

TITLE: Corporate Service Division Updates for November 2023

TO: Board of Health

FROM: Matthew Vrooman, Director, Corporate Services

DATE: November 16, 2023

APPROVED BY: Dr. Natalie Bocking, Medical Officer of Health & CEO

IN CAMERA? Yes No

Summary of October 2023 Finances:

Attached are the unaudited operating statements reflecting the result for the period ending October 31, 2023.

In summary, there is a cumulative deficit for the first ten months of the fiscal 2023, totaling (\$794,154).

The statements show that our expenditures for the first ten months of the fiscal year were approximately \$794,514 under budget. The Health Unit is exercising fiscal constraint, primarily because of the uncertainty surrounding reimbursements of COVID expenditures. Benefits and computer support are two areas currently showing deficits of \$345,669 and \$24,909 respectively.

Variance Analysis

- Although the Health Unit is waiting for the province to release its one-time funding for COVID-19 Extra-ordinary Costs and COVID-19 Vaccine Program, overall, the Health Unit has been operating, in terms of expenditures, below its budgetary threshold. Over the first 10 months of the fiscal year, the Health Unit has received approximately 75.53% of its annualized budgeted revenue and has accounted for 78.85% of its expenditures.
- The Health Unit was expecting to receive YTD revenue of \$19,903,160; however, \$18,067,718 was received. Similarly, \$18,862,233 of the budgeted \$19,903,160 was spent over the first 10 months of the fiscal year.
- We have not received funding for COVID-19 related programs; however, funding is expected in the next period.
- Most of our operating costs are trending below the budgeted amounts and we are expecting this trend to continue for the duration of this fiscal year.

Reports Submitted to the Ministry of Health:

On February 16, 2023, the Board of Health directed staff to provide briefing notes for Ministry of Health financial reports and that Board members may request to review the entire report on request. The following is a summary of reports recently submitted to the Ministry of Health:

Q3-2023 Standards Activity Report

- Reports on Q1-Q3 Ontario Public Health Standards (OPHS) program expenditures and end of year forecast (currently forecasting to spend 100% of budget)
- Includes preliminary program data for immunization services, school health, and oral health screening
- Reports on Board of Health risk register as per Ministry risk management framework

Risk Management:

The OPHS state that boards of health are accountable for achieving a high standard and quality of practice in the delivery of public health programs and services, including the requirement to have a formal risk management framework in place that identifies, assesses, and addresses risk. Progress on the high-risk categories that are being managed is reportable on every third quarter Standards Activity Report, which was submitted to the Ministry on October 31, 2023.

Risk categories are determined by the Ministry (Appendix A-attached). The high-risk categories that the Health Unit has been reporting on are People/Human Resources, Privacy, Financial, and Information/Knowledge (Appendix B - attached).

Updates to the 2023 risk register include:

- People/Human Resources remains a high-risk; however, progress has been made since Q3-2022 with the launch of leadership initiatives and recognition programs, and an organizational commitment to the National Psychological Health and Safety Standard.
- Privacy remains a high-risk as cyber-attacks continue to be a worldwide threat. The Health Unit has the necessary technological controls in place, and to minimize the risk of human error, employees receive mandatory annual privacy training and regular updates from our IT provider regarding cyber security and email spam.
- Financial remains a high-risk due to the reality that funding has not increased at the same rate as inflation and the uncertainty about funding related to the added burden of COVID-19 programming.

- Information/Knowledge was reported as high-risk on the Q3-2022 Standards Activity Report; however, it is no longer a high-risk, as reported on the Q3-2023 Report. In Q3 2020, the Health Unit purchased an electronic collaborative record system, which created a centralized reporting tool and streamlined documentation practices while ensuring records are secure in accordance with legislation. Use of the electronic collaborative record system has been implemented across most program areas that did not already have an existing system.
- The final risk fell into the financial category and was related to improper management of contracts. This is no longer a risk following the development and implementation of a procedure for the review, approval, and logging of contracts, assignment of designated leads to manage contracts, establishment of a central inventory, and a process for review prior to expiry dates.

Representatives from the Ministry of Health will be providing the Board with risk management education at its January 18, 2024 meeting.

