

**Coordinating Committee of the Councillors' Office  
Report to  
Combined Meeting of Council  
2021 May 10**

**ISC: UNRESTRICTED**

**C2021-0609**

**Page 1 of 3**

## **Councillor Expense Policy Review**

### **RECOMMENDATION(S):**

The Coordinating Committee of the Councillors' Office (CCCO) recommends that Council give 3 readings to Proposed Bylaw 36M2021 ("Councillors' Expense Bylaw").

### **HIGHLIGHTS**

- This report achieves Council direction and recommendations from:
  - Notice of Motion (C2020-0263) Closing the Governance Gap in the Office of the Councillors Efforts at Public Disclosure ("the Notice of Motion") (Attachment 3);
  - PwC Forensic Investigation Report (C2020-0877) ("the PwC Report") (Attachment 4); and
  - the City Auditor's Council Expense Audit Report (C2020-0658) ("the City Auditor Report") (Attachment 5)
- The expense framework contained in the proposed Councillors' Expense Bylaw will replace and rescind six existing Councillor expense and accounting policies:
  - **PAC006** Councillors' Expenses/Allowances Policy;
  - **PAC007** Councillors' Expenses – Out of Town Travel Policy;
  - **PAC008** Office of the Councillors Expenditure Authorization Policy;
  - **CC008** Council to Cover Expenses of Prospective FCM Directors;
  - **PAC014** Budgeting and Accounting Policy; and
  - **PAC003** Councillor Attendance at Quebec Carnival and Grey Cup.
- What does this mean to Calgarians? The proposed Bylaw will replace existing Council expense policies governing Councillors and their staff, and will improve transparency and accountability through clear expense policies and oversight.
- Why does it matter? Accountability and transparency of expenditures is critical for public trust and confidence in government.
- Strategic Alignment to Council's Citizen Priorities: A well-run city

### **DISCUSSION**

In response to Council direction from the Notice of Motion, the PwC Report and the City Auditor Report, the City Manager assembled a Working Group comprised of the Ethics Advisor, Chief Financial Officer, City Manager's Chief of Staff and City Solicitor & General Council. The purpose of the Working Group is to support the CCCO in determining a governance model for Council expense oversight that either enhances and/or replaces some processes or responsibilities presently residing with the CCCO and eliminates conflicts of interest for Members of Council. The City Auditor provided oversight of this work.

**Report to  
Combined Meeting of Council  
2021 May 10**

**ISC: UNRESTRICTED  
C2021-0609  
Page 2 of 3**

## **Councillor Expense Policy Review**

The City Auditor Report and the PwC Report identify two main improvements to Council Policies. First, they identify the need to clarify the expense rules in Council policies, including those related to hosting, personal meals, gratuities, alcohol, travel, gifts & donations, and office equipment. Second, they identify the need to strengthen supporting governance processes, including approval of expenses, timeliness of submission, training and orientation.

The work has concluded, resulting in an expense framework that addresses the above objectives and recommendations.

The framework is contained in a single document (proposed Councillors' Expense Bylaw) and applies to all Councillors and their staff. It strengthens and clarifies the governance framework of, among other things, the specific types of expenses flagged in the City Auditor Report and the PwC Report for improvement. The CCCO has a strong desire to align the Administration, Councillor and Councillor staff expense approach. As such, the proposed framework is based on Administration's expense policy and procedures that were recently updated and adopted by the Executive Leadership Team, and reflect leading municipal expense practices and oversight.

The proposed Bylaw also contains consequential changes to other bylaws (such as the Procedure Bylaw and the Code of Conduct Bylaw) to ensure alignment.

Independent oversight of Councillor expenses is a primary objective for the CCCO. To achieve this, the proposed framework includes a detailed expense review and approval process, and delegates approving authority to positions within City Administration and certain Council committees.

Section 203(1) of the MGA gives Council broad powers to delegate its powers, duties, or functions, and requires that delegated authority be granted through a bylaw. Although the rules governing expenditures could be contained in a separate policy adopted by resolution, for maximum clarity and to satisfy the City Auditor and PwC recommendations for a single document governing expenses, the expense framework and delegations are contained in the single proposed bylaw.

To ensure that all expenses align with Council direction and recognizing that there will be a period required for Councillors to bring expense practice into alignment with the proposed Bylaw, a transitional provision has been included.

### **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

**Report to  
Combined Meeting of Council  
2021 May 10**

**ISC: UNRESTRICTED  
C2021-0609  
Page 3 of 3**

## **Councillor Expense Policy Review**

---

### **IMPLICATIONS**

#### **Social**

The analysis determined that no social implications were applicable.

#### **Environmental**

The analysis determined that no environmental implications were applicable.

#### **Economic**

The analysis determined that no economic implications were applicable.

#### **Service and Financial Implications**

No anticipated financial impact

### **RISK**

Approval of the proposed bylaw will address the current risk of confusion around rules governing Councillor and council staff expenses and associated reputational and financial impacts to The City of Calgary. It will also provide independent oversight of Councillor and Councillor staff expenditures, addressing the risks associated with reduced transparency and accountability.

### **ATTACHMENT(S)**

1. Proposed Bylaw 36M2021
2. Previous Council Direction and Background
3. Notice of Motion (C2020-0263) Closing the Governance Gap in the Office of the Councillors Efforts at Public Disclosure ("the Notice of Motion")
4. PwC Forensic Investigation Report (C2020-0877) ("the PwC Report")
5. City Auditor's Council Expense Audit Report (C2020-0658) ("the City Auditor Report")

### **Department Circulation**

<b>General Manager</b>	<b>Department</b>	<b>Approve/Consult/Inform</b>
David Duckworth, City Manager	City Manager's Office	Consult
Jill Floen, City Solicitor and General Counsel	Law	Consult
Carla Male, Chief Financial Officer	Chief Financial Officers Department	Consult
Liz Ormsby, Acting City Auditor	Office of the City Auditor	Inform
Emily Laidlaw, Ethics Advisor	Office of the Ethics Advisor	Consult