 0.30 FTE Casual Nurse which equates to \$176,965.

Infectious Disease Control Team

As part of the immigration process, newcomers are required to complete an Immigration Medical Examination (IME). If there are any abnormalities noted, public health will review the examination and conduct a medical history interview and symptom assessment. The 70% increase in recent immigrants to London has also had an impact on the volumes of suspected and active tuberculosis (TB) cases, requiring follow up by the Health Unit, with the number of active TB cases more than tripling since 2016, up from 8 per year to 23 by 2021. Each client requires very intensive investigation, requiring 50 hours of staff time. The number of new referrals to the Health Unit has increased by 28% over the same five years, from 76 in 2016 to 273 in 2021. The proposal for the Infectious Disease Control Team is for 1.0 FTE Public Health Nurse, which equates to \$93,089.

Substance Use Program Team

On October 17, 2018, the *Smoke-Free Ontario Act, 2017 (SFOA, 2017)* came into effect to regulate the use and retail sale of tobacco and vapour products, and to regulate the smoking and vaping of cannabis products in Ontario. Tobacco Enforcement Officers (TEO) are designated by the Minister of Health to enforce the *SFOA, 2017*. There has been an increase of over 2000% in cannabis retailers and over 15% in

tobacco/vapour product retailers requiring inspection and education. The proposal for the Substance Use Program Team is 2.0 FTE TEO which equates to \$148,402.

Healthy Families Home Visiting Team

Approximately 60% of Healthy Baby Healthy Children risk assessment screening completed at London Health Sciences Centre by the Health Unit qualify for follow-up with Home Visiting Nursing support. The 7.5% increase in births represents an additional 212 families that require home visiting. This is in addition to the increase of approximately 318 additional families that require low-risk breastfeeding home visiting. The proposal for the Healthy Families Home Visiting Team is 1.0 FTE Public Health Nurse, which equates to \$93,089.

E. Williams thanked the Population, Health, Assessment and Surveillance team for their support with this work.

E. Williams noted that the Health Unit has never submitted business cases to the City of London to the Assessment Growth Fund and that the business cases are separate from mitigation funding requests to the City of London with the submissions being treated similar to a grant process.

Committee Member M. Newton-Reid inquired if the County of Middlesex has a similar fund for the Health Unit to apply and provide business cases to. E. Williams noted that the Health Unit was not aware of a similar fund with the County of Middlesex and would inquire with the County Treasurer.

It was moved by **M. McGuire, seconded by M. Newton-Reid**, *that the Finance & Facilities Committee recommend to the Board of Health to receive Report No. 11-23FFC re: "City of London Budget: Assessment Growth Proposals" for information.*

Carried

Annual 2022 Surplus – Alternate Use (Report No. 12-23FFC)

D. Jansseune added further clarification to Committee Member M. Newton-Reid's previous question regarding the reason for the increased surplus for the Health Unit. In addition to previously mentioned reasons for a surplus, \$572,000 in savings was found during a general expense review and \$523,000 was used to reduce the 2023 budget.

D. Jansseune provided information on a potential alternate use for the 2022 annual surplus (municipal funding portion). The 2022 surplus was \$2,016,902 and split in the following way: \$1,288,452 (Ministry of Health), \$611,898 (City of London) and \$116,552 (County of Middlesex). The Ministry of Health portion of the surplus will be used to reduced 2022 COVID-19 expenditures. Historically, surplus amounts have been refunded to City of London and the County of Middlesex at the end of the fiscal year.

In 2020, the Health Unit entered into an agreement for a fixed loan for \$3,050,000 and a variable loan for \$1,150,000 to enable the fit up of the new location at Citi Plaza. The amount owing on the variable loan is \$1,001,458 with prime less 0.75% interest rate. With the current increase in interest rates, staff is seeking Board approval to redirect the municipal portions of the surplus to the Health Unit's lender (Canadian Imperial Bank of Commerce) to pay down the variable loan. If approved, the variable loan would be reduced to \$273,008.

E. Williams noted that upon Board approval, staff would provide support to the County of Middlesex and the City of London as the redirection of funds would require notification, and potentially approval, of these councils.

Committee Member M. Newton-Reid noted that with the current interest rates, it would be beneficial for the Health Unit to be able to pay down the higher variable loan, however was concerned with how this

ask would be perceived by municipal funding partners due to the previous asks for additional funding to the Health Unit.

Committee Member M. McGuire requested that a briefing note, indicating the funding needs for the Health Unit and the current surplus situation for reference be provided when the matter would be heard by County of Middlesex Council. Chair Steele indicated that this request would need to be added to the proposed motion.

It was moved by **M. McGuire, seconded by M. Newton-Reid**, *that the Finance & Facilities Committee recommend to the Board of Health to:*

- 1) *Receive Report No. 12-23FFC re: "Annual 2022 Surplus – Alternate Use" for information;*
- 2) *Approve that the municipal portions of 2022 surplus funds be applied as payment on the Middlesex-London Health Unit's variable loan; and*
- 3) *Direct staff to engage in required proceedings with the City of London and the County of Middlesex to enable surplus funds to be redirected to the Canadian Imperial Bank of Commerce (CIBC) for payment to the Health Unit's variable loan in the following amounts:*
 - a. *City of London: \$611,898;*
 - b. *The County of Middlesex: \$116,552, and;*
- 4) *Direct staff to prepare a briefing note for the County of Middlesex and City of London Council regarding the alternate use of municipal surplus funds.*

Carried

OTHER BUSINESS

The next meeting of the Finance and Facilities Committee will be held on Thursday, September 14, 2023 at 9 a.m.

ADJOURNMENT

At **9:44 a.m.**, it was moved by **M. Newton-Reid, seconded by M. McGuire**, *that the meeting be adjourned.*

Carried

MICHAEL STEELE
Committee Chair

EMILY WILLIAMS
Secretary



TO: Chair and Members of the Finance and Facilities Committee

FROM: Emily Williams, Chief Executive Officer
Dr. Alexander Summers, Medical Officer of Health

DATE: 2023 September 14

MLHU2 FINANCIAL STATEMENTS
Fiscal 2023 from April 1, 2022 to March 31, 2023

Recommendation

It is recommended that the Finance & Facilities Committee recommend to the Board of Health to approve the audited Financial Statements of Middlesex-London Health Unit for programs ended March 31, 2023.

Key Points

- These statements are for MLHU2 and represent ~6% of the overall Health Unit's consolidated budget.
- This includes four programs with fiscal year from April 1, 2022 to March 31, 2023.
- All four programs fully utilized the funding that was available, no surplus and no deficit.
- The audited financial statements are attached as [Appendix A](#).

Background

Each year, the Board of Health is required to provide audited financial statements to specified funding agencies for programs funded from April 1st to March 31st. The purpose of these statements is to assure these agencies that funds were expended for their intended purpose. The agencies use this information both as confirmation and as a part of their settlement process.

The following four 100% funded programs are consolidated in the attached audited financial statements:

1. Healthy Babies/Healthy Children. Funded from the Ministry of Children, Community & Social Services.
2. Smart Start for Babies. }
3. FoodNet Canada. } Funded from Public Health Agency of Canada.
4. Shared Library Services. Funded from Public Health Ontario.

The above programs represent approximately 5.8% or \$2.9 million of the Middlesex London Health Unit's total operating budget of \$49.7 million.

These programs were also included in the consolidated audited financial statements of the Middlesex-London Health Unit which were approved by the Board earlier this year, but their revenue and expenditures were calculated from January 1 to December 31st to coincide with that reporting period. The funding agencies require audited financial statements that coincide with the funding period of April 1 to March 31st and is the reason for this set of financial statements.

Financial Review

The Consolidated Statement of Financial Position (balance sheet) can be found on page 1. Its purpose is to provide the current value of assets and liabilities. There is minimal change from 2022 to 2023.

The Consolidated Statement of Operations (income statement) can be found on page 2. Its purpose is to illustrate how funding was spent throughout the year. The following are key points that can be taken from this statement:

- 1) Revenue – the revenue is comprised of grants from the funding agencies (Ontario Ministry of Children, Community and Social Services, Public Health Agency of Canada, and Public Health Ontario).
- 2) Expenditures – the majority of program costs, \$2,684,725 (95%) relate to staffing costs. Program resources account for \$70,869 (2.5%), equipment costs account for \$32,120 (1.1%), professional development accounts for \$24,872 (0.9%) and the remaining expenses (rent, travel, telephone, audit, office & supplies) account for \$25,408 (0.6%).