Insurance Renewal:

The annual renewal for the Health Unit's commercial liability insurance has been received. The Insurance Program has been renewed with Intact Public Entities Inc. (previously known as Frank Cowan Company) and the premium has increased from \$180,724 to \$201,187 due to a significant rise in rates across the insurance industry. The Commercial Insurance Policy for Cyber coverage has been underwritten by CFC Underwriting Ltd. this term.

Recommendations to Board

THAT the draft unaudited operating statement for the ten-month period ending October 31, 2023 in the amount of \$18,067,718 be received for information and further THAT, the update on reports submitted to the Ministry of Health, risk management updates and insurance renewal be received for information.

Haliburton Kawartha Pine Ridge District Health Unit
Statement of Operations
for the 10 Months Ended 10/31/2023

	ANNUAL BUDGET	BUDGET Y.T.D.	ACTUAL Y.T.D.	VARIANCE Y.T.D.	CURRENT MONTH	BUDGET REMAINING	PERCENTAGE
INCOME							
Province of Ontario	12,099,750	10,083,125	10,064,560	18,565	1,009,096	2,035,190	83.18%
Mitigation Funding	773,300	644,417	644,419	-2	64,442	128,881	83.33%
County of Northumberland	2,625,828	2,188,190	2,188,190	0	218,819	437,638	83.33%
City of Kawartha Lakes	2,328,529	1,940,441	1,940,440	1	194,044	388,089	83.33%
Haliburton County	604,441	503,701	503,701	0	50,370	100,740	83.33%
Ontario Senior's Dental Care Program	1,185,500	987,917	987,913	4	98,792	197,587	83.33%
Healthy Babies/Healthy Children	1,019,533	849,611	849,611	0	84,961	169,922	83.33%
School-Focused Nurses Initiative	400,000	333,333	497,082	-163,749	0	(97,082)	124.27%
COVID 19 Extraordinary Costs	1,120,545	933,788	0	933,788	0	1,120,545	0.00%
COVID 19 Vaccine Program	1,194,826	995,688	0	995,688	0	1,194,826	0.00%
Recovery - Food Safety Training	5,000	4,167	8,020	-3,853	(60)	(3,020)	160.40%
Recovery - Clinical Services - Pill Sales	3,500	2,917	1,115	1,801	275	2,385	31.87%
Recovery - Clinical Services - Monthly Claims	0	0	7,412	-7,412	0	(7,412)	0.00%
Recovery - TB Tests	2,500	2,083	520	1,563	0	1,980	20.80%
Recovery - Meningococcal	10,000	8,333	0	8,333	0	10,000	0.00%
Recovery - Influenza	1,500	1,250	0	1,250	0	1,500	0.00%
Recovery - HPV	10,000	8,333	0	8,333	0	10,000	0.00%
Interest Earned General	30,000	25,000	220,323	-195,323	19,574	(190,323)	734.41%
Miscellaneous Revenue	8,000	6,667	3,021	3,646	300	4,979	37.76%
Internal Funding	300,000	250,000	0	250,000	0	300,000	0.00%
Hub & Spoke	17,500	14,583	28,778	-14,195	0	(11,278)	164.45%
NEER Refund	0	0	0	0	0	0	0.00%
2023/2024 - Needle Exchange Program Initiative	59,000	49,167	34,417	14,750	4,917	24,583	58.33%
2023/2024 - PHI Practicum Student	30,000	25,000	17,500	7,500	2,500	12,500	58.33%
2023/2024 - New Purpose-Built Vaccine Refrigerators	53,400	26,700	41,533	-14,833	5,933	11,867	77.78%
2023/2024 - Inspection Support for SDWS	37,500	18,750	29,162	-10,412	4,166	8,338	77.77%
TOTAL INCOME	23,920,152	19,903,160	18,067,718	1,835,441	1,758,129	5,852,433	75.53%
EXPENDITURES							
Salaries(4000)	13,395,444	11,150,370	10,956,571	193,798	964,019	2,438,872	81.79%
Travel (5000)	476,555	397,129	235,072	162,057	23,978	241,483	49.33%

