

Finance + Audit Committee Report BH.04.MAY0124.R05

May 1, 2024

Report To: Finance + Audit Committee, Board of Health

Subject: **Compliance Report: Stewardship of Management Operations**

Recommendations

1. That the Finance + Audit Committee makes recommendation to the Board of Health to receive this report, as presented, for information.

Background

This report addresses the Board of Health's (BOH) responsibility to meet its fiscal governance requirements outlined in the Accountability Framework Section of the Ontario Public Health Standards (OPHS). These requirements are achieved through an annual review of the Agency's relevant by-laws, policies and procedure listings, and any changes that have been applied to them.

Because the entire Agency, including Administration and Management, had been redeployed as part of Wellington-Dufferin-Guelph Public Health's (WDGPH) pandemic response efforts from 2020 to 2022, all policy-related reviews and updates were temporarily suspended during this time.

The Agency resumed its policy review work in the Fall of 2022 and has continued with this work through to 2024. Policies affected or informed by inflationary costs have been given priority in response to evolving market conditions that have occurred over the past few years.

Public Health and/or Financial Implications

The Fiduciary Requirements section of the Accountability Framework under the OPHS is outlined as follows:

The Board of Health shall ensure that the administration implements appropriate financial management and oversight which ensures the following are in place:

- A plan for the management of physical and financial resources;
- A process for internal financial controls which is based on generally accepted accounting principles;
- A process to ensure that areas of variance are addressed and corrected;
- A procedure to ensure that the procurement policy is followed across all programs/services areas;
- A process to ensure the regular evaluation of the quality of service provided by contracted services in accordance with contract standards; and
- A process to inform the board of health regarding resource allocation plans and decisions, both financial and workforce related, that are required to address shifts in need and capacity.

In accordance with these requirements, the Agency has in place the following enacted documented controls and measures:

Requirement	WDGPH Documentation
A plan for the management of physical and financial resources.	<ul style="list-style-type: none"> • By-Law No. 2: By-Law Relating to the Banking and Finance of the Wellington-Dufferin-Guelph Health Unit • By-Law No. 3: By-Law Relating to the Property of the Wellington-Dufferin-Guelph Health Unit • Annual Board of Health approved Budget
A process for internal financial controls, which is based on generally accepted accounting principles.	<ul style="list-style-type: none"> • Operational Finance Policy & Procedure CA.51.01.100: Tangible Capital Assets • Operational Finance Policy & Procedure CA.51.01.103: Signing Authority • Operational Finance Policy & Procedure CA.51.01.106: Accounts Payable
A process to ensure that areas of variance are addressed and corrected.	<ul style="list-style-type: none"> • Policy & Procedure – CA.51.01.107 Financial Reports • Quarterly internal variance reports by program area • Quarterly Financial reports provided to the Board of Health via the Finance + Audit Committee

Requirement	WDGPH Documentation
	<ul style="list-style-type: none"> • Internal Unplanned Expenditures process for managing salary and benefits variances
<p>A procedure to ensure that procurement policy is followed across all programs/services areas.</p>	<ul style="list-style-type: none"> • Policy & Procedure – CA.51.01.112 Procurement • Employment of qualified Procurement Officer to oversee procurement • Annual report provided to the Board of Health on internal review of compliance with Procurement Policy & Procedure
<p>A process to ensure the regular evaluation of the quality of service provided by contracted services, in accordance with contract standards.</p>	<ul style="list-style-type: none"> • Policy & Procedure – CA.51.01.112 Procurement • Policy & Procedure – CA.45.01.510 Board of Health Purchase of Services • Service standards set out within contracts • Service quality issues documented by Facilities and Procurement staff • Employment of qualified Procurement Officer to follow up on service provided • Competitive procurement processes undertaken for services on a rotating basis
<p>A process to inform the Board of Health regarding resource allocation plans and decisions, both financial and workforce related, that are required to address shifts in need and capacity.</p>	<ul style="list-style-type: none"> • Annual Board of Health approved Budget • Annual Board of Health approved Human Resources Strategy Report • Policy & Procedure – CA.45.01.400 Stewardship of Management Operations • Policy & Procedure - CA.51.01.107 Financial Reports

WDGPH also has a comprehensive catalogue of policies and procedures to ensure operational compliance with the Fiduciary Requirements. Taken together, they provide a framework used to guide the work of Senior Leadership in stewarding the Agency’s financial resources and support the BOH in its role of oversight.