The revenue and expenditures are closely aligned to both budget and previous year.

The programs utilized all the funding and ended the year with no surplus and no deficit.

With reference to [Appendix A](#), program funding can be found in note 4 on page 6. Financial performance for each program can be found on page 8.

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



Emily Williams, BScN, RN, MBA, CHE
Chief Executive Officer



Dr. Alexander Summers, MD, MPH, CCFP, FRCPC
Medical Officer of Health

DRAFT Consolidated Financial Statements of

**MIDDLESEX-LONDON
HEALTH UNIT MARCH 31ST
PROGRAMS**

And Independent Auditors' Report thereon

Year ended March 31, 2023

INDEPENDENT AUDITORS' REPORT

To the Ministry of Children, Community and Social Services, Public Health Ontario, Public Health Agency of Canada and Chair and Members, Middlesex-London Board of Health.

Opinion

We have audited the consolidated financial statements of Middlesex-London Health Unit March 31st Programs (the "Programs"), which comprise:

- the consolidated statement of financial position as at March 31, 2023
 - the consolidated statement of operations for the year then ended
 - the consolidated statement of cash flows for the year then ended
 - and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies and other explanatory schedules
- (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Programs as at March 31, 2023, and their consolidated results of operations and consolidated cash flows for the year then ended in accordance with the financial reporting framework described in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Health Unit in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements.

The financial statements are prepared to meet the requirements of government reporting entities.

Our opinion is not modified in respect of this matter.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Health Unit's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Health Unit or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Health Unit's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Health Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Health Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

XXXX 2023

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Consolidated Statement of Financial Position

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March 31, 2023, with comparative information for 2022

	2023		2022
Assets			
Current assets:			
Prepaid expenses	\$ 1,800	\$	1,800
Due from Middlesex-London Health Unit	32,648		33,876
	\$ 34,448	\$	35,676
Liabilities			
Current liability:			
Due to funding agencies (note 3)	\$ 34,448	\$	35,676
	\$ 34,448	\$	35,676

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Middlesex-London Health Unit:

Mr. Matt Reid
Chair, Board of Health

Ms. Emily Williams
Chief Executive Officer

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Consolidated Statement of Operations

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Year ended March 31, 2023, with comparative information for 2022

	2023 Budget	2023 Actual	2022 Actual
Revenue:			
Programs revenue, funding agencies (note 4)	\$ 2,876,701	\$ 2,837,993	\$ 2,851,563
	2,876,701	2,837,993	2,851,563
Expenditures:			
Personnel costs:			
Salaries and wages	2,193,291	2,152,369	2,342,994
Allocated benefits	510,507	493,151	362,419
Contract services	17,800	39,205	8,806
	2,721,598	2,684,725	2,714,219
Operating costs:			
Program resources	78,174	70,869	76,932
Equipment	30,000	32,120	30,000
Professional development	19,250	24,872	7,969
Rent	-	-	7,336
Travel	19,184	13,716	9,079
Telephone	5,025	3,424	3,567
Audit	3,410	8,141	7,632
Office and supplies	60	127	836
	155,103	153,268	143,351
Net surplus (deficit) (note 2)	-	-	(6,007)
Due to funding agencies, beginning of year (note 3)	-	35,676	41,683
Repayments during the year	-	(1,229)	-
Due to funding agencies, end of year (note 3)	\$ -	\$ 34,448	\$ 35,676

The accompanying notes are an integral part of these consolidated financial statements.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Consolidated Statement of Cash Flows

DRAFT

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Net surplus (deficit)	\$ -	\$ (6,007)
Changes in non-cash operating working capital:		
Prepaid expenses	-	-
Deferred revenue	-	-
	-	(6,007)
Financing activities:		
Due from Middlesex-London Health Unit	1,229	6,007
Repayments to funding agencies	(1,229)	-
	-	6,007
Change in cash, being cash, end of year	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Notes to Consolidated Financial Statements

DRAFT

Year ended March 31, 2023

The Middlesex-London Health Unit March 31st Programs (the "Programs") are 100% funded by the Province of Ontario, the Government of Canada, and Public Health Ontario and is delivered by Public Health Units in partnership with local and social service agencies.

1. Significant accounting policies:

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards, including the 4200 standards for government not-for-profit organizations.

(a) Basis of accounting:

Revenue and expenditures are reported using the accrual basis of accounting with the exception of employees' sick leave and vacation benefits which are charged against operations in the year in which they are paid.

Government transfers are recognized in the consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Government transfers not received at year end are recorded as grants receivable due from the related funding organization in the consolidated balance sheet.

(b) Deferred revenue:

Funds received for expenses of future periods are deferred and recognized as income when the costs for which the revenue is received are incurred.

(c) Use of estimates:

The preparation of these consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended March 31, 2023

2. Surplus repayments:

The Programs' funding agreements with funding agencies (the "Agencies"), provide for repayment of any Programs' surpluses to the Agencies. Programs' deficits are the responsibility of the Programs' and must be funded through efficiencies in future years. As such, surpluses net of any deficits from prior years are recorded on the consolidated balance sheet as accounts payable to the Agencies.

3. Due to funding agencies:

Due to funding agencies consists of the following:

	2023	2022
Ministry of Children, Community and Social Services:		
Blind-low vision	\$ -	\$ 240
Preschool speech and language	-	524
Infant hearing	-	153
Healthy Babies/Healthy Children	-	312
	-	1,229
Public Health Ontario:		
Shared library services	31,999	31,999
Public Health Agency of Canada:		
Smart start for babies	2,448	2,448
	\$ 34,447	\$ 35,676

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

4. Program revenue, funding agencies:

Program revenue, funding agencies consists of the following:

	2023	2022
Ministry of Children, Community and Social Services:		
Health Babies/Healthy Children	2,483,313	2,483,313
Public Health Ontario:		
Shared Library services	108,550	108,007
Public Health Agency of Canada:		
Smart start for babies	132,029	70,914
FoodNet Canada program	114,101	65,716
HIV/HEP C program	-	123,613
	246,130	260,244
	\$ 2,837,993	\$ 2,851,563

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Schedule - Consolidated Balance Sheet

DRAFT

Year ended March 31, 2023

	Blind-low Vision	Preschool speech and language	Infant Hearing	Preschool Smart Start for Babies	Library Shared Services	Healthy Babies/ Healthy Children	Total
Balance Sheet:							
Assets:							
Receivable from Middlesex-London Health Unit	\$ -	\$ -	\$ -	\$ 648	\$ 31,999	\$ -	\$ 32,648
Prepaid expenses	-	-	-	1,800	-	-	1,800
Total assets	\$ -	\$ -	\$ -	\$ 2,448	\$ 31,999	\$ -	\$ 34,448
Liabilities:							
Due to funding agencies	\$ -	\$ -	\$ -	\$ 2,448	\$ 31,999	\$ -	\$ 34,448
Total liabilities	\$ -	\$ -	\$ -	\$ 2,448	\$ 31,999	\$ -	\$ 34,448

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Report No. 13-23FFC: Appendix A

Schedule - Consolidated Statement of Operations

DRAFT

Year ended March 31, 2023

	Blind-low Vision	Preschool speech and language	Infant hearing	Smart start for babies	HIV / HEP C	Library shared services	FoodNet Canada program	Healthy Babies/ Healthy Children	Total
Revenues:									
Program revenue,									
Funding agencies	\$ -	\$ -	\$ -	\$ 132,029	\$ -	\$ 108,550	\$ 114,101	\$ 2,483,313	\$ 2,837,993
	-	-	-	132,029	-	108,550	114,101	2,483,313	2,837,993
Expenditures:									
Personnel costs:									
Salaries and wages	-	-	-	62,491	-	73,255	83,909	1,932,714	2,152,369
Contract services	-	-	-	21,668	-	-	-	17,538	39,205
Allocated benefits	-	-	-	9,356	-	16,814	23,285	443,696	493,151
Total salaries, wages and benefits	-	-	-	93,515	-	90,069	107,194	2,393,948	2,684,725
Services and supplies:									
Office and supplies	-	-	-	-	-	5	-	122	127
Professional development	-	-	-	-	-	-	-	24,872	24,872
Travel	-	-	-	2,522	-	-	1,575	9,619	13,716
Program resources and supplies	-	-	-	31,632	-	18,477	5,103	15,657	70,869
Audit	-	-	-	4,070	-	-	-	4,070	8,141
Telephone	-	-	-	290	-	-	230	2,904	3,424
Equipment	-	-	-	-	-	-	-	32,120	32,120
Total services and supplies	-	-	-	38,515	-	18,482	6,907	89,365	153,268
Total expenditures	-	-	-	132,029	-	108,550	114,101	2,483,313	2,837,993
Net surplus (deficit) (note 2)	-	-	-	-	-	-	-	-	-
Due to funding agencies, beginning of year (note 3)	240	524	154	2,448	-	31,999	-	311	35,676
Repayments, during the year	240	524	154	-	-	-	-	311	1,229
Due to funding agencies, end of year (note 3)	\$ -	\$ -	\$ -	\$ 2,448	\$ -	\$ 31,999	\$ -	\$ -	\$ 34,448



TO: Chair and Members of the Finance and Facilities Committee

FROM: Emily Williams, Chief Executive Officer
Dr. Alexander Summers, Medical Officer of Health

DATE: 2023 September 14

2023 FUNDING UPDATE

Recommendation

It is recommended that the Finance & Facilities Committee receive Report No. 14-23FFC re: “2023 Funding Update” for information.