	ANNUAL BUDGET	BUDGET Y.T.D.	ACTUAL Y.T.D.	VARIANCE Y.T.D.	CURRENT MONTH	BUDGET REMAINING	PERCENTAGE
Benefits (5100)	3,201,706	2,668,088	3,013,758	-345,669	236,638	187,948	94.13%
Fees for Service (5200-5580)	2,155,214	1,796,012	1,342,781	453,230	137,554	812,433	62.30%
Professional Development (5600)	113,500	94,583	66,489	28,094	3,936	47,011	58.58%
Supplies (5700-6300)	545,333	454,444	147,850	306,594	15,376	397,483	27.11%
Administrative (6500)	67,524	56,270	62,137	-5,867	6,023	5,387	92.02%
Insurance (6400)	242,596	202,163	193,298	8,866	19,330	49,298	79.68%
Occupancy Costs (6600-6710)	2,457,860	2,048,217	1,913,524	134,692	193,246	544,336	77.85%
Renovation Costs (6716-6720)	100,000	83,333	1,675	81,659	0	98,325	1.67%
Communication Costs (6740-6890)	261,020	217,517	215,663	1,854	11,611	45,358	82.62%
Computer Support (7100-7115)	600,000	500,000	524,909	-24,909	50,184	75,091	87.48%
Equipment (7200-7300)	250,000	208,333	188,506	19,828	24,400	61,494	75.40%
2023/2024 - New Purpose-Built Vaccine Refrigerators	53,400	26,700	0	26,700	0	53,400	0.00%
TOTAL EXPENDITURES	23,920,152	19,903,160	18,862,233	1,040,927	1,686,293	5,057,920	78.85%
Excess of Revenue Over Expenditures	(0)	(0)	(794,514)	794,514	71,836	794,514	-3.32%

Haliburton Kawartha Pine Ridge District Health Unit

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Healthy Babies/Healthy Children	1,019,533	849,611	849,611	(0)	84,961	169,922	83.33%
School-Focused Nurses Initiative	400,000	333,333	497,082	(163,749)	0	(97,082)	124.27%
COVID 19 Extraordinary Costs	1,120,545	933,788	0	933,788	0	1,120,545	0.00%
COVID 19 Vaccine Program	1,194,826	995,688	0	995,688	0	1,194,826	0.00%
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2023/2024 - Inspection Support for SDWS	37,500	18,750	29,162	(10,412)	4,166	8,338	77.77%
TOTAL INCOME	23,920,152	19,903,160	18,067,718	1,835,441	1,758,129	5,852,433	75.53%
EXPENDITURES							
Corporate Services	7,423,855	6,156,246	5,684,111	472,135	539,694	1,739,744	76.57%
Health Promotion	7,020,677	5,850,564	5,826,430	24,134	484,585	1,194,247	82.99%
Health Protection	8,348,393	6,956,994	6,419,496	537,498	578,021	1,928,897	76.89%
Foundational Standards	1,127,227	939,356	932,196	7,160	83,994	195,031	82.70%
TOTAL EXPENDITURES	23,920,152	19,903,160	18,862,233	1,040,927	1,686,293	5,057,920	78.85%
Excess Revenue Over Expenditures	(0)	(0)	(794,514)	794,514	71,836	794,514	-3.32%

APPENDIX A

RISK CATEGORIES AS DETERMINED BY THE MINISTRY OF HEALTH

Risk Category	Description
Compliance Legal	Uncertainty regarding compliance with laws, regulations, standards, policies, directives, contracts. May expose the ministry to the risk of fines, penalties, litigation.
Equity	Uncertainty that policies, programs, services have an equitable impact on the population.
Financial	Uncertainty of obtaining, using, maintaining economic resources, meeting overall financial budgets/commitments. Includes fraud risk.
Governance/ Organizational	Uncertainty of having appropriate accountability and control mechanisms such as organizational structures and systems processes. Systemic issues, culture and values, organizational capacity commitment, and learning and management systems, etc.
Information/ Knowledge	Uncertainty regarding the access to or use of accurate, complete, relevant and timely information. Uncertainty regarding the reliability of information systems.
Environment	Uncertainty usually due to external risks facing an organization including air, water, earth, forests. An example of an environmental, ecological risk would be the possible occurrence of a natural disaster and its impact on an organization's operations.
People/ Human resources	Uncertainty as to the ministry's/business unit's ability to attract, develop and retain the talent needed to meet its objectives
Operational Service	Uncertainty regarding the performance of activities designed to carry out any of the functions of the ministry/unit, including design and implementation.
Political	Uncertainty of the events may arise from or impact any level of the government including the Offices of the Premier or Minister, e.g. a change in government political priorities or policy direction.
Privacy	Uncertainty with regards to the safeguarding of personal information or data, including identity theft or unauthorized access.
Security	Uncertainty relating to physical or logical access to data and locations (offices, warehouses, labs, etc.)
Stakeholder	Uncertainty around the expectations of the public, other governments, media or other stakeholders.
Strategic	Uncertainty that strategies and policies will achieve required results or that policies, directives, guidelines, legislation will not be able to adjust necessarily.
Technology	Uncertainty regarding alignment of IT infrastructure with technology and business requirements. Uncertainty of the availability and reliability of technology.

