



**STAFF REPORT
INFORMATION ONLY**

**Toronto Public Health Operating Budget Variance
Report for the Twelve Months ended December 31, 2007**

Date:	April 7, 2008
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 twelve months of operation ending on December 31, 2007.

At year-end, TPH gross expenditures were below budget by \$10,486.0 thousand or 4.9 percent attributable to the underspending of \$8,202.4 thousand in Salaries and Benefits and \$2,283.6 thousand in non-payroll. Revenue was underachieved by \$7,781.3 thousand or 4.7 percent due to under-expenditures in mandatory cost-shared programs, underachievement of Interdepartmental Revenue in the Ontario Works Dental and Investing in Families programs, and lower than expected revenues from the Dog and Cat Licensing Strategy and Mandatory Food Handler Training.

Financial Impact

	<i>As of December 31, 2007</i>			
	ACTUAL (\$000s)	BUDGET (\$000s)	VARIANCE OVER/(UNDER)	
Gross Expenditure:			(\$000s)	%
Payroll	147,633.4	155,835.8	(8,202.4)	(5.3%)
Non Payroll	56,600.0	58,883.6	(2,283.6)	(3.9%)
Total Gross Expenditure	204,233.4	214,719.4	(10,486.0)	(4.9%)
Revenue	156,548.5	164,329.8	(7,781.3)	(4.7%)
NET EXPENDITURE	47,685.0	50,389.6	(2,704.6)	(5.4%)

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

This report provides an update to the Board of Health on Toronto Public Health's (TPH) Operating Budget Variance for the twelve months of operation ending on December 31, 2007.

COMMENTS

Toronto Public Health's 2007 Operating Budget is \$214,719.4 thousand gross and \$50,389.6 thousand net.

Gross and net expenditures were under budget by \$10,486.0 thousand gross (4.9 percent) and \$2,704.6 thousand net (5.4 percent) respectively as of December 31, 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 of \$10,486.0 thousand or 4.9 percent is comprised of the following:

Salaries and Benefits were \$8,202.4 thousand or 5.3 percent less than budget. This resulted in overall gapping of 9.6 percent versus a TPH gapping target of 4.3 percent due to the following:

- a) TPH held 47.2 positions vacant to achieve the cost containment target of \$4,200.0 thousand gross and \$1,210.2 thousand net;
- b) A significant number of positions above the cost containment commitment were not approved for hiring including backfill staffing required for positions vacated due to temporary vacancies, such as maternity or parental leaves and staffing initiatives to fill positions that were held in 2006 due to potential provincial funding constraints.

Non-payroll expenditures were \$2,283.6 thousand or 3.9 percent less than budget largely due to cost containment measures. Discretionary spending including consulting, conferences, equipment, furniture and advertising was reduced. Programs which were fully funded by external agencies, interdepartmental recovery and revenue generation, also experienced under-expenditures due to delays in implementation, lesser demand for services, and underachievement of revenues from user fees and charges in Dog and Cat Licensing Strategy and Mandatory Food Handler Training.

(2) Revenue

Actual revenue was lower than budget by \$7,781.3 thousand or 4.7 percent due to (i)

underspending in cost-shared and 100 percent provincially funded programs resulting in an unfavourable variance of matching provincial revenue, (ii) delays in completing the capital projects resulting in an unfavourable variance of transfer funds from capital, (iii) underachievement of interdepartmental recovery for Ontario Works Dental program that fluctuated based on demand for services and Investing in Families due to delays in implementation, both funded by Social Services, and (iv) underachievement of fees collection in two revenue generating programs: Dogs and Cats Licensing Strategy and Mandatory Food Handler Training.

(3) Cost Containment

There was a requirement to under-spend in non-payroll discretionary expenses and hold positions vacant. TPH held 47.2 positions vacant and was underspent by \$1,918.2 thousand net. Deferral of filling vacancies due to cost containment initiatives and delays in filling staff vacancies due to organization restructure plus a long hiring cycle for some public health professionals reduced the level of service delivery to the community.

(4) Corrective Action

TPH continues to monitor the staff complement and work with program managers closely to identify recruitment and staffing process issues. Monthly detailed analysis and review of the complement results are in place to better manage and utilize available resources to meet public health needs.

CONTACT

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SIGNATURE

Dr. David McKeown
Medical Officer of Health

ATTACHMENTS

Attachment 1 – TPH Operating Variance Submission for the period ended December 31, 2007