
Subject: Approval of the 2020-2021 Public Health and Emergency Services Program Audits

Report to: Public Health and Social Services Committee

Report date: Tuesday, July 13, 2021

Recommendations

1. That the draft audited schedules of revenue and expenses for the following programs for the fiscal year ended March 31, 2021, **BE APPROVED**:
 - 1.1 Ambulance Communication Services (Appendix 1 to Report PHD 7-2021)
 - 1.2 Community Mental Health Program (Appendix 2 to Report PHD 7-2021)
 - 1.3 Infant and Child Development Services ("ICDS") (Appendix 4 to Report PHD 7-2021)
 - 1.4 Healthy Babies, Healthy Children ("HBHC") (Appendix 5 to Report PHD 7-2021);
2. That the annual reconciliation return for the Community Mental Health Program for the fiscal year ended March 31, 2021 (Appendix 3 to Report PHD 7-2021), **BE APPROVED**;
3. That staff **BE DIRECTED** to co-ordinate with the auditor to finalize the statements as presented; and
4. That Report PHD 7-2021 **BE FORWARDED** to the Region's Audit Committee for information.

Key Facts

- The purpose of this report is to obtain approval of the audited schedules of revenues and expenses and annual reconciliation return in accordance with the provincial requirements.
- The Ministry submission deadline for the ICDS and HBHC programs are July 30, 2021. Arrangements have been made with the Ministry of Health and Ontario Health – West Region for the final audited statement submissions for the Ambulance Communication Services and Community Mental Health to be filed after the initial due date of June 30, 2021, upon final Council approval.
- As per Financial Reporting and Forecasting Policy (C-F-020), other financial statements or schedules performed for Ministry funding purposes, will be recommended for approval to Council by the standing Committee with oversight of the program. Upon approval by Council, the department Commissioner, or delegated authority, and the Treasurer will be authorized to sign the auditor's representation

letter to obtain the auditor's signed report. The approved statements will then be forwarded to Audit Committee for information.

Financial Considerations

The schedules of revenue and expenses ("financial schedules") and annual reconciliation return have been prepared in compliance with legislation and in accordance with the requirements and policies stipulated by the corresponding Ministry.

Draft copies of the financial schedules and annual reconciliation return for the period ended March 31, 2021, are attached as Appendices 1 to 5 to Report PHD 7-2021.

The financial schedules are prepared specifically for the purposes of meeting the requirements as outlined in the service agreements with the respective funding Ministries. The financial schedules have been prepared in compliance with legislation and in accordance with the requirements and policies stipulated by the corresponding Ministry.

In previous years, the ICDS and HBHC programs' financial results had been reported to the Ministry using a December 31 year-end (for each year). In 2019, the Ministry provided direction that the financial schedules and the annual reconciliation return are to be reported as of March 31, to align with the reporting date of the Ministry. As a result of the reporting date change, the financial schedules for these programs contain 15 months of financial data for the comparative period of January 1, 2019 to March 31, 2020, with the current year reporting on 12 months of data with the fiscal year running April 1, 2020 to March 31, 2021.

The questionnaire for the HBHC program was included in the previous year's report and was approved by Council. The Ministry of Health has not provided this document to the Niagara Region at the time of this report and is not requesting it at this time; therefore, only the audited financial schedule is included in the report for this program. The completion of the questionnaire does not affect the audited financial schedule or results reported for the program.

The financial schedules for Public Health and Emergency Services Programs are a Ministry requirement as noted in the audit reports for each of the respective programs as follows:

Ambulance Communication Services:

“The accompanying schedule of the Program for the year ended March 31, 2021, is prepared, in all material respects, in accordance with the financial reporting provisions of the agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Health (formerly the Minister the Health and Long-Term Care) and the Regional Municipality of Niagara signed May 28, 2010 (the “guidelines”).”