Board of Health for the Haliburton, Kawartha, Pine Ridge District Health Unit

**2023 Standards Activity Reports
as of September 30, 2023**

Risk Management

Ref. #	Description	Category	Impact	Likelihood	Overall Risk Rating	Key Risk Mitigations	Date reported to the Board
A	B	C	D	E	F = D x E	G	H
1	<p>Failure to develop, implement and evaluate a robust Human Resources Strategy, that includes the integration of the process tools (Psychological Health and Safety Management System) and the cultural tools (values language and practice, leadership learning) of the National Standard on Psychological Health and Safety in the Workplace CSA Z1003/BNQ 9700, which follows the lifecycle of employees, presents a risk to all employees in that protection from psychological harm in the workplace and the promotion of psychological wellbeing is unavailable. Failure to foster the development of employee resilience building skills (EI, emotional management, relational management, somatic intelligence, reflection and choosing options) and organizational resilience (agility, adaptability) will decrease the ability to critically think and exercise sound values-based decision-making. There is an</p>	People / Human resources	4	4	<div style="display: flex; align-items: center; justify-content: center;"> <div style="width: 10px; height: 10px; background-color: red; border-radius: 50%; margin-right: 5px;"></div> High </div>	<p>Update as of September 13, 2023. People Strategy Management Workplan – Executive sponsors and chairs of working groups had a 6 month check in meeting September 5th. Workplan has been updated with 2 tabs (Building Blocks and Deliverables March – August) to reflect progress to date.; On track to complete deliverables as defined for Phase One. Leadership/Organizational Culture Pillars – Plans on track for official launch of leadership pieces at All Staff Day October 25th; Begin to integrate the leadership brand statements; gather information that can help inform the leadership skills gap analysis for non-management staff; re-introduce the Compliments program; and begin to gather feedback from staff on what they would like to be recognized for at HKPR. There is crossover between the Leadership and Organizational Culture work on the last two objectives. Psychological Health and Safety – Gap analysis report based on National Standard went to Executive on September 5th, recommendations for remainder of 2023 and Q1-2024 approved.</p>	10-Nov-22

	increased organizational risk of legal issues related to psychological harm to employees; decreased organizational effectiveness resulting from increased absenteeism as well as short and long-term disability costs; increased turnover and difficulty in recruitment and retention; decreased levels of employee engagement, creativity and innovation; increased rates of error and physical and mental injuries					One of the approved activities is to do the Guarding Minds at Work survey this fall, with the intent to establish a new baseline of psychological health and safety at HKPR. Communications Plan developed for official launch of Leadership program with final leadership brand statements and tagline. Social Activities Working Group – The group continues to plan for All Staff Day and is developing a Unity project activity that will fit well with the Connections theme. An Evaluation Plan, with the assistance of Public Health Ontario is underdevelopment.	
2	Loss of information/compromising of personal health information of clients can occur through human error, the misuse of information technology, lack of information security or through cyber-attack. There are financial and legal risks associated with loss of personal and personal health information; stakeholder/public perception risk; re-work associated with recreating the record; and risk of compromised records within the health unit (i.e. staff privy to information they shouldn't have access to). Healthcare facilities being targeted. Cyberattacks can be financially or politically motivated. Worldwide threat.	Privacy	4	4	 High	Controls currently in place include daily back-ups of servers, encryption of computers, regular IT downloads of patches and virus protection, staff education, policies and procedures and cyber insurance. Annual training provided to staff on Privacy policies, record keeping and information safeguards. Windows 10 upgrade included additional security enhancements related to signing into the network while working remote. Staff receive updates and reminders from IT regarding cyber security and email spam. We are currently using Microsoft Azure virtual servers to run application and store our data have added an additional layer of data security. MFA has also been fully implemented as part of our strategy. Ongoing vigilance required.	Nov 10 2022
	With the reduction/loss of Provincial and/or Municipal Funding there is a risk the health unit will not be able to meet legislative requirements, including OPHS standards; there will be insufficient funding for salaries, wages, benefits, and other operational costs. The Health Unit could be at risk for penalties, fines and interest for not meeting contractual obligations and/or terminating contracts with insufficient notice. Other risks associated with inadequate funding include legal/compliance, financial, operational/service delivery, people/human resources, stakeholder/public					Risk mitigation strategies include policy and procedures related to minimum reserve funds; short-term investments in low risk GICs; lending options with the bank and/or additional support from local municipalities in which we serve; and engaging with community partners to explore opportunities for shared services. Staff are trained to identify and implement efficiencies generating cost savings (lean principles). Additional one-time funding requests to offset anticipated budget pressures are always requested to the Ministry of Health. We have recently conducted a thorough review of our entire operation where our staff participated in reviewing all in transactions with operational effectiveness and efficiencies in	Nov 10 2022

