



STAFF REPORT INFORMATION ONLY

Toronto Public Health Operating Budget Variance Report for the six months ended June 30, 2007

Date:	August 20, 2007
To:	Board of Health
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

This report provides an update to the Board of Health on Toronto Public Health's (TPH) Operating Budget Variance for the six months of operation ending on June 30, 2007.

Toronto Public Health's operating budget was underspent by \$392.7 thousand net or 1.7 percent for the six-month period ending on June 30, 2007.

TPH gross expenditures were below budget by \$2,652.0 thousand or 2.9 percent attributable to the underspending of \$2,917.8 thousand in Salaries and Benefits offset by overspending of \$265.8 thousand in non-payroll. Revenue was underachieved by \$2,259.4 thousand or 3.3 percent due to under-expenditures in mandatory cost shared programs, underachievement of Interdepartmental Revenue in the Ontario Works Dental program and lower than expected animal licensing revenues.

At year-end, TPH expects to be \$5,687.2 thousand gross or 2.7 percent and \$1,513.6 thousand net or 3.0 percent under the 2007 Operating Budget. The net under-expenditure of \$1,513.6 thousand includes anticipated savings due to cost containment measures implemented in the second half of 2007.

Financial Impact

	<i>As of June 30, 2007</i>				<i>Projection to Year-End</i>			
	ACTUAL	BUDGET	VARIANCE OVER/(UNDER)		ACTUAL	BUDGET	VARIANCE OVER/(UNDER)	
	(\$000s)	(\$000s)	(\$000s)	%	(\$000s)	(\$000s)	(\$000s)	%
<u>Gross Expenditure:</u>								
Payroll	69,481.2	72,322.6	(2,841.4)	(3.9%)	147,739.9	152,222.1	(4,482.2)	(2.9%)
Non Payroll	19,346.8	19,157.5	189.3	1.0%	57,079.5	58,284.5	(1,205.0)	(2.1%)
Total Gross Expenditure	88,828.1	91,480.1	(2,652.0)	(2.9%)	204,819.4	210,506.6	(5,687.2)	(2.7%)
Revenue	66,447.1	68,706.5	(2,259.4)	(3.3%)	155,935.6	160,109.2	(4,173.6)	(2.6%)
NET EXPENDITURE	22,380.9	22,773.6	(392.7)	(1.7%)	48,883.8	50,397.4	(1,513.6)	(3.0%)

DECISION HISTORY

This report provides an update to the Board of Health on Toronto Public Health's (TPH) Operating Budget Variance for the six months of operation ending on June 30, 2007.

COMMENTS

Toronto Public Health's 2007 Operating Budget is \$210,506.6 thousand gross and \$50,397.4 thousand net.

Gross and net expenditures were under budget by \$2,652.0 thousand gross (2.9 percent) and \$392.7 thousand (1.7 percent) respectively as of June 30, 2007. Explanations of the variances in both gross expenditures and revenues and a summary of corrective actions are outlined below.

(1) Gross Expenditures

Toronto Public Health's gross under-spending for \$2,652.0 thousand or 2.9 percent, is comprised of the following:

Salaries and Benefits were \$2,917.8 thousand or 4.0 percent less than budget. This resulted in overall gapping of 8.8 percent versus a TPH gapping target of 4.8 percent due to the following:

- a) A number of positions were held vacant pending implementation of new service delivery models in Dental and Oral Health and Communicable Diseases programs;
- b) TPH experienced a high volume of voluntary leave of absence requests and a long hiring cycle for some public health professionals; and
- c) Vacancies not filled until early 2007 which were initially held in 2006 because of potential provincial funding constraints.

Non-payroll expenditures were slightly over budget by \$265.8 thousand or 1.4 percent mainly because of over expenditures in materials and supplies across various TPH programs.

(2) Revenue

Actual revenue was lower than budget by \$2,259.4 thousand or 3.3 percent due to underspending in cost-shared programs resulting in an unfavourable variance in Provincial cost-shared revenues, underachievement of revenue planned from Interdepartmental Recovery for Ontario Works Dental program and from animal licensing revenue.

(3) Corrective Action

TPH will continue to monitor the staff complement closely and work with program managers to identify recruitment and staffing process issues.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1 – TPH Operating Variance Submission for the period ended June 30, 2007