Key Points (from the August 29th announcement):

- Base funding will increase by 1% annually from 2023 to 2026.
- Ministry will return to a 75/25 funding ratio with local Municipalities.
- Seniors Dental funding will increase by \$1.3 million from \$2,191,500 to \$3,491,500.
- One-time funding for COVID-19 and School Focused Nurses Initiative will end in 2023.
- Capital: there is \$145,400 of new funding available to expand Seniors Dental operatories at the Citi Plaza location.
- The 2023 *Accountability Agreement* is attached as [Appendix A](#).

Background

At the 2023 Association of Municipalities of Ontario (AMO), the Minister of Health announced a strategy to strengthen public health which included some of the highlights mentioned in the key points above.

On August 29th, the Health Unit received the 2023 approved funding in the form of the Accountability Agreement.

Base Funding

2023: 1% increase prorated from April to December. The base was reset from \$20,004,600 to \$20,204,700 which includes the full 1% increase.

2024 to 2026: will see a 1% annual increase for each year.

2023 Budget: [Additional funding of \\$150,075.](#)

75/25 Funding Ratio

It is unclear as to whether the Ministry will recalculate this or provide the original Mitigation Funding as the other 5% (the Mitigation Funding was calculated in 2018 at 5% to represent the difference between funding ratios of 75/25 and 70/30, and has not been adjusted for inflation since).

2024 to 2026: At minimum, the Mitigation Funding of \$1,361,300 will remain and become a part of Mandatory Program funding and subject to the annual 1% increase.

2023 Budget: [No impact as Mitigation funding was previously confirmed in 2022 for the 2023 budget.](#)

Seniors Dental

2023: \$1.3 million increase prorated from April to December at \$975,000. The base will change from \$2,191,500 to \$3,491,500.

2024 to 2026: It is unclear if there will be inflationary adjustments to the base of \$3,491,500.

2023 Budget: Funding is less than budgeted. Funding \$3,166,500 vs Budget \$3,693,148. Minimal concern with 2023 as year to date spending at August 31st is \$1,521k. However, the annual budget will need to be reviewed as base funding is \$201,648 less than the 2023 budget.

COVID-19 and School Focused Nurses Initiative

COVID-19: Extraordinary Expense funding continues for 2023 and will be based on actual spend. This information was previously available, and the Health Unit is taking it under consideration when building future budgets.

School Focused Nurses Initiative: The annual budget was submitted at \$1,415,572 or \$707,786 till June 30th (when the program officially ended). Ministry confirmed funding at \$550,000. Actual year to date spending is \$781k, generating a shortfall of \$231k.

2023 Budget: Short fall of \$158k to be funded from Base Funding. The Health Unit will seek Ministry approval to fund this shortfall through COVID-19 Extraordinary Expense funding for 2023.

Capital Funding

The funding announcement included a one-time \$145,400 of new funding available to expand Seniors Dental operatories at the Citi Plaza location. This funding is available until March 31, 2024.

2023 Budget: No impact to the operating budget.

2023 Funding Summary Impact to Budget

+ \$150,075	Shared Funded Programs. 1% prorated increase to base funding.
- \$684,434	100% Funded Programs. Seniors Dental short \$526k and SFNI short \$158k.
+ \$145,400	Capital. New funding for Citi Plaza Seniors Dental operatories expansion.

Next Steps

Staff will request Ministry approval to fund the School Focused Nurses Initiative shortfall (\$231,260) using COVID-19 funding for 2023.

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



Emily Williams, BScN, RN, MBA, CHE
Chief Executive Officer



Dr. Alexander Summers, MD, MPH, CCFP, FRCPC
Medical Officer of Health

New Schedules to the Public Health Funding and Accountability Agreement

**BETWEEN THE PROVINCE AND THE BOARD OF HEALTH
(BOARD OF HEALTH FOR THE MIDDLESEX-LONDON HEALTH UNIT)
EFFECTIVE AS OF THE 1ST DAY OF JANUARY 2023**

Schedule A Grants and Budget

Board of Health for the Middlesex-London Health Unit

DETAILED BUDGET - MAXIMUM BASE FUNDS (GRANTS TO BE PAID SEMI-MONTHLY, FOR THE PERIODS OF JANUARY 1ST TO DECEMBER 31ST AND APRIL 1ST TO MARCH 31ST)			
Programs / Sources of Funding	Grant Details	2023 Grant (\$)	2023-24 Grant (\$)
Mandatory Programs (Cost-Shared)	<ul style="list-style-type: none"> • The 2023 Grant includes a pro-rated increase of \$150,075 for the period of April 1, 2023 to December 31, 2023 • Per the Funding Letter, the 2023-34 Grant includes an annualized increase of \$200,100 for the period of April 1, 2023 to March 31, 2024 	20,154,675	20,204,700
MOH / AMOH Compensation Initiative (100%)	Cash flow will be adjusted to reflect the actual status of Medical Officer of Health (MOH) and Associate MOH positions, based on an annual application process.	85,800	85,800
Ontario Seniors Dental Care Program (100%)	<ul style="list-style-type: none"> • The 2023 Grant includes a pro-rated increase of \$975,000 for the period of April 1, 2023 to December 31, 2023 • Per the Funding Letter, the 2023-34 Grant includes an annualized increase of \$1,300,000 for the period of April 1, 2023 to March 31, 2024 	3,166,500	3,491,500
Total Maximum Base Funds		23,406,975	23,782,000

DETAILED BUDGET - MAXIMUM ONE-TIME FUNDS (GRANTS TO BE PAID SEMI-MONTHLY, FOR THE PERIOD OF APRIL 1, 2023 TO MARCH 31, 2024, UNLESS OTHERWISE NOTED)			
Projects / Initiatives			2023-24 Grant (\$)
Cost-Sharing Mitigation (100%) (For the period of January 1, 2023 to December 31, 2023)			1,361,300
Mandatory Programs: Needle Syringe Program (100%)			19,000
Mandatory Programs: Public Health Inspector Practicum Program (100%)			20,000
Capital: Seniors Dental Expansion of Existing Operatories (Citi Plaza) (100%)			145,400
Ontario Seniors Dental Care Program Capital: New Dental Operatories - Strathroy (100%)			31,800
School-Focused Nurses Initiative (100%) (For the period of April 1, 2023 to June 30, 2023)	# of FTEs	22	550,000
Total Maximum One-Time Funds			2,127,500
Total Maximum Base and One-Time Funds⁽¹⁾			25,909,500

2022-23 CARRY OVER ONE-TIME FUNDS⁽²⁾ (CARRY OVER FOR THE PERIOD OF APRIL 1, 2023 to MARCH 31, 2024)			
Projects / Initiatives	2022-23 Grant (\$)	2023-24 Approved Carry Over (\$)	
Ontario Seniors Dental Care Program Capital: New Dental Operatories - Strathroy (100%)	600,000	150,000	
Ontario Seniors Dental Care Program Capital: New Dental Operatories - Strathroy (100%)	318,300	318,300	
Total Maximum Carry Over One-Time Funds		918,300	468,300

NOTES:

(1) Cash flow will be adjusted when the Province provides a new Schedule "A".

