

**Report To:** Finance + Audit Committee, Board of Health  
**Submitted by:** Dr. Nicola Mercer, Medical Officer of Health & CEO  
**Subject:** MINISTRY OF HEALTH ACCOUNTABILITY FRAMEWORK FOR  
 BOARDS OF HEALTH: FINANCIAL ASPECTS

**RECOMMENDATION(S):**

- (a) That the Finance + Audit Committee makes recommendation to the Board of Health to receive this report, for information.

**BACKGROUND:**

On November 16, 2017 the Ministry of Health (MOH) released The Ontario Public Health Standards: Requirements for Programs, Services and Accountability. Included within this document is an Accountability Framework that outlines parameters and requirements to hold boards of health accountable for the work they do.

This report is for information purposes only and intended to serve as a resource to the Board of Health about the framework from which they are to operate from.

**PUBLIC HEALTH AND/OR FINANCIAL IMPLICATIONS:**

The Public Health Accountability Framework has four (4) Domains, as follows:

Domain	Objectives
Delivery of Programs and Services	Boards of health will be held accountable for the delivery of public health programs and services and achieving program outcomes in accordance with ministry published standards, protocols, and guidelines.
Fiduciary Requirements	Boards of health will be held accountable for using ministry funding efficiently for its intended purpose.
Good Governance and Management Practices	Boards of health will be held accountable for executing good governance practices to ensure effective functioning of boards of health and management of public health units.
Public Health Practice	Boards of health will be held accountable for achieving a high standard and quality of practice in the delivery of public health programs and services. <sup>1</sup>

The Accountability Framework is supported by three (3) types of accountability framework documents, as follows:

1. Accountability Documents:

- **Organizational Requirements** - outlines the requirements where reporting and/or monitoring are required to demonstrate accountability to the Ministry; and
- **Accountability Agreement (ASP&B)** - establishes the key operational and funding requirements for boards of health. The Annual Service Plan and Budget document that are submitted to the MOH reflect the key service and financial commitments of the Agency with the Ministry, and is formally signed by the BOH Chair, MOH/CEO and Director of Administrative Services.

2. Planning Documents:

- **Board of Health Strategic Plan** - sets out the 3 to 5 year local vision, priorities and strategic directions of the board of health; and
- **Annual Service Plan and Budget Submission** - outlines how the board of health will operationalize the strategic directions and priorities in its strategic plan in accordance with the standards.

3. Reporting Documents:

- **Performance Reports** - provided regularly on program achievements, finances and local challenges/issues in meeting outcomes; and
- **Annual Report** - a post year-end report on the organization's affairs, performance, delivery of quality public health programs and services, governance and compliance with various legislative requirements.

All of the organizational requirements incorporate one or more of the following functions:

- **Monitoring and reporting:** to measure the activities and achievements of boards of health and assess the results (demonstrate value and contribution of public health);
- **Continuous quality improvement:** to encourage changes in processes, address identified problems, and improve efficiency and effectiveness;
- **Performance improvement:** to ensure board of health achieve the best results possible and contribute to local, provincial, and population health outcomes;
- **Financial management:** to ensure that resources are used efficiently and in line with local and provincial requirements; and
- **Compliance:** to ensure boards of health meet ministry expectations for required activities articulated in legislation, standards, funding agreements, and policies.<sup>1</sup>

## Fiduciary Requirements Domain

The objective of these requirements is to “ensure that public health funding is used in accordance with accepted accounting principles, legislative requirements, and government policy expectations” and to “ensure that boards of health make efficient use of public resources by delivering high quality, effective program interventions, ensuring value for money.”

The full list of requirements under the Fiduciary Requirements Domain is attached hereto as **Appendix “I”**. Highlights of the requirements are as follows:

- Comply with Accountability Agreement, HPPA financial requirements;
- Procurement practices in compliance with *Municipal Act*;

- Maintain adequate insurance;
- Submit annual service plan and performance and annual reports; and
- Appropriate financial oversight and records management.

