



**STAFF REPORT
INFORMATION ONLY**

**Toronto Public Health Operating Budget Variance
Report for the Nine Months ended September 30, 2012**

Date:	October 31, 2012
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's) Operating Budget Variance for the nine months ending on September 30, 2012.

Toronto Public Health’s approved operating budget was under spent by \$1,409.7 thousand net or 4.6 percent for the nine-month period ending on September 30, 2012.

Toronto Public Health gross expenditures were below budget by \$10,118.8 thousand or 6.0 percent, attributable to the under spending of \$7,568.3 thousand in Salaries and Benefits and under spending of \$2,550.5 thousand in non payroll including utility costs. Revenue was underachieved by \$8,709.2 thousand or 6.3 percent mainly due to under spending across various provincially cost shared and fully funded programs. At year end, TPH expects to be under spent by \$1,056.3 thousand net.

Financial Impact

	AS OF SEPTEMBER 30, 2012				AS OF DECEMBER 31, 2012			
	ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE	
			OVER/(UNDER)	%			OVER/(UNDER)	%
	(\$000s)	(\$000s)	(\$000s)	%	(\$000s)	(\$000s)	(\$000s)	%
Total Gross Expenditure	159,118.1	169,236.9	(10,118.8)	(6.0)	231,448.8	239,669.7	(8,220.9)	(3.4)
Revenue	129,636.3	138,345.4	(8,709.2)	(6.3)	184,589.8	191,754.5	(7,164.7)	(3.7)
NET EXPENDITURE	29,481.8	30,891.5	(1,409.7)	(4.6)	46,859.0	47,915.2	(1,056.3)	(2.2)

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 TPH's Operating Budget Variance for the nine months of operation ending on September 30, 2012.

COMMENTS

Toronto Public Health's 2012 Approved Operating Budget is \$239,669.7 thousand gross and \$47,915.2 thousand net.

Expenditures were under budget by \$10,118.8 thousand gross and revenues were under achieved by \$8,709.2 thousand resulting in net expenditures of \$1,409.7 thousand under budget as of September 30, 2012. Approximately \$2,804.0 thousand of the TPH gross and revenue under budget is associated with the Healthy Smiles Ontario program (HSO). This variance will be reduced as the program is fully implemented with opening of the new dental clinics.

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 \$10,118.8 thousand or 6.0 percent is comprised of the following:

Salaries and Benefits were \$7,568.3 thousand or 4.5 percent less than Other Expenditures budget. This resulted in actual gapping of 10.5 percent versus the overall TPH gapping target of 4.8 percent or a difference of 5.7 percent. The delays in hiring for vacant positions as a result of the 2011 City hiring slowdown and lengthy redeployment process required for staff displaced in the 2012 budget downsizing contributed to under spending of \$6,031.9 thousand or actual gapping of 9.4 percent. The balance of under spending of \$1,536.4 thousand or actual gapping of 1.1 percent was due to delays in opening and hiring for the HSO dental clinics and hiring for vacant positions in 100 percent and cost shared programs that received approval for an annual base funding in July and August of 2012: Enhanced Food Safety, Community Food Handler and Bed Bug programs.

Delays in staffing since the beginning of the year reduced or deferred public health services including less dietitian support for student nutrition programs and fewer youth leadership training sessions; reduction in outreach support and promotion services to priority neighbourhoods, schools and communities; and fewer clinical dental treatments for eligible children.

Non-payroll expenditures were under spent by \$2,550.5 thousand or 1.5 percent across various programs that are 75 percent cost shared or 100 percent fully funded by the Province of Ontario.

(2) Revenue

Actual revenue was lower than budget by \$8,709.2 thousand or 6.3 percent due to under spending in cost-shared and fully funded programs as well as under spending in salaries for capital projects.

(3) Corrective Action

The variance is mainly due to unfilled positions. TPH works with the Staffing Unit of Corporate Human Resources to fill vacant positions as quickly as possible. To facilitate an efficient and effective hiring process, TPH provides funding for two Human Resources (HR) positions in addition to the HR staff for which TPH is billed through corporate charges. The resources of the staffing unit were reduced by 15 percent in 2011, while the volume of staffing activity remains high following the 2011 hiring slowdown. The TPH Senior Management Team worked with the HR Staffing Unit on a temporary process for TPH management to assume certain HR responsibilities in order to fill some vacancies faster. As staffing returns to planned levels and HSO dental clinics are opened and fully staffed, spending in the fourth quarter of the year is expected to be much closer to planned levels.

Toronto Public Health continues to monitor staff complement and work with HR to identify and address recruitment and staffing process issues. Monthly detailed analysis and review of the complement results are carried out to manage and utilize available resources to meet public health needs. At year end, TPH expects to be under spent by \$1,056.3 thousand net.

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

Attachments 1 to 4 - TPH Operating Variance Submission for the Nine Months ended September 30, 2012.