(2) Carry over of one-time funds is approved according to the criteria outlined in the provincial correspondence dated March 17, 2023.

SCHEDULE B

RELATED PROGRAM POLICIES AND GUIDELINES

<i>Type of Funding</i>	<i>Base Funding</i>
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Provincial base funding is provided to the Board of Health for the purposes of delivering public health programs and services in accordance with the Health Protection and Promotion Act (HPPA), Regulations under the HPPA, Ontario Public Health Standards, and the Agreement. Provincial base funding is also provided to the Board of Health for the purposes of delivering related public health programs and initiatives in accordance with Schedule B.

Mandatory Programs: Harm Reduction Program Enhancement

The scope of work for the Harm Reduction Program Enhancement is divided into three components:

1. Local Opioid Response;
2. Naloxone Distribution and Training; and,
3. Opioid Overdose Early Warning and Surveillance.

Local Opioid Response

Base funding must be used to build a sustainable community outreach and response capacity to address drug and opioid-related challenges in their communities. This includes working with a broad base of partners to ensure any local opioid response is coordinated, integrated, and that systems and structures are in place to adapt/enhance service models to meet evolving needs.

Local response plans, which can include harm reduction and education/prevention, initiatives, should contribute to increased access to programs and services, and improved health outcomes (i.e., decrease overdose and overdose deaths, emergency room visits, hospitalizations). With these goals in mind, the Board of Health is expected to:

- Conduct a population health/situational assessment, including the identification of opioid-related community challenges and issues, which are informed by local data, community engagement, early warning systems, etc.
- Lead/support the development, implementation, and evaluation of a local overdose response plan (or drug strategy). Any plan or initiative should be based on the needs identified (and/or gaps) in your local assessment. This may include building community outreach and response capacity, enhanced harm reduction services and/or education/prevention programs and services.
- Engage stakeholders – identify and leverage community partners to support the population health/situational assessment and implementation of local overdose response plans or initiatives. Community stakeholders, including First Nations, Métis and Inuit communities and persons with lived experience, should be meaningfully engaged in the planning and implementation of all initiatives, where appropriate.

SCHEDULE B

RELATED PROGRAM POLICIES AND GUIDELINES

<i>Type of Funding</i>	<i>Base Funding</i>
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- Adopt and ensure timely data entry into the Ontario Harm Reduction Database, including the Transition to the Ontario Harm Reduction Database and ensure timely collection and entry of minimum data set as per direction from the Province.

Naloxone Kit Distribution and Training

The Board of Health (or their Designate) must be established as a naloxone distribution lead/hub for eligible community organizations, as specified by the Province, which will increase dissemination of kits to those most at risk of opioid overdose.

To achieve this, the Board of Health is expected to:

- Order naloxone kits as outlined by the Province; this includes naloxone required by eligible community organizations distributing naloxone.
- Coordinate and supervise naloxone inventory, including managing supply, storage, maintaining inventory records, and distribution of naloxone to eligible community organizations, and ensuring community organizations distribute naloxone in accordance with eligibility criteria established by the Province.
- With the exception of entities (organizations, individuals, etc.) as specified by the Province:
 - Train community organization staff on naloxone administration, including how to administer naloxone in cases of opioid overdose, recognizing the signs of overdose and ways to reduce the risk of overdose. Board of Health staff would also instruct agency staff on how to provide training to end-users (people who use drugs, their friends and family).
 - Train community organization staff on naloxone eligibility criteria, including providing advice to agency staff on who is eligible to receive naloxone and the recommended quantity to dispense.
 - Support policy development at community organizations, including providing consultation on naloxone-related policy and procedures that are being developed or amended within the eligible community organizations.
 - Promote naloxone availability and engage in community organization outreach, including encouraging eligible community organizations to acquire naloxone kits for distribution to their clients.

Use of naloxone (NARCAN® Nasal Spray and injectable naloxone formulations)

The Board of Health will be required to submit orders for naloxone to the Province in order to implement the Harm Reduction Program Enhancement. By receiving naloxone, the Board of Health acknowledges and agrees that:

SCHEDULE B

RELATED PROGRAM POLICIES AND GUIDELINES

Type of Funding

Base Funding

- Its use of naloxone is entirely at its own risk. There is no representation, warranty, condition or other promise of any kind, express, implied, statutory or otherwise, given by her Majesty the Queen in Right of Ontario as represented by the Ministry of Health, including Ontario Government Pharmaceutical and Medical Supply Service in connection with naloxone.
- The Province takes no responsibility for any unauthorized use of naloxone by the Board of Health or by its clients.
- The Board of Health also agrees to:
 - Not assign or subcontract the distribution, supply or obligation to comply with any of these terms and conditions to any other person or organization without the prior written consent of the Province.
 - Comply with the terms and conditions as it relates to the use and administration of naloxone as specified in all applicable federal and provincial laws.
 - Provide training to persons who will be administering naloxone. The training shall consist of the following: opioid overdose prevention; signs and symptoms of an opioid overdose; and, the necessary steps to respond to an opioid overdose, including the proper and effective administration of naloxone.
 - Follow all provincial written instructions relating to the proper use, administration, training and/or distribution of naloxone.
 - Immediately return any naloxone in its custody or control at the written request of the Province at the Board of Health's own cost or expense, and that the Province does not guarantee supply of naloxone, nor that naloxone will be provided to the Board of Health in a timely manner.

Opioid Overdose Early Warning and Surveillance

Base funding must be used to support the Board of Health in taking a leadership role in establishing systems to identify and track the risks posed by illicit opioids in their jurisdictions, including the sudden availability of illicit synthetic opioids and resulting opioid overdoses. Risk based information about illicit synthetic opioids should be shared in an ongoing manner with community partners to inform their situational awareness and service planning. This includes:

- Surveillance systems should include a set of "real-time" qualitative and quantitative indicators and complementary information on local illicit synthetic opioid risk. Partners should include, but are not limited to: emergency departments, first responders (police, fire and ambulance) and harm reduction services.
- Early warning systems should include the communication mechanisms and structures required to share information in a timely manner among health system and community

SCHEDULE B

RELATED PROGRAM POLICIES AND GUIDELINES

<i>Type of Funding</i>	<i>Base Funding</i>
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partners, including people who use drugs, about changes in the acute, local risk level, to inform action.

Mandatory Programs: Healthy Smiles Ontario Program

The Healthy Smiles Ontario (HSO) Program provides preventive, routine, and emergency and essential dental treatment for children and youth, from low-income families, who are 17 years of age or under.

In addition to the program requirements under the Ontario Public Health Standards, the Board of Health must ensure that the following requirements are met:

- The Board of Health is responsible for ensuring promotional/marketing activities have a direct and positive impact on meeting the objectives of the HSO Program.
- The Board of Health is reminded that HSO promotional/marketing materials approved by the Province and developed provincially are available for use by the Board of Health in promoting the HSO Program.
- The overarching HSO brand and provincial marketing materials were developed by the Province to promote consistency of messaging, and “look and feel” across the province. When promoting the HSO Program locally, the Board of Health is requested to align local promotional products with the provincial HSO brand. When the Board of Health uses the HSO brand, it is required to liaise with the Ministry of Health’s Communications Division to ensure use of the brand aligns with provincial standards.
- The Board of Health is required to bill back relevant programs for services provided to non-HSO clients. All revenues collected under the HSO Program, including revenues collected for the provision of services to non-HSO clients such as Ontario Works adults, Ontario Disability Support Program adults, municipal clients, etc., must be reported as income in financial reports as per Schedule C of the Agreement.
- For the purposes of reporting and monitoring for the HSO Program, the Board of Health must use the following provincial approved systems or mechanisms, or other as specified by the Province.
 - Aggregate screening, enrolment, and utilization data for any given month must be submitted by the 15th of the following month to the ministry in the ministry-issued template titled Dental Clinic Services Monthly Reporting Template.
 - Client-specific clinical data must be recorded in either dental management software (e.g., ClearDent, AbelDent, etc.) or in the template titled HSO Clinic Treatment Workbook that has been issued by the ministry for the purposes of recording such data.
- The Board of Health must enter into Service Level Agreements with any partner organization (e.g., Community Health Centre, Aboriginal Health Access Centre, etc.)

SCHEDULE B

RELATED PROGRAM POLICIES AND GUIDELINES

<i>Type of Funding</i>	<i>Base Funding</i>
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delivering services as part of the HSO Program. The Service Level Agreement must set out clear performance expectations, clearly state funding and reporting requirements between the Board of Health and local partner, and ensure accountability for public funds.

