

Background

This report is in response to the direction from report C2020-0658 that certain matters be referred to Priorities and Finance Committee (PFC) for consideration. This report provides information to support a PFC decision on the eligibility of hosting expenses identified in the PricewaterhouseCoopers (PWC) Forensic Investigation Report where attendees could not be confirmed.

Context

In 2020 July, The City received the PWC Forensic Investigation Report for Ward 2 Expenses. The report recommended that PFC should attempt to locate those attendees who could not be contacted by PWC and follow-up with them to determine the eligibility of certain hosting expenses.

Previous Council Direction

On 2020 February 24, Council approved the following recommendations contained in Notice of Motion C2020-0263 Closing the Governance Gap in Office of the Councillors Efforts at Public Disclosure:

NOW THEREFORE BE IT RESOLVED THAT:

- In order to address the issue of Ward 2 expense claim discrepancies, Council direct the City Auditor:
- To immediately conduct a forensic investigation into the Ward 2 City Councillor's expenses (including those incurred at FCM) to the beginning of the present Council's term in office,
- To be funded through the Fiscal Stability Reserve (FSR), and
- To be conducted by a specialist (internal or external) under the direct oversight of the City Auditor's Office in order to ensure independence, objectivity and an unbiased result, with recommendations to be presented to Council as soon as possible;
- In order to objectively and cost-effectively demonstrate adherence to expense policies by all members of Council (including the Mayor), Council direct the City Auditor to immediately determine and execute the best way to verify expenses for all ward council offices and Mayor's Office budgets for the present Council's term in office, to identify whether individual or systemic issues exist that require further attention;
- In order to make all event related expenses easily available to the public (similar to the publicly posted Ward Office expenses), Council direct the Chief Financial Officer to immediately determine and execute the best way to make all centrally disclosed expenses for **Members of Council** and Administration (e.g. FCM, AUMA, Grey Cup, etc.) publically accessible going back to the beginning of the present Council's term in office; and

- In order to address the governance gap that exists in some matters of Council oversight, Council direct the City Manager to work with the City Auditor and other appropriate parties to determine a better governance model for Council oversight that either enhances and/or replaces some processes or responsibilities presently residing with the CCCO to eliminate conflicts of interest for members of Council and ensure that staff within the Office of the Councillors are able to act independently of Council, with recommendations to be presented to Council as soon as possible.

On 2020 July 27 Council received Council Expense Audit C2020-0658 for the Corporate Record.

On 2020 October 13, with respect to Report PFC2020-1143, the Priorities and Finance Committee did:

2. Direct the Council Expense Working Group to report back to the Priorities and Finance Committee 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.

Table Timeline

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2/24/2020	C2020-0263	<p>Closing the Governance Gap in Office of the Councillors Efforts at Public Disclosure</p> <p>This report directed Administration to undertake a number of initiatives to verify ward council office expenses; support public disclosure of expense data, and determine a governance model for Council oversight.</p>
07/27/2020	C2020-0658	<p>Council Expense Audit</p> <p>This report was provided to Council to be received into the Public Record.</p>
10/13/2020	PFC2020-1143	<p>Council Expense Audit Follow-up</p> <p>This report was provided to PFC to determine the eligibility of the amount of airfare upgrades to be recovered and 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.</p>

Bylaws, Regulations, Council Policies

The following bylaws and policies inform Councillors' expenses.

Bylaw 26M2018 - Code of Conduct for Elected Officials

PAC006 - Councillors' Expense/Allowance Policy

PAC007 - Councillors' Expenses – Out of Town Travel Policy

PAC008 - Office of the Councillors' Expenditure Authorization Policy

CC008 - Council to Cover Expenses of Prospective Federation of Canadian Municipalities (FCM) Directors