



## STAFF REPORT INFORMATION ONLY

### Toronto Public Health Operating Budget Variance Report for the Six Months ended June 30, 2009

<b>Date:</b>	September 25, 2009
<b>To:</b>	Board of Health
<b>From:</b>	Medical Officer of Health
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### 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, 2009 (see Attachment 1).

Toronto Public Health's operating budget was under spent by \$30.8 thousand net or 0.2 percent for the six-month period ending on June 30, 2009.

TPH gross expenditures were below budget by \$3,669.0 thousand or 3.6 percent, attributable to the underspending of \$9.4 thousand in Salaries and Benefits and \$3,659.6 thousand in non-payroll. Revenue was underachieved by \$3,638.2 thousand or 4.5 percent due to under-expenditures in provincial cost shared and fully funded programs, underachievement of Interdepartmental Revenue in the Ontario Works Dental program.

At year-end, TPH will be underspent due to savings from the labour disruption in the 2nd and 3rd quarter of 2009. This underspending will be partially offset by resumption of service costs. Currently, it is unknown how much will be spent on H1N1 outbreak response in the last two quarters of the year.

#### Financial Impact

	YEAR-TO-DATE AT JUNE 30, 2009				PROJECTIONS TO YEAR-END			
	ACTUAL (\$000s)	BUDGET (\$000s)	VARIANCE OVER/(UNDER) (\$000s) %		ACTUAL (\$000s)	BUDGET (\$000s)	VARIANCE OVER/(UNDER) (\$000s) %	
Gross Expenditure	97,473.4	101,142.3	(3,669.0)	(3.6%)	210,117.7	218,032.9	(7,915.1)	(3.6%)
Revenue	77,642.5	81,280.7	(3,638.2)	(4.5%)	168,825.7	174,615.1	(5,789.4)	(3.3%)
Net Expenditure	19,830.9	19,861.7	(30.8)	(0.2%)	41,292.0	43,417.7	(2,125.7)	(4.9%)

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, 2009.

## **COMMENTS**

Toronto Public Health's 2009 Operating Budget is \$218,032.9 thousand gross and \$43,417.7 thousand net.

Expenditures were under budget by \$3,669.0 thousand gross (3.6 percent) and \$30.8 thousand net (0.2 percent) respectively as of June 30, 2009. 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 \$3,669.0 thousand or 3.6 percent is comprised of the following:

Salaries and Benefits were \$9.4 thousand or 0.012 percent less than budget. Through effective complement management, TPH has reduced the gapping to the target of 4.3 percent. Additional overtime expense was required to effectively deal with the H1N1 Outbreak. As well, monthly detailed analysis and review of the complement results helped in maintaining staffing levels within approved budget and in utilizing available resources to meet public health needs.

Non-payroll expenditures were \$3,669.2 thousand or 3.7 percent less than budget across various provincially cost shared and fully funded programs including the expansion of the Children in Need of Dental Treatment Program and Vector Borne Disease Program.

### **(2) Revenue**

Actual revenue was lower than budget by \$3,638.2 thousand or 4.5 percent due to the following: (i) under spending in cost shared and fully funded programs resulting in an unfavourable variance in Provincial revenues, and (ii) under spending in the Ontario Works Dental program funded by Social Services through Interdepartmental Recovery.

### **(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. At year-end, TPH will be underspent due to savings from the labour disruption in the 2nd and 3rd quarter of 2009. Currently, it is unknown how much of this underspending may be spent on H1N1 outbreak response in the last 2 quarters of the year.

## **CONTACT**

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## **SIGNATURE**

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Dr. David McKeown  
Medical Officer of Health

## **ATTACHMENTS**

Attachment 1 – TPH Operating Variance Submission for the Six Months ended June 30, 2009