- Any significant change to previously approved HSO business models, including changes to plans, partnerships, or processes, must be approved by the Province before being implemented. Any contract or subcontract entered into by the Board of Health for the purposes of implementing the HSO Program must be conducted according to relevant municipal procurement guidelines.

Mandatory Programs: Nursing Positions

Base funding may be utilized to support Chief Nursing Officer, Infection Prevention and Control, and Social Determinants of Health Nursing positions, as well as other nursing positions at the Board of Health.

The Board of Health shall only employ a Chief Nursing Officer with the following qualifications:

- Registered Nurse in good standing with the College of Nurses of Ontario;
- Baccalaureate degree in nursing;
- Graduate degree in nursing, community health, public health, health promotion, health administration or other relevant equivalent OR be committed to obtaining such qualification within three years of designation;
- Minimum of 10 years nursing experience with progressive leadership responsibilities, including a significant level of experience in public health; and,
- Member of appropriate professional organizations (e.g., Registered Nurses' Association of Ontario, Association of Nursing Directors and Supervisors in Official Health Agencies in Ontario-Public Health Nursing Management, etc.).

The Chief Nursing Officer role must be implemented at a management level within the Board of Health, reporting directly to the Medical Officer of Health or Chief Executive Officer and, in that context, will contribute to organizational effectiveness.

The Board of Health shall only employ an Infection Prevention and Control Nurse with the following qualifications:

- The position is required to have a nursing designation (Registered Nurse, Registered Practical Nurse, or Registered Nurse in the Extended Class); and,
- Certification in Infection Control (CIC), or a commitment to obtaining CIC within three years of beginning of employment.

SCHEDULE B

RELATED PROGRAM POLICIES AND GUIDELINES

<i>Type of Funding</i>	<i>Base Funding</i>
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The Board of Health shall only employ a Social Determinants of Health Nurse with the following qualifications:

- The position is required to be to be a Registered Nurse; and,
- The position is required to have or be committed to obtaining the qualifications of a public health nurse as specified in section 71(3) of the HPPA and section 6 of Ontario Regulation 566 under the HPPA.

Mandatory Programs: Smoke-Free Ontario

Smoke-Free Ontario is a comprehensive approach that combines programs, policies, social marketing, and legislation to reduce the use of tobacco and vapour products and lower health risks by protecting Ontarians from second-hand smoke and vapour, and to keep harmful products out of the hands of children and youth.

In addition to the program requirements under the Ontario Public Health Standards, the Board of Health must ensure that it complies with any written directions provided by the Province on the interpretation and enforcement of the Smoke-Free Ontario Act, 2017.

Medical Officer of Health / Associate Medical Officer of Health Compensation Initiative (100%)

The Province provides the Board of Health with 100% of the additional base funding required to fund eligible Medical Officer of Health (MOH) and Associate Medical Officer of Health (AMOH) positions within salary ranges initially established as part of the 2008 Physician Services Agreement and continued under subsequent agreements.

Base funding must be used for costs associated with top-up for salaries and benefits, and for applicable stipends, to eligible MOH and AMOH positions at the Board of Health and cannot be used to support other physicians or staffing costs. Base funding for this initiative continues to be separate from cost-shared base salaries and benefits.

The maximum base funding allocation in Schedule A of the Agreement does not necessarily reflect the cash flow that the Board of Health will receive. Cash flow will continue to be adjusted regularly by the Province based on up-to-date application data and information provided by the Board of Health during a funding year. The Board of Health is required to notify the Province if there is any change in the eligible MOH and/or AMOH(s) base salary, benefits, FTE and/or position status as this may impact the eligibility amount for top-up.

The Board of Health must comply and adhere to the eligibility criteria for the MOH/AMOH Compensation Initiative as per the Policy Framework on Medical Officer of Health

SCHEDULE B

RELATED PROGRAM POLICIES AND GUIDELINES

<i>Type of Funding</i>	<i>Base Funding</i>
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Appointments, Reporting, and Compensation, including requirements related to minimum salaries to be eligible for funding under this Initiative.

Ontario Seniors Dental Care Program (100%)

The Ontario Seniors Dental Care Program (OSDCP) provides comprehensive dental care to eligible low-income seniors to help reduce unnecessary trips to the hospital, prevent chronic disease and increase quality of life for seniors. The program is being implemented through a phased approach.

The government announced the launch and staged implementation of the OSDCP on November 20, 2019. During the first stage of implementation, dental services were available for eligible seniors through Boards of Health, participating Community Health Centres and Aboriginal Health Access Centres. Through Stage 1, dental care was initiated and provided to eligible low-income seniors through Boards of Health, participating Community Health Centres, and Aboriginal Health Access Centres based on increasing Board of Health operational funding and leveraging existing infrastructure. The second stage of the program, which began in winter 2020, expanded the program by investing in new dental clinics to provide care to more seniors in need. This included new dental services in underserved areas, including through mobile dental buses and an increased number of dental suites in Boards of Health, participating Community Health Centres, and Aboriginal Health Access Centres. The second stage of the program will continue throughout 2023-24, with consideration being given to the implementation challenges following the COVID-19 response.

Program Enrolment

Program enrolment is managed centrally and is not a requirement of the Board of Health. The Board of Health is responsible for local oversight of dental service delivery to eligible clients under the program within the Public Health Unit area.

In cases where eligible seniors present with acute pain and urgent need, and are not already enrolled in the program, OSDCP providers, at the clinical discretion of the attending dental care provider, may support timely access to emergency dental treatment by providing immediate services following the seniors' signing of an emergency need and eligibility attestation. This attestation and enrollment process is to be administered at the local level. Following the delivery of emergency treatment, all seniors will need to submit an OSDCP application, be determined eligible, and be enrolled to receive any further non-emergency dental care through the OSDCP.

SCHEDULE B

RELATED PROGRAM POLICIES AND GUIDELINES

<i>Type of Funding</i>	<i>Base Funding</i>
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Program Delivery

The OSDCP is delivered through Boards of Health, participating Community Health Centres, and Aboriginal Health Access Centres across the province. These service delivery partners are well positioned to understand the needs of priority populations and provide high quality dental care to low-income seniors in their communities.

With respect to Board of Health service delivery under the OSDCP, the Board of Health may enter into partnership contracts with other entities/organizations or providers/specialists as needed (e.g., to address potential access issues) to provide services to enrolled clients in accordance with the OSDCP Schedules of Services for Dentist and Non-Dentist Providers on behalf of the Public Health Unit.

Where OSDCP client service access issues exist, as evidenced by waiting lists, for example, the Board of Health must take prompt action as feasible to establish OSDCP partnership agreements to address these access issues, including engaging in outreach and consultation with local dental providers and in compliance with the Board of Health or municipal procurement processes.

Base funding for the OSDCP must be used in accordance with the OSDCP-related requirements of the Oral Health Protocol, 2018 (or as current), including specified requirements for service delivery, oral health navigation, and data collection and analysis. The Board of Health may allocate base funding for this Program across the program expense categories, with every effort made to maximize clinical service delivery and minimize administrative costs.

Planning for delivery of the OSDCP began when the program was announced in April 2019 with clinical service delivery beginning with the program launch in November 2019.

As part of implementation, eligible expense categories under this Program also include:

- *Clinical service delivery costs*, which are comprised of:
 - Salaries, wages, and benefits of full-time, part-time, or contracted staff of the Board of Health or local service delivery partner which provide clinical dental services for the Program.
 - Salaries, wages, and benefits of full-time, part-time, or contracted staff of the Board of Health or local service delivery partner which undertake ancillary/support activities for the Program, including: management of the clinic(s); financial and programmatic data collection and reporting for the clinic(s); and, general administration (e.g., reception services) at the clinic(s).