The relevant policies and procedures reviewed and/or updated over the past year are as follows:

Policies and Procedures: Fiduciary Requirements		
Last Review	Policy #	Title
2023-12-15	CA.51.01.100	Tangible Capital Assets <i>Incorporated a new section on the asset retirement obligation, delineating the roles of the Chief Financial Officer and the Finance Department. Updated definitions in accordance with the PSAS Handbook and integrated references to relevant standards.</i>
2023-11-20	CA.51.01.101	Automobile Insurance Coverage and Reimbursement <i>Reviewed, no changes.</i>
2023-12-15	CA.51.01.102	WDGPH Procurement Cards <i>Revised titles of eligible cardholders and updated contact information. Adjusted credit limits exceeding \$5,000. Implemented a new procedure for utilizing Sparkrock for VISA transaction reconciliation.</i>
2024-01-22	CA.51.01.103	Signing Authority <i>Minor updates to titles and wording with no impact to the signing authority itself.</i>

Policies and Procedures: Fiduciary Requirements

Last Review	Policy #	Title
2023-12-15	CA.51.01.105	<p>Petty Cash</p> <p><i>Clarified that only specific offices maintain a petty cash fund. Adjusted authorization from CAO to CFO. Revised petty cash report frequency from monthly to quarterly if utilized, with a minimum of one submission required at year-end. Detailed responsibilities for management, employees, and finance staff.</i></p>
2023-11-20	CA.51.01.106	<p>Accounts Payable</p> <p><i>Minor updates to replace references to old processes associated with the previous ERP system with the new processes used in the current ERP system.</i></p>
2023-12-15	CA.51.01.107	<p>Financial Reports</p> <p><i>Clarified that quarterly reports are provided only for Q2, Interim Q3 (August), and Q4. Added reference to the OPHS for the fiduciary requirement of the Board.</i></p>
2023-11-20	CA.51.01.109	<p>Professional Liability Insurance</p> <p><i>Included language stating that professional liability insurance coverage obtained by a professional employee through their professional association or college is a stand-alone policy. Added the definition for "Additional Insured" to clarify its mention within the policy. Included the insurance coverage amounts for Limits of Liability.</i></p>

Policies and Procedures: Fiduciary Requirements		
Last Review	Policy #	Title
2023-12-15	CA.51.01.111	Gift Cards <i>Minor update to clarify that gift cards are to be purchased using provided corporate purchasing cards and expensed monthly during the standard reconciliation process. For orders exceeding \$2,000, program staff should connect with finance to explore available discounts for bulk orders.</i>
2023-11-20	CA.51.01.113	Financial Records Management <i>Reviewed, no changes.</i>
2024-01-01	CA.51.01.118	Business-Related Travel and Kilometrage Expense Claims <i>Updated mileage allowance rates.</i>

While written policies and procedures are essential to ensuring good governance and operational management, WDGPH also places heavy emphasis on the qualification requirements of staff who oversee, and work in, the administrative areas of finance, procurement, and human resources. Undergraduate and master’s level degrees are required in each respective area, as well as several specific designation requirements for select positions. Degrees and designations currently reflected in the Administrative Services division include, but are not limited to:

- BBA (Bachelors of Business Administration)
- MBA (Masters of Business Administration)
- MA (Leadership) Masters of Leadership)
- CPA (Chartered Professional Accountant)
- CGA (Certified General Accountant)
- CPPO (Certified Public Procurement Officer)
- CPPB (Certified Professional Public Buyer)
- CSCMP (Certified Supply Chain Management Professional)

- CTCS (Certified Trade Compliance Specialist)
- CCS (Certified Customs Specialist)
- CHRP (Certified Human Resource Professional)
- CHRL (Certified Human Resource Leader)
- CHRE (Certified Human Resource Executive)
- PCP (Payroll Compliance Practitioner)
- PCM (Payroll Compliance Manager)

References

1. Ontario Public Health Standards Accountability Framework p. 59 – 61
https://www.health.gov.on.ca/en/pro/programs/publichealth/oph_standards/docs/protocols_guidelines/Ontario_Public_Health_Standards_2018_en.pdf

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