



STAFF REPORT INFORMATION ONLY

Toronto Public Health Operating Budget Variance Report for the Six Months ended June 30, 2008

Date:	September 3, 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 six months of operation ending on June 30, 2008 (see Attachment 1).

Toronto Public Health's operating budget was underspent by \$254.6 thousand net or 1.2 percent for the six-month period ending on June 30, 2008.

TPH gross expenditures were below budget by \$2,832.7 thousand or 2.9 percent, attributable to the underspending of \$2,622.7 thousand in Salaries and Benefits and \$210.0 thousand in non-payroll. Revenue was underachieved by \$2,578.1 thousand or 3.3 percent due to under-expenditures in provincial cost shared and fully funded programs, underachievement of Interdepartmental Revenue in the Ontario Works Dental and Investing In Families programs and underspending in capital projects resulting in a favourable variance of transfer funds from capital.

At year-end, TPH expects to be \$2,274.0 thousand gross or 1.1 percent and \$373.7 thousand net or 0.9 percent under the 2008 Operating Budget.

Financial Impact

	<i>As of June 30, 2008</i>				<i>Projection to Year-End</i>			
	ACTUAL	BUDGET	VARIANCE OVER/(UNDER)		ACTUAL	BUDGET	VARIANCE OVER/(UNDER)	
	(\$000s)	(\$000s)	(\$000s)	%	(\$000s)	(\$000s)	(\$000s)	%
Gross Expenditure	96,063.3	98,896.0	(2,832.7)	(2.9%)	206,215.3	208,489.3	(2,274.0)	(1.1%)
Revenue	74,972.4	77,550.5	(2,578.1)	(3.3%)	163,743.8	165,644.2	(1,900.4)	(1.1%)
NET EXPENDITURE	21,090.9	21,345.5	(254.6)	(1.2%)	42,471.4	42,845.1	(373.7)	(0.9%)

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 Operating Budget Variance for the six months of operation ending on June 30, 2008.

COMMENTS

Toronto Public Health's 2008 Operating Budget is \$208,489.3 thousand gross and \$42,845.1 thousand net.

Expenditures were under budget by \$2,832.7 thousand gross (2.9 percent) and \$254.6 thousand net (1.2 percent) respectively as of June 30, 2008. 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 underspending of \$2,832.7 thousand or 2.9 percent is comprised of the following:

Salaries and Benefits were \$2,622.7 thousand or 3.6 percent less than budget. This resulted in actual gapping of 7.9 percent versus the overall TPH gapping target of 4.2 percent. TPH is catching up on the backlog in hiring for vacancies because of the 2007 cost containment measures across various TPH programs. In addition, TPH experienced a high volume of leave of absence requests that require lengthy backfill processes and a long hiring cycle for some public health professionals.

Non-payroll expenditures were in line with budget with a minimal favourable variance of \$210.0 thousand or 0.8 percent less than budgeted.

(2) Revenue

Actual revenue was lower than budget by \$2,578.1 thousand or 3.3 percent due to the following: (i) underspending in cost shared and fully funded programs resulting in an unfavourable variance in Provincial revenues, (ii) underachievement of Ontario Works Dental and Investing In Families programs funded by Social Services through Interdepartmental Recovery, and (iii) underspending in capital projects resulting in an unfavourable variance of transfer funds from capital budget.

(3) Corrective Action

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

CONTACT

Shirley MacPherson
Director, Finance & Administration
Toronto Public Health
Tel: 416-392-7467 Fax: 416-392-0713
Email: smacphe@toronto.ca

SIGNATURE

Dr. David McKeown
Medical Officer of Health

ATTACHMENTS

Attachment 1 – TPH Operating Variance Submission for the Six Months ended June 30, 2008