



STAFF REPORT INFORMATION ONLY

Toronto Public Health Operating Budget Variance Report for the Nine Months ended September 30, 2008

Date:	October 21, 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 nine months of operation ending on September 30, 2008 (see Attachment 1).

Toronto Public Health's operating budget was overspent by \$283.6 thousand net or 1.0 percent for the nine-month period ending on September 30, 2008.

TPH gross expenditures were below budget by \$3,754.9 thousand or 2.5 percent, attributable to the underspending of \$3,165.5 thousand in Salaries and Benefits and \$589.4 thousand in non-payroll. Revenue was underachieved by \$4,038.5 thousand or 3.4 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 an unfavourable variance of transfer funds from capital.

At year-end, TPH expects to be underspent in gross expenditures by \$3,121.8 thousand or 1.5 percent and below budget in revenue by \$3,121.8 thousand or 1.9 percent resulting in a zero percent difference from the 2008 Operating Budget for net expenditures.

Financial Impact

	<i>As of Sep 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	144,711.2	148,466.1	(3,754.9)	(2.5%)	206,574.7	209,696.6	(3,121.8)	(1.5%)
Revenue	115,919.6	119,958.1	(4,038.5)	(3.4%)	163,672.5	166,794.3	(3,121.8)	(1.9%)
NET EXPENDITURE	28,791.6	28,508.0	283.6	1.0%	42,902.2	42,902.3	(0.0)	(0.0%)

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 nine months of operation ending on September 30, 2008.

COMMENTS

Toronto Public Health's 2008 Operating Budget is \$209,696.6 thousand gross and \$42,902.3 thousand net.

Expenditures were under budget by \$3,754.9 thousand gross (2.5 percent) and over budget by \$283.6 thousand net (1.0 percent) respectively as of September 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 \$3,754.9 thousand or 2.5 percent is comprised of the following:

Salaries and Benefits were \$3,165.5 thousand or 2.9 percent less than budget. This resulted in actual gapping of 7.2 percent versus the overall TPH gapping target of 4.3 percent. For the first six months of the year TPH was catching up backlog in hiring for vacancies as a result of the 2007 cost containment measures across various TPH programs. TPH experienced a high volume of leave of absence requests that require lengthy backfill processes and a long hiring cycle for public health professionals. The variance in the third quarter was significantly less than the first and second quarters. The average rate of actual gapping in the third quarter was 4.4 percent compared to the target of 4.3 percent.

Overall non payroll expenditures were inline with budget, with a minimal favourable variance of \$589.4 thousand or 1.4 percent across various TPH programs. The interdepartmental charges were under spent by \$743.5 thousand due to delayed billings from other divisions and lower then expected dental claims from City dentists.

(2) Revenue

Actual revenue was lower than budget by \$4,038.5 thousand or 3.4 percent driven by the underspending in the following areas: (i) cost shared and fully funded programs resulting in an unfavourable variance in Provincial revenues and revenue from user fees (ii) 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.

(3) Corrective Action

TPH continues to monitor the staff complement and work with program managers and HR closely to identify 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. These actions have considerably reduced the variance in salaries and benefits in the third quarter.

CONTACT

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SIGNATURE

Dr. David McKeown
Medical Officer of Health

ATTACHMENT

Attachment 1 – TPH Operating Variance Submission for the Nine months ended September 30, 2008