

**FINANCE AND OPERATIONS**

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Program: Finance & Operations

<b>SECTION A</b>				
<b>SERVICE AREA</b>	Finance & Operations	<b>MANAGER NAME</b>	John Millson	<b>DATE</b>
<b>PROGRAM TEAM</b>	Finance & Operations	<b>DIRECTOR NAME</b>	John Millson	January 2016

<b>SECTION B</b>
<b>SUMMARY OF TEAM PROGRAM</b>
<ul style="list-style-type: none"> <li>This service provides the financial management required by the Board of Health to ensure compliance with applicable legislation and regulations. This is accomplished through providing effective management and leadership for financial planning, financial reporting, treasury services, payroll administration, procurement, capital assets, and contract management. This service provides value through protecting the Health Unit's financial assets, containing costs through reporting and enforcement of policy, systems and process improvements, developing and implementing policies and procedures, and providing relevant financial reporting and support to the Board.</li> <li>This service also provides oversight for the health unit "Operations" which include facility management type services such as furniture and equipment, leasehold improvements, insurance and risk management, security, janitorial, parking, on-site and off-site storage and inventory management, and the management of all building leases and property matters.</li> </ul>

<b>SECTION C</b>
<b>ONTARIO PUBLIC HEALTH STANDARD(S), RELEVANT LEGISLATION OR REGULATION</b>
The following legislation/regulations are relevant to the work performed in Finance & Operations: Health Protection & Promotion Act, Ontario Public Health Organizational Standards, Income Tax Act, Ontario Pensions Act, PSAB standards, and other relevant employment legislation.

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### **SECTION D**

#### **COMPONENT(S) OF TEAM PROGRAM #1 – FINANCIAL SERVICES**

##### **Financial Planning:**

- Develop long term funding strategies for senior management and Board of Health and provide ongoing monitoring.
- Develop, monitor and report annual operating budgets. Health Unit programs are funded through a complex mix of funding. The majority (approx.. 72%) of the services are funded through cost-sharing where by the Board of Health approves the operating budget, the ministry provides a grant, and the remaining amount is requested from the City of London and Middlesex County on a proportionate of population basis. The remaining programs and services are funded 100% by the province, whereby the Board of Health approves an operating budget based on a predetermined grant from the province. Many programs have different budget formats and timelines which provide challenges in budget preparation and planning.
- Manage two annual audits including preparation of consolidated financial statements for both programs with a December 31<sup>st</sup> year end and those with a March 31<sup>st</sup> year end.
- Prepare quarterly financial statements for external stakeholders including the City of London, and various ministry departments. In terms of ministry quarterly reporting the formats differ between ministries and programs adding to the complexity of generating the reports.
- Prepare the various annual settlements for the ministry funded programs and services.
- Prepare monthly and quarterly reports for internal stakeholders to ensure financial control and proper resource allocations.

##### **Treasury Services:**

- Accounts payable processing includes verifying payments, issuing cheques, reviewing invoices, and ensuring proper authorizations exist for payment. This also includes verifying and processing corporate card purchases, employee mileage statements and expense reports.
- Accounts receivable processing includes reviewing and posting invoices, monitoring and collections activities.
- Cash management function includes processing cash payments and point of sale transactions, and preparing bank deposits. This also includes minor investment transactions to best utilize cash balances.
- General accounting includes bank reconciliations, quarterly HST remittances, general journal entries, monthly allocations.

##### **Insurance & Risk Management:**

- Purchase appropriate and adequate insurance and draft contractual conditions for third party contracts to protect the human, physical and financial assets of the health unit.
- Request insurance certificates required for various funding agreements and contracts.

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### **SECTION D**

#### **COMPONENT(S) OF TEAM PROGRAM #1 – FINANCIAL SERVICES**

##### **Payroll Administration:**

- Performs payments to employees including salary and hourly staff. This includes accurate data entry and verification of employee and retiree information including employee set-up and maintenance.
- Process mandatory and voluntary employee deductions, calculating and processing special payments and retroactive adjustments.
- Set up and maintain the payroll system in compliance with collective agreements and legislative requirements for all pay, benefits, deductions and accruals.
- Statutory Payroll Reporting – in order to comply with payroll legislation. This includes Records of Employment (ROEs), T4, T4A, WSIB, EHT, OMERS annual 119 Report.
- Prepare and remit payments due to third parties resulting from payroll deductions and employer contributions within strict deadlines to avoid penalties and interest. Payments are reconciled to deductions or third party invoices.
- Administers employee paid Canada Savings Bond program, where staff can purchase bonds through payroll deductions.

##### **Procurement:**

- Provide accurate and timely procurement advice to internal programs and services (customers).
- Procurement of goods and services in a fair, transparent, and open manner through Request for Tenders, Quotes, and Proposals, and at all times ensuring value for money.
- Participates in the Elgin Middlesex Oxford Purchasing Cooperative (EMOP) to enhance or leverage procurement opportunities to lower costs.
- Utilize and participate in provincial contracts such as courier, photocopier, and cell phone providers to lower costs to the programs and services.
- Performs general purchasing and receiving activities for program areas.

##### **Capital Asset Management:**

- Tangible Capital Assets – ongoing processes for accounting of capital assets and ensuring compliance with PSAB 3150.
- Ensures the proper inventory and tracking of corporate assets for insurance and valuation purposes.

##### **Contracts & Agreements:**

- Contract management including various agreements to ensure the Health Unit is meeting its obligations and commitments. Contracts and agreements are reviewed for program effectiveness and Board of Health liability.