SCHEDULE B

RELATED PROGRAM POLICIES AND GUIDELINES

Type of Funding

Base Funding

- Overhead costs associated with the Program's clinical service delivery such as: clinical materials and supplies; building occupancy costs; maintenance of clinic infrastructure; staff travel associated with clinical service delivery (e.g., portable clinics, mobile clinics, long-term care homes, if applicable); staff training and professional development associated with clinical staff and ancillary/support staff, if applicable; office equipment, communication, and information and information technology.
- *Oral health navigation costs*, which are comprised of:
 - Salaries, wages, and benefits of full-time, part-time, or contracted staff engaged in: client enrolment assistance for the Program's clients (i.e., assisting clients with enrolment forms); program outreach (i.e., local-level efforts for identifying potential clients); and, oral health education and promotion to the Program's clients.
 - Salaries, wages, and benefits of full-time, part-time, or contracted staff that undertake the following ancillary/support activities related to oral health navigation: management, financial and programmatic reporting, and general administration (if applicable).
 - Overhead costs associated with oral health navigation such as: materials and supplies; building occupancy costs incurred for components of oral health navigation; staff travel associated with oral health navigation, where applicable; staff training and professional development associated with oral health navigation and ancillary/support staff, if applicable; office equipment, communication, and information and information technology costs associated with oral health navigation.
 - Client transportation costs in order to address accessibility issues and support effective program delivery based on local need, such as where the enrolled OSDCP client would otherwise not be able to access dental services. Boards of Health will be asked to provide information on client transportation expenditures through in-year reporting and should track these expenditures and the number of clients accessing these services accordingly.

Operational expenses that are not eligible under this Program include:

- Staff recruitment incentives;
- Billing incentives; and,
- Costs associated with any activities required under the Ontario Public Health Standards, including the Oral Health Protocol, 2018 (or as current), which are not related to the OSDCP.

SCHEDULE B

RELATED PROGRAM POLICIES AND GUIDELINES

<i>Type of Funding</i>	<i>Base Funding</i>
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Other Requirements

Marketing

- When promoting the OSDCP locally, the Board of Health is required to align local promotional products with the provincial Program brand and messaging. The Board of Health is required to liaise with the Province to ensure use of the brand aligns with provincial standards.

Revenue

- While priority must be given to clients eligible under this Program, the Board of Health may provide services to non-OSDCP clients using resources under this Program. If this occurs, the Board of Health is required to bill-back relevant programs for services provided to non-OSDCP clients using resources under this Program. All revenues collected under the OSDCP, including revenues collected for the provision of services to non-Program clients such as Ontario Works adults, Ontario Disability Support Program adults, Non-Insured Benefits clients, municipal clients, HSO clients, etc., with resources under this Program must be reported as an offset revenue to the Province. Priority must always be given to clients eligible under this Program. The Board of Health is required to closely monitor and track revenue from bill-back for reporting purposes to the Province.
- A client co-payment is required on new denture services. Co-payment amounts are specified by the Province in Appendix A of the OSDCP Denture Services Factsheet for Providers (Factsheet), which applies to both dentists and denturists. It is the Board of Health's responsibility to collect the client co-payment for the codes outlined in Appendix A of the Factsheet. The Board of Health may determine the best mechanism for collecting co-payments, using existing payment and administration processes at the local level, in collaboration with OSDCP service delivery partners (e.g., Community Health Centre, Aboriginal Health Access Centre), as needed. The remaining cost of the service, after co-payment, is to be absorbed by the Board of Health through its operating base funding for the OSDCP. The revenue received from client co-payments for OSDCP service(s) is to be used to offset OSDCP program expenditures. Co-payment revenues are to be reported as part of the financial reporting requirements to the Province.

Community Partners

- The Board of Health must enter into discussions with all Community Health Centres and Aboriginal Health Access Centres in their catchment area to ascertain the feasibility of a partnership for the purpose of delivering this Program.

SCHEDULE B
RELATED PROGRAM POLICIES AND GUIDELINES

Type of Funding***Base Funding***

- The Board of Health must enter into Service Level Agreements with any partner organization (e.g., Community Health Centres, Aboriginal Health Access Centres) delivering services under this Program. The Service Level Agreement must set out clear performance expectations, clearly state funding and reporting requirements between the Board of Health and the local partner, and ensure accountability for public funds.
- The Board of Health must ensure that base funding is used to meet the objectives of the Program, with a priority to deliver clinical dental services to clients, while staying within the base funding allocation.

SCHEDULE B RELATED PROGRAM POLICIES AND GUIDELINES

<i>Type of Funding</i>	<i>One-Time Funding</i>
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Cost-Sharing Mitigation (100%)

One-time cost-sharing mitigation funding must be used to offset the increased costs of municipalities as a result of the cost-sharing change for mandatory programs.

Mandatory Programs: Needle Syringe Program (100%)

One-time funding must be used for extraordinary costs associated with delivering the Needle Syringe Program. Eligible costs include purchase of needles/syringes, associated disposal costs, and other operating costs.

Mandatory Programs: Public Health Inspector Practicum Program (100%)

One-time funding must be used to hire at least one (1) or more Public Health Inspector Practicum position(s). Eligible costs include student salaries, wages and benefits, transportation expenses associated with the practicum position, equipment, and educational expenses.

The Board of Health must comply with the requirements of the Canadian Institute of Public Health Inspectors Board of Certification for field training for a 12-week period; and, ensure the availability of a qualified supervisor/mentor to oversee the practicum student's term.

Capital: Seniors Dental Expansion of Existing Operatories – Citi Plaza (100%)

One-time funding must be used to retrofit a clinical consultation room into a dental operatory at the Board of Health's Citi Plaza office location. Eligible costs include project management fees, equipment, materials, labour, installation, new chair location, etc.

Other requirements of this one-time funding include:

- Any changes to the scope of the project, including anticipated timelines, require, prior review and approval by the Province.
- One-time funding is provided with the understanding that no additional operating funding is required, nor will it be made available by the Province, as a result of the completion of this project.
- The Board of Health must ensure that any goods and services acquired with this one-time funding should be procured through an open and competitive process that aligns with municipal and provincial procurement directives to the greatest extent possible.
- The Board of Health must ensure that this project is compliant with associated legislated standards (i.e., Building code/associated Canadian Standards Association requirements) and infection prevention and control practices as appropriate to the programs and services being delivered within the facility.

SCHEDULE B RELATED PROGRAM POLICIES AND GUIDELINES

<i>Type of Funding</i>	<i>One-Time Funding</i>
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Ontario Seniors Dental Care Program Capital: New Dental Operatories - Strathroy (100%)

As part of the OSDCP, capital funding is being provided to support capital investments in Boards of Health, Community Health Centres and/or Aboriginal Health Access Centres across the province for enhancing infrastructure to increase clinical spaces and capacity to deliver dental care services for eligible seniors.

One-time funding must be used for the construction of four (4) new dental operatories in Strathroy. Eligible costs include building 4 new dental operatories, an x-ray room, a reprocessing room, waiting area, counselling room and a pump room. Other eligible costs include furniture and other dental equipment and dental instruments.

Other requirements of this one-time funding include:

- Any changes to the scope of the project, including anticipated timelines, require, prior review and approval by the Province.
- One-time funding is provided with the understanding that no additional operating funding is required, nor will it be made available by the Province, as a result of the completion of this project.
- The Board of Health must ensure that any goods and services acquired with this one-time funding should be procured through an open and competitive process that aligns with municipal and provincial procurement directives to the greatest extent possible.
- The Board of Health must ensure that this project is compliant with associated legislated standards (i.e., Building code/associated Canadian Standards Association requirements) and infection prevention and control practices as appropriate to the programs and services being delivered within the facility.

School-Focused Nurses Initiative (100%)

The School-Focused Nurses Initiative was created to support additional nursing FTE capacity in every Board of Health to provide rapid-response support to school boards and schools, child care, and camps in facilitating public health preventative measures related to the COVID-19, including screening, testing, tracing, vaccination, education and mitigation strategies.

The school-focused nurses contribute to the following activities in support of school boards and schools:

- Providing support in the development and implementation of COVID-19 health and safety plans;
- Providing sector specific support for infection prevention; vaccinations, surveillance, screening and testing; outbreak management; case and contact management; and,

SCHEDULE B RELATED PROGRAM POLICIES AND GUIDELINES

<i>Type of Funding</i>	<i>One-Time Funding</i>
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- Supporting communication and engagement with local school communities, as well as the broader health care sector.

While the priority focus is on the COVID-19 response, the additional nurses may also support the fulfilment of Board of Health requirements to improve the health of school-aged children and youth as per the School Health Program Standard and related guidelines and protocols under the Ontario Public Health Standards. The additional FTEs may also support childcare centres, home childcare premises and other priority settings relating to the health of school-aged children and youth.