“The schedule is prepared to assist the Region in complying with the guidelines. As a result, the schedule may not be suitable for another purpose.”

Community Mental Health Program:

“The accompanying schedule of the Program for the year ended March 31, 2021, is prepared, in all material respects, in accordance with the final reporting provision so the Multi-sector Service Accountability Agreement effective April 1, 2019, between Ontario Health – West Region (formerly the Hamilton Niagara Haldimand Brant Local Health Integration Network) and the Regional Municipality of Niagara – Mental Health and most recently amended March 31, 2020 (collectively, the “guidelines”).”

“The schedule is prepared to assist the Region in complying with the guidelines. As a result, the schedule may not be suitable for another purpose.”

Infant and Child Development Services:

“The accompanying schedule of the Program for the year ended March 31, 2021, is prepared, in all material respects, in accordance with the financial reporting provisions of the Ontario Transfer Payment Agreement effective April 1, 2020, between the Her Majesty the Queen in right of Ontario as represented by the Minister of Children, Community and Social Services and the Regional Municipality of Niagara (the “Guidelines”).”

“The schedule is prepared to assist the Program to comply with the financial reporting provisions of the Guidelines. As a result, the schedule may not be suitable for another purpose.”

Healthy Babies, Healthy Children:

“The accompanying schedule of the Program for the year ended March 31, 2021, is prepared, in all material respects, in accordance with the financial reporting provisions of the Ontario Transfer Payment Agreement effective April 1, 2020, between the Her

Majesty the Queen in right of Ontario as represented by the Minister of Children, Community and Social Services and the Regional Municipality of Niagara (the “Guidelines”).

“The schedule is prepared to assist the Program to comply with the financial reporting provisions of the Guidelines. As a result, the schedule may not be suitable for another purpose.”

Analysis

The audits of these Public Health and Emergency Services Programs were completed by the Region’s external auditors, Deloitte. The auditors have indicated that, based on their review, nothing has come to their attention that causes them to believe that this information is not, in all material respects, in accordance with the respective Ministry requirements identified.

The recommendation for approval of audited schedules performed for Ministry funding purposes rest with the Committee to which the department responsible for the funding reports. Upon approval by the Committee, these schedules are referred to Audit Committee for information. Then the department’s Commissioner and Treasurer will be authorized to sign the auditor’s representation letter to obtain the auditor’s signed report.

Below is a summary of the results of the audited financial schedules:

- Ambulance Communication Services – This program has no funds returnable for the reporting period ending March 31, 2021, as the Region has expended \$182,392 in excess of the provincial grant for the period.
- Community Mental Health Program – This program has no funds returnable for the reporting period ending March 31, 2021, as the Region has expended \$165,349 in excess of the provincial grant for the period.
- Infant and Child Development Services – This program has no funds returnable for the reporting period ending March 31, 2021, as the Region has expended all allocated funding.
- Healthy Babies, Healthy Children – This program has no funds returnable for the reporting period ending March 31, 2021, as the Region has expended all allocated funding.

These financial schedules are subject to minor wording changes once schedules are finalized.

Alternatives Reviewed

The audited financial schedules and annual reconciliation report are a Ministry requirement and therefore no alternatives are available.

Relationship to Council Strategic Priorities

Providing formal financial reporting to Council and the public supports the Council Strategic Priority of Sustainable and Engaging Government.

Other Pertinent Reports

None.

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This report was prepared in consultation with Michael Leckey, Program Financial Specialist, and Amanda Fyfe, Program Financial Specialist.

Appendices

Appendix 1 Ambulance Communication Services – Schedule of Revenue and Expenses

Appendix 2 Community Mental Health Program – Schedule of Revenue and Expenses

Appendix 3 Community Mental Health Program – Annual Reconciliation Return

Appendix 4 Infant and Child Development Services – Schedule of Revenue and Expenses

Appendix 5 Healthy Babies, Healthy Children – Schedule of Revenue and Expenses