The fiscal cycle for the Board of Health’s requirements for the MOH is expected to be as outlined in *Appendix “2”*.

**REFERENCES:**

1. Ontario. Ministry of Health and Long-Term Care. Protecting and Promoting the Health of Ontarians: Ontario Public Health Standards: Requirements for Programs, Services, and Accountability (58-69); 2017.

**APPENDICES:**

*Appendix “1”* – Fiduciary Requirements Domain (Ontario Ministry of Health, 2017)

*Appendix “2”* – Fiscal Cycle for the Board of Health

*Original Signed Document on File*

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# Fiduciary Requirements Domain

Boards of health are held accountable for using ministry funding efficiently for its intended purpose.

## Objective of Requirements

The ministry has a responsibility to ensure that public health funding is used in accordance with accepted accounting principles, legislative requirements, and government policy expectations.

The ministry must also ensure that boards of health make efficient use of public resources by delivering high quality, effective program interventions, ensuring value for money.

## Requirements

1. The board of health shall comply with the terms and conditions of the Ministry-Board of Health Accountability Agreement.
2. The board of health shall provide costing information by program.
3. The board of health shall submit budget submissions, quarterly financial reports, annual settlement reports, and other financial reports as requested.
4. The board of health shall place the grant provided by the ministry in an interest bearing account at a Canadian financial institution and report interest earned to the ministry if the ministry provides the grant to boards of health prior to their immediate need for the grant.
5. The board of health shall report all revenues it collects for programs or services in accordance with the direction provided in writing by the ministry.
6. The board of health shall report any part of the grant that has not been used or accounted for in a manner requested by the ministry.
7. The board of health shall repay ministry funding as requested by the ministry.
8. The board of health shall ensure that expenditure forecasts are as accurate as possible.
9. The board of health shall keep a record of financial affairs, invoices, receipts and other documents, and shall prepare annual statements of their financial affairs.
10. The board of health shall comply with the financial requirements of the *Health Protection and Promotion Act* (e.g., remuneration, informing municipalities of financial obligations, passing by-laws, etc.), and all other applicable legislation and regulations.
11. The board of health shall use the grant only for the purposes of the *Health Protection and Promotion Act* and to provide or ensure the provision of programs

and services in accordance with the *Health Protection and Promotion Act*, Foundational and Program Standards, and Ministry-Board of Health Accountability Agreement.

12. The board of health shall spend the grant only on admissible expenditures.
13. The board of health shall comply with the *Municipal Act, 2001* which requires that boards of health ensure that the administration adopts policies with respect to its procurement of goods and services. All procurement of goods and services should normally be through an open and competitive process.
14. The board of health shall ensure that the administration implements appropriate financial management and oversight which ensures the following are in place:
  - a) A plan for the management of physical and financial resources;
  - b) A process for internal financial controls which is based on generally accepted accounting principles;
  - c) A process to ensure that areas of variance are addressed and corrected;
  - d) A procedure to ensure that the procurement policy is followed across all programs/services areas;
  - e) A process to ensure the regular evaluation of the quality of service provided by contracted services in accordance with contract standards; and
  - f) 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.
15. The board of health shall negotiate service level agreements for corporately provided services.
16. The board of health shall have and maintain insurance.
17. The board of health shall maintain an inventory of all tangible capital assets developed or acquired with a value exceeding \$5,000 or a value determined locally that is appropriate under the circumstances.
18. The board of health shall not dispose of an asset which exceeds \$100,000 in value without the ministry's prior written confirmation.
19. The board of health shall not carry over the grant from one year to the next, unless pre-authorized in writing by the ministry.
20. The board of health shall maintain a capital funding plan, which includes policies and procedures to ensure that funding for capital projects is appropriately managed and reported.
21. The board of health shall comply with the Community Health Capital Programs policy.

APPENDIX “2”

**Fiscal Cycle for the Board of Health**