The initiative is being implemented with the following considerations:

- Recruitment of Registered Nurses to the extent possible;
- French language and Indigenous (First Nation, Métis, Inuit) service needs;
- Capacity for both in-person and virtual delivery;
- Consistency with existing collective agreements; and,
- Leveraging the Chief Nursing Officer role as applicable in implementing this initiative, as well as coordinating with existing school health, nursing, and related programs and structures within the Board of Health (e.g., School Health Teams, Social Determinants of Health Nurses, Infection Prevention and Control Nurses, and school-based programs such as immunization, oral and vision screening, reproductive health, etc.).

Qualifications required for these positions are:

- Current registration with the College of Nurses of Ontario (i.e., Registered Nurse, Registered Practical Nurse, or Registered Nurse in the Extended Class).

One-time funding must be used to continue the new temporary FTEs for school-focused nurses as specified in Schedule A of the Agreement. Funding is for nursing salaries, wages, and benefits only and cannot be used to support other operating costs. Additional costs incurred by the Board of Health to support school re-opening initiatives that cannot be managed within the existing budget of the Board of Health, are admissible through the COVID-19 extraordinary costs process.

SCHEDULE B RELATED PROGRAM POLICIES AND GUIDELINES

Type of Funding

Other

Infectious Diseases Programs Reimbursement

Funding for Infectious Diseases Programs will be provided on a case-by-case basis through direct reimbursement. These funds are provided to offset the costs of treatment medications not made available through the Ontario Government Pharmaceutical and Medical Supply Service (OGPMSS).

To be reimbursed, original receipts and client identification information needs to be submitted to the Infectious Diseases Section of the Health Protection and Surveillance Policy and Programs Branch (Office of Chief Medical Officer of Health, Public Health). Clients will not be directly reimbursed.

Questions about the reimbursement process and expense eligibility can be submitted to the following email: IDPP@ontario.ca.

Leprosy

The Board of Health may submit claims on a case-by-case basis for medication costs related to the treatment of Leprosy. As per Chapter A: Leprosy, of the Infectious Diseases Protocol, 2018 (or as current), treatment should be under the direction of an infectious disease specialist and should refer to World Health Organization (WHO) treatment recommendations.

Tuberculosis

The Board of Health may submit claims on a case-by-case basis for second-line and select adjunct medications related to the treatment of active tuberculosis and latent tuberculosis infection. For more information on the reimbursement process, see section 9 of the Tuberculosis Program Guideline, 2018 (or as current).

Vaccine Programs Reimbursement

Funding on a per dose basis will be provided to the Board of Health for the administration of influenza, meningococcal, and human papillomavirus (HPV) vaccines.

In order to claim the vaccine administration fees, the Board of Health is required to submit, as part of the Standards Activity Reports or other reports as requested by the Province, the number of doses administered. Reimbursement by the Province will be made on a quarterly basis based on the information.

The Board of Health is required to ensure that the vaccine information submitted in the Standards Activity Reports, or other reports requested by the Province, accurately reflects the vaccines administered.

SCHEDULE B RELATED PROGRAM POLICIES AND GUIDELINES

Type of Funding

Other

Influenza

- The Province will continue to pay \$5.00/dose for the administration of the influenza vaccine.
- All doses administered by the Board of Health to individuals aged 6 months or older who live, work or attend school in Ontario.

Meningococcal

- The Province will continue to pay \$8.50/dose for the administration of the meningococcal vaccine.
- Routine immunization program: Doses administered as part of the grade 7 school-based or catch-up program for eligible students up to grade 12.
- Men-C-C doses if given in substitution of Men-C-ACYW135 for routine doses.

Note: Doses administered through the high-risk program are not eligible for reimbursement.

Human Papillomavirus (HPV)

- The Province will continue to pay \$8.50/dose for the administration of the HPV vaccine.
- Routine immunization program: Doses administered as part of the grade 7 school-based or catch-up program for eligible students up to grade 12.
- High-risk program: MSM <26 years of age.

SCHEDULE C REPORTING REQUIREMENTS

The reports mentioned in this Schedule are provided for every Board of Health Funding Year unless specified otherwise by the Province.

The Board of Health is required to provide the following reports/information in accordance with direction provided in writing by the Province (and according to templates provided by the Province):

Name of Report	Reporting Period	Due Date
1. Annual Service Plan and Budget Submission	For the entire Board of Health Funding Year	March 1 of the current Board of Health Funding Year
2. Quarterly Standards Activity Reports		
Q2 Standards Activity Report	For Q1 and Q2	July 31 of the current Board of Health Funding Year
Q3 Standards Activity Report	For Q3	October 31 of the current Board of Health Funding Year
Q4 Standards Activity Report	For Q4	January 31 of the following Board of Health Funding Year
3. Annual Report and Attestation	For the entire Board of Health Funding Year	April 30 of the following Board of Health Funding Year
4. Annual Reconciliation Report	For the entire Board of Health Funding Year	April 30 of the following Board of Health Funding Year
5. MOH / AMOH Compensation Initiative Application	For the entire Board of Health Funding Year	As directed by the Province
6. Other Reports and Submissions	As directed by the Province	As directed by the Province

Definitions

For the purposes of this Schedule, the following words shall have the following meanings:

“Q1” means the period commencing on January 1st and ending on the following March 31st

“Q2” means the period commencing on April 1st and ending on the following June 30th

“Q3” means the period commencing on July 1st and ending on the following September 30th

“Q4” means the period commencing on October 1st and ending on the following December 31st

Report Details

Annual Service Plan and Budget Submission

- The Annual Service Plan and Budget Submission Template sets the context for reporting required of the Board of Health to demonstrate its accountability to the Province.
- When completed by the Board of Health, it will: describe the complete picture of programs and services the Boards of Health will be delivering within the context of the Ontario Public Health Standards; demonstrate that Board of Health programs and services align with the priorities of its communities, as identified in its population health assessment; demonstrate

SCHEDULE C REPORTING REQUIREMENTS

accountability for planning – ensure the Board of Health is planning to meet all program requirements in accordance with the Ontario Public Health Standards, and ensure there is a link between demonstrated needs and local priorities for program delivery; demonstrate the use of funding per program and service.

Quarterly Standards Activity Reports

- The Quarterly Standards Activity Reports will provide financial forecasts and interim information on program achievements for all programs governed under the Agreement.
- Through these Standards Activity Reports, the Board of Health will have the opportunity to identify risks, emerging issues, changes in local context, and programmatic and financial adjustments in program plans.
- The Quarterly Standards Activity Reports shall be signed on behalf of the Board of Health by an authorized signing officer.

Annual Report and Attestation

- The Annual Report and Attestation will provide a year-end summary report on achievements on all programs governed under the Agreement, in all accountability domains under the Organizational Requirements, and identification of any major changes in planned activities due to local events.
- The Annual Report will include a narrative report on the delivery of programs and services, fiduciary requirements, good governance and management, public health practice, and other issues, year-end report on indicators, and a board of health attestation on required items.
- The Annual Report and Attestation shall be signed on behalf of the Board of Health by an authorized signing officer.

Annual Reconciliation Report

- The Board of Health shall provide to the Province an Annual Reconciliation Report for funding provided for public health programs governed under the Accountability Agreement.
- The Annual Reconciliation Report must contain: Audited Financial Statements; and, Auditor's Attestation Report in the Province's prescribed format.
- The Annual Reconciliation Report shall be signed on behalf of the Board of Health by an authorized signing officer.

MOH / AMOH Compensation Initiative Application

- The Board of Health shall complete and submit an annual application to participate in this Initiative and be considered for funding.
- Supporting documentation such as employment contracts must be provided by the Board of Health, as requested by the Province.
- Application form templates and eligibility criteria/guidelines shall be provided by the Province.

SCHEDULE D

BOARD OF HEALTH FINANCIAL CONTROLS

Financial controls support the integrity of the Board of Health's financial statements, support the safeguarding of assets, and assist with the prevention and/or detection of significant errors including fraud. Effective financial controls provide reasonable assurance that financial transactions will include the following attributes:

- **Completeness** – all financial records are captured and included in the Board of Health's financial reports;
- **Accuracy** – the correct amounts are posted in the correct accounts;
- **Authorization** – the correct levels of authority (i.e., delegation of authority) are in place to approve payments and corrections including data entry and computer access;
- **Validity** – invoices received and paid are for work performed or products received and the transactions properly recorded;
- **Existence** – assets and liabilities and adequate documentation exists to support the item;
- **Error Handling** – errors are identified and corrected by appropriate individuals;
- **Segregation of Duties** – certain functions are kept separate to support the integrity of transactions and the financial statements; and,
- **Presentation and Disclosure** – timely preparation of financial reports in line with the approved accounting method (e.g., Generally Accepted Accounting Principles (GAAP)).