3	<p>delivery, people/human resources, stakeholder/public perception, strategic/policy and technology.</p> <p>Uncertainty with ongoing funding related to the burden of COVID response. High Inflation rate and limited health unit funding to meet increased expenses. Labour contracts for negotiation in 2024, risk of labour disruption as a result of gap between funding and labour expectations.</p>	Financial	5	5		High	<p>in transactions with operational effectiveness and efficiencies in mind. Policy and procedures were implemented to reduce long term obligations and reduce our current operating expenditures.</p>	Nov 10 2022
4	<p>HKPR has an inefficient records management system. There is a risk to lose/misplace confidential information and personal/personal health information with the lack of a centralized records management system. There are no systems/standards to track multiple client's records, and inconsistent centralized storage area to keep signed contracts e.g. MOUs.</p> <p>Paper documentation generated off site has potential to be lost. When needing to retrieve information, e.g. FIPPA/MFIPPA requests, records may be inaccurate as there are multiple client charts containing different information; there may be lack of communication to meet client needs as information is not centralized to one chart; risk for altering or losing client documentation using excel forms of documentation; there may be liability attached to not being able to locate contracts to review status and details to keep current. Inefficiency of re-work, additional staff time and accuracy of data is at risk. Impact includes fines; negligent client care; inaccurate records during court proceedings; professional practice reports to regulatory bodies; HKPR being sued.</p>	Information / Knowledge	2	2		Not a high risk	<p>In Q3 2020 HKPR purchased an electronic collaborative health record (CHR), project planning started in Q4 2020, and implementation started in Q1 2021. Records management systems are department specific supported by HPPA, HKPR policies, and professional standards. Current controls in place include HKPR Policy and Procedures- documentation, record retention, current documentation tools (paper and electronic), professional standards, PHIPPA. The implementation of the CHR created a centralized reporting tool and streamlined documentation practices while ensuring records are properly and securely maintained in accordance with various legislation and regulations. The tool has been instrumental for supporting the COVID-19 response and provided a system for collecting and sharing information with the public that was not possible previously. Programs currently using the system include the COVID-19 Call Centre (currently not operational), Healthy Families, Healthy Schools - including Oral Health, Healthy Communities, Vaccine Preventable Diseases, Infectious Diseases, Sexual Health, and Foundational Standards - Health Equity. Outstanding is Foundational Standards CQI and Research and Evaluation and Epidemiology. The related risks have been mitigated from an organizational perspective and will not be reported on in 2024.</p>	Nov 10 2022
	<p>There is a significant threat to the Health Unit, including severe legal and financial impacts for</p>						<p>Controls implemented: Updated health unit procedure for the management of contracts</p>	

5	improperly managing procurement and contracts. With the additional controls in place, the likelihood of improved contract management is high.	Financial	2	2		Not a high risk	approved in March 2023 and implemented. All existing contracts reviewed and a central inventory established. All contracts to be reviewed 6 months prior to expiry date to reassess need. With these controls the risk is no longer high, and will not be reported on in 2024.	Nov 10 2022
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