## 2016 Planning & Budget Template

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### COMPONENT(S) OF TEAM PROGRAM #2 – OPERATIONS

- Space planning – liaison with program areas to ensure facilities meet program requirements. This may involve leasehold improvements, furniture and equipment purchasing, and relocation of employees.
- Coordinates management response to monthly Joint Occupational Health & Safety Committee (JOHSC) inspection reports.
- Manages the three main property leases including renegotiations and dispute resolution (50 King Street, 201 Queens Ave in London, and 51 Front Street in Strathroy)
- Security – manages and maintains the controlled access and panic alarm systems, and the after-hours security contract.
- Custodial Services – manages and maintains the contract for janitorial services for two locations. This includes day-time and evening cleaning for the 50 King Street office.
- Manages and maintains both on-site and off-site storage facilities, keeping track of supplies, equipment and corporate records.
- Performs general facility maintenance including minor repairs, disposal of bio-hazardous materials, meeting room set-up and take-downs.

### SECTION E

#### PERFORMANCE/SERVICE LEVEL MEASURES

	2014	2015 (anticipated)	2016 (estimate)
<b>Component of Team #1 Financial Services</b>			
Number of manual journal entries per FTE	2,649	2,500	2,000
Number of vendor invoices paid/processed per FTE	9,326	8,500	7,000
Number of MLHU invoices prepared/processed per FTE	348	400	400
Number of direct deposits processed (payroll)	9,127	9,000	9,000
Number of manual cheques (payroll) issued	18	12	12
Number of competitive bid processes	27	25	30
<b>Component of Team #2 Operations</b>			
Number of meeting room set-up/take-downs	160	160	160
Average time to set-up/take-down meeting room	1.8 hours	1.8 hours	1.8 hours

## 2016 Planning & Budget Template

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<b>SECTION F</b>	<b>2015 TOTAL FTEs</b>	<b>2016 ESTIMATED FTEs</b>
<b>STAFFING COSTS:</b>		
	<b>8.5</b>	<b>8.0</b>
Director	1.0	1.0
Administrative Assistant to the Director	0.5	0.5
Accounting & Budget Analyst	1.0	1.0
Accounting & Payroll Analyst	1.0	1.0
Accounting & Administrative Assistants	3.0	2.5
Procurement and Operations Manager	1.0	1.0
Receiving & Operations Coordinator	1.0	1.0

<b>SECTION G</b>						
<b>EXPENDITURES:</b>						
<b>Object of Expenditure</b>	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2016 Draft Budget</b>	<b>\$ increase (\$ decrease) over 2015</b>	<b>% increase (% decrease) over 2015</b>
Salaries & Wages	\$ 571,335	\$ 572,465	\$ 588,264	\$ 572,805	\$ (15,459)	(2.63)%
Benefits	147,242	153,093	150,120	150,844	724	0.48%
Travel	2,900	1,944	2,900	2,900		
Program Supplies	3,620	2,812	3,620	3,620		
Staff Development	1,500	1,094	1,500	1,500		
Professional Services	104,755	13,837				
Furniture & Equipment		730				
Other Program Costs	3,480	1,954	3,480	3,480		
<b>Total Expenditures</b>	<b>\$ 834,832</b>	<b>\$ 747,929</b>	<b>\$ 749,884</b>	<b>\$ 735,149</b>	<b>\$ (14,735)</b>	<b>(1.96)%</b>

## 2016 Planning & Budget Template

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<b>SECTION H</b>						
<b>FUNDING SOURCES:</b>						
<b>Object of Revenue</b>	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2016 Draft Budget</b>	<b>\$ increase (\$ decrease) over 2015</b>	<b>% increase (% decrease) over 2015</b>
Cost-Shared	\$ 802,475	\$ 715,572	\$ 717,527	\$ 735,149	\$ 17,622	2.46%
MOHLTC – 100%	32,357	32,357	32,357		(32,357)	(100.0)%
MCYS – 100%						
User Fees						
Other Offset Revenue						
<b>Total Revenues</b>	<b>\$ 834,832</b>	<b>\$ 747,929</b>	<b>\$ 749,884</b>	<b>\$ 735,149</b>	<b>\$ (14,735)</b>	<b>(1.96)%</b>

<b>SECTION I</b>
<b>KEY HIGHLIGHTS/INITIATIVES PLANNED FOR 2016</b>
<ul style="list-style-type: none"> <li>• Working with the Organizational Structure &amp; Location (OSL) Committee, complete the location analysis and assist in the relocation planning.</li> <li>• Implement new organizational structure in the various financial and operations systems.</li> <li>• Assist in the smooth transition to Health Smiles 2.0 as the province uploads the payment of dental claims.</li> <li>• Investigate and implement a procurement module to enhance management of commitments and purchase requisitions.</li> <li>• Review and revise the procurement policy with including the Living Wage initiative if approved by the Board.</li> <li>• Replace FRx reporting system (internal management reports) which is at its “End of Life” and is not supported any longer by Microsoft.</li> <li>• Continue implementation of process efficiencies/improvements through development of SharePoint processes.</li> <li>• Update both the internal and external website to provide high-level financial information.</li> </ul>

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### **SECTION J**

#### **PRESSURES AND CHALLENGES**

- Low growth in 100% provincial programs continues to place pressure on programs.
- Any location decisions will require financial analysis and resources.
- “Patients First – A proposal to strengthen patient-centred health care in Ontario” – will have implications to public health with formalizing links with the Southwest LHIN. Early indication is that funding for public health will be transferred to the LHINs.

### **SECTION K**

#### **RECOMMENDED ENHANCEMENTS, REDUCTIONS AND EFFICIENCIES FOR 2016**

- No PBMA proposals for consideration.
- MOHLTC has moved to 3<sup>rd</sup> party dental claims administration therefore health units are no longer responsible for paying for dental claims. This will eliminate 0.5 FTE position and \$32,357 in funding.