The Board of Health is required to adhere to the principles of financial controls, as detailed above. The Board of Health is required to have financial controls in place to meet the following objectives:

1. Controls are in place to ensure that financial information is accurately and completely collected, recorded, and reported.

Examples of potential controls to support this objective include, but are not limited to:

- Documented policies and procedures to provide a sense of the organization's direction and address its objectives.
- Define approval limits to authorize appropriate individuals to perform appropriate activities.
- Segregation of duties (e.g., ensure the same person is not responsible for ordering, recording, and paying for purchases).
- An authorized chart of accounts.
- All accounts reconciled on a regular and timely basis.
- Access to accounts is appropriately restricted.
- Regular comparison of budgeted versus actual dollar spending and variance analysis.
- Exception reports and the timeliness to clear transactions.
- Electronic system controls, such as access authorization, valid date range test, dollar value limits, and batch totals, are in place to ensure data integrity.
- Use of a capital asset ledger.
- Delegate appropriate staff with authority to approve journal entries and credits.
- Trial balances including all asset accounts that are prepared and reviewed by supervisors on a monthly basis.

SCHEDULE D

BOARD OF HEALTH FINANCIAL CONTROLS

2. Controls are in place to ensure that revenue receipts are collected and recorded on a timely basis.

Examples of potential controls to support this objective include, but are not limited to:

- Independent review of an aging accounts receivable report to ensure timely clearance of accounts receivable balances.
- Separate accounts receivable function from the cash receipts function.
- Accounts receivable sub-ledger is reconciled to the general ledger control account on a regular and timely basis.
- Original source documents are maintained and secured to support all receipts and expenditures.

3. Controls are in place to ensure that goods and services procurement, payroll and employee expenses are processed correctly and in accordance with applicable policies and directives.

Examples of potential controls to support this objective include, but are not limited to:

- Policies are implemented to govern procurement of goods and services and expense reimbursement for employees and board members.
- Use appropriate procurement method to acquire goods and services in accordance with applicable policies and directives.
- Segregation of duties is used to apply the three (3) way matching process (i.e., matching 1) purchase orders, with 2) packing slips, and with 3) invoices).
- Separate roles for setting up a vendor, approving payment, and receiving goods.
- Separate roles for approving purchases and approving payment for purchases.
- Processes in place to take advantage of offered discounts.
- Monitoring of breaking down large dollar purchases into smaller invoices in an attempt to bypass approval limits.
- Accounts payable sub-ledger is reconciled to the general ledger control account on a regular and timely basis.
- Employee and Board member expenses are approved by appropriate individuals for reimbursement and are supported by itemized receipts.
- Original source documents are maintained and secured to support all receipts and expenditures.
- Regular monitoring to ensure compliance with applicable directives.
- Establish controls to prevent and detect duplicate payments.
- Policies are in place to govern the issue and use of credit cards, such as corporate, purchasing or travel cards, to employees and board members.
- All credit card expenses are supported by original receipts, reviewed and approved by appropriate individuals in a timely manner.
- Separate payroll preparation, disbursement and distribution functions.

SCHEDULE D
BOARD OF HEALTH FINANCIAL CONTROLS

4. Controls are in place in the fund disbursement process to prevent and detect errors, omissions or fraud.

Examples of potential controls include, but are not limited to:

- Policy in place to define dollar limit for paying cash versus cheque.
- Cheques are sequentially numbered and access is restricted to those with authorization to issue payments.
- All cancelled or void cheques are accounted for along with explanation for cancellation.
- Process is in place for accruing liabilities.
- Stale-dated cheques are followed up on and cleared on a timely basis.
- Bank statements and cancelled cheques are reviewed on a regular and timely basis by a person other than the person processing the cheques / payments.
- Bank reconciliations occur monthly for all accounts and are independently reviewed by someone other than the person authorized to sign cheques.



TO: Chair and Members of the Finance and Facilities Committee

FROM: Emily Williams, Chief Executive Officer
Dr. Alexander Summers, Medical Officer of Health

DATE: 2023 September 14

2023 FINANCIAL UPDATE
Ending August 31, 2023

Recommendation

It is recommended that the Finance & Facilities Committee receive Report No. 15-23FFC re “2023 Financial Update” for information.

Key Points – MLHU: 8 Months Ending August 31st:

- Total Expenses are \$937 unfavourable to budget.
- Salaries (*salaries, overtime, benefits, GAP*) are nearly balanced at \$17k unfavourable to budget.
- General Expenses are ~\$16k fav to budget (*this has been calculated assuming invoices and payments have a one-month delay compared to budget*).

Background

Monthly reporting that does not coincide with quarter end dates will focus on MLHU expense reporting only. Funding is shown but may be affected by timing, accruals and/or deferrals.

Shared Funded Programs

<i>(revenue)/expenses</i>	Jan-Aug (8 mths)		
	Actual	Budget	fav/(unf)
Grants, User Fees & Other Income	(20,320,006)	(20,583,377)	(263,370)
Salaries & Wages	12,421,308	13,477,563	1,056,255
Salaries & Wages Overtime	48,668	13,265	(35,403)
Benefits	3,490,346	3,459,030	(31,316)
General Expenses	4,306,516	4,322,519	16,002
Gap	0	(1,006,475)	(1,006,475)
Total Expenses	20,266,838	20,265,901	(937)
Transfer to/(from) Reserves	(86,868)	(86,868)	0
Shared Funded Programs: (Surplus) / Deficit	(140,037)	(404,344)	(264,307)

Focus on Expenses

Salaries, overtime, benefits and GAP nearly balance at only \$16,939 unfavourable to budget.

The actual General Expenses are estimated assuming invoices and payments are one-month delay to the budget.

August posted expenses were \$3,768,202 which closely represent only 7 months. This was then calculated to represent an estimated spend for 8 months at \$4,306,516.

Forecasted to December 31st

<i>(revenue)/expenses</i>	Annual - January to December		
	Actual	Budget	fav/(unf)
Grants, User Fees & Other Income	(31,064,140)	(30,875,065)	189,075
Salaries & Wages	19,556,488	20,612,743	1,056,255
Salaries & Wages Overtime	55,691	20,288	(35,403)
Benefits	5,315,755	5,284,439	(31,316)
General Expenses	6,483,778	6,483,778	0
Gap	0	(1,539,315)	(1,539,315)
Total Expenses	31,411,712	30,861,933	(549,779)
Transfer to/(from) Reserves	(86,868)	13,132	100,000
Shared Funded Programs: (Surplus) / Deficit	260,704	(0)	(260,704)

Based on the 2023 approved funding, Shared Funded Programs will see an extra \$189,075 more than what was budgeted.

Based on current spending, General Expenses should balance to budget with no favourability. Transfers to Reserves will be \$100k fav as the contribution to the Stabilization Reserve will not be made.

Salaries, Overtime & Benefits: Assuming that the variances related to salaries, overtime and benefits remain constant (that is, staffing is at budget for the balance of the year), the Health Unit will be in deficit \$261k on Shared Funded Programs. This amounts to an estimated 6.5 vacancies (from budget) for the remainder of the year to balance to zero.

MLHU 100% Funded Programs

COVID-19: Jan-Aug spending \$4,496k against a budget of \$7,001k. Annual forecast has a conservative estimate of \$8,372k vs a budget of \$10,655k. The Health Unit has not received any COVID-19 funding to date.

School Focused Nurses Initiative: Spending was \$781k against a budget of \$708k. Funding was approved at only \$550k leaving a shortfall of \$231k.

Seniors Dental: Jan-Aug spending \$1,521k against a budget of \$2,439k with increased spending expected over the next four months. Approved annual funding for this program is \$3,167k for 2023.

CLIF – London Cannabis Legalization Implementation Funding: Jan-Aug spending \$67k against a budget of \$124k. The Health Unit will seek approval to carry over this funding if not used in the current year.

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

A handwritten signature in cursive script that reads "EWilliams".

Emily Williams, BScN, RN, MBA, CHE
Chief Executive Officer

A handwritten signature in cursive script that reads "Alexander T. Summers".

Dr. Alexander Summers, MD, MPH, CCFP, FRCPC
Medical Officer of Health