

PFC2020-1143
Council Expense Audit Follow Up
2020 October 13



1. Recoveries

- a) Based on our assessment of the Claims as against the Policies and consideration of all voluntary reimbursements made by Councillor Magliocca, there is no current calculated amount owing with respect to deemed ineligible expenses. There is a calculated overpayment in the amount of \$563.66; however, this amount does not include the PFC's determination of the amount of air fare upgrades and eligibility of certain hosting expenses to be reimbursed, if any.

The City needs to attend to the calculation of the air fare upgrade reimbursement and eligibility of certain hosting expenses to assess the amount to be recovered, if any, from Councillor Magliocca.



PAC007 Policy

Policy Purpose

PURPOSE

1. The purpose of the policy is to ensure that there are established procedures in place for Departments to request the approval of CCCO for proposed travel by Councillors at the expense of their Departmental budget prior to booking the travel; and
2. Guidelines are provided for Councillors when traveling at the expense of the Office of the Councillors budget.

Policy Guidance on Fare Options (including airfare)

c. Allowances for Personal Expenses i) Travel

- Personal car - see Section 4(c) below
- Rail, bus and air fares (receipts are required) ▪ **Economy fare is normal, unless unavailable.**
 - When non-scheduled aircraft are used on City business, arrangements are made through the Purchasing and Stores Department.



PFC Determination

- The PWC Report identified that PFC has the authority to makes decisions regarding Councilor expenses, in accordance with Policy PAC007

Reimbursement amount to be determined by the PFC

In accordance with PAC007, the PFC has the authority to consider appeals of CCCO decisions. As such, the PFC's assistance is required with respect to the following:

Air Fare Upgrades

PAC007 states that economy fare is normal, unless unavailable. Councillor Magliocca travelled on 7 upgraded air fare trips which there was no reimbursed upgrade portion issued to the City. Based on the dates of the advance flight bookings, we question the likelihood that economy fares was not available. This matter should be further reviewed by the PFC for determination.

Subsequent to Councillor Magliocca's review of the Draft, he advised us that he requested from the City the average airfare expenses of other City Councillors and Officials, who attended the various FCM Events, in order to voluntarily reimburse the City for any difference between his airfare and the average airfare of other officials. He further advised us that when he traveled and incurred upgrade charges, he always paid back such ineligible charges when notified by the CCCO, as per the City's current policy and procedure.

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Hosting

- The PWC Report further identified that follow-up in relation to hosting expenses should be pursued:

Hosting Expenses

PAC006 and PAC007 require Councillors to provide the names of the hosting attendees. Throughout our investigation, attendees for 11 separate occasions advised us that they were not in attendance for Councillor Magliocca's reported hosting expense. There are numerous attendees that either did not respond to our request or whom we were unable to locate their contact information. The PFC should follow-up/locate with these attendees to ascertain whether they were in attendance to assess eligibility.

- Administration is currently working with PWC to obtain related working papers which will enable the scope of work to be appropriately assessed and next steps determined.
- A report will be brought PFC as soon as possible once the work is complete.

Recommendations

That the Priorities and Finance Committee (PFC):

1. Determine the eligibility of the amount of airfare upgrades to be recovered. Either that the airfare expenditures :
 - a. are eligible and no recovery is required; or
 - b. are not eligible and
 - i. whether Councillor Magliocca's advice to PWC to pay the difference of the airfare expenses in question from the average expenses of the other Councillors and Officials who attended the various FCM events, which totals a reimbursement in the amount of \$3,294.25; or
 - ii. a different approach to calculating reimbursement should be utilised.
2. Direct the Council Expense Working Group to report back to PFC as soon as possible on the findings related to certain hosting expenses where follow up or location of the named attendees is still outstanding for the PricewaterhouseCoopers (PWC) report.