

**CITY OF VAUGHAN**  
**REPORT NO. 7 OF THE**  
**COUNCIL EXPENDITURE AND CODE OF CONDUCT REVIEW**  
**TASK FORCE**

*For consideration by the Finance, Administration and Audit Committee  
of the City of Vaughan  
on December 5, 2016*

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The Council Expenditure and Code of Conduct Review Task Force met at 9:41 a.m. on October 27, 2016.

Present: Councillor Marilyn Iafrate, Chair  
Regional Councillor Gino Rosati  
Councillor Rosanna DeFrancesca  
Councillor Sandra Yeung Racco

Staff Present: Kevin Shapiro, Director of Internal Audit  
Laura Mirabella-Siddall, Chief Financial Officer and City Treasurer  
Lloyd Noronha, Director, Financial Planning and Development Finance / Deputy City Treasurer  
Barbara McEwan, Deputy City Clerk  
Nelson Pereira, Senior Corporate Financial Analyst Financial Planning and Development Finance  
Adelina Bellisario, Council / Committee Administrator

The following item was dealt with:

**1        UPDATE TO COUNCIL EXPENDITURE POLICY AND PROPOSED NEW OPERATING  
PROCEDURE FOR MEMBER ORGANIZED COMMUNITY EVENTS**

The Council Expenditure and Code of Conduct Review Task Force advises Council:

That the following recommendations were approved:

- 1)        That the recommendations contained Attachment 1, be approved for inclusion in the Council Expenditure and Code of Conduct Review Task Force Findings Report, subject to amending the recommendations to read as follows:**
  - a.        That the source of City funding be identified in any advertisements placed by the Mayor and Members of Council and any other forms of 3<sup>rd</sup> party funding or funds provided by individual Members of Council shall not be permitted;**
  - b.        That in an election year, paid advertisements or corporate newsletters (including e-newsletters) after the cut-off date be directly related to city business such as communicating with respect to a pending Planning Act application or development matter, the facilitation of a community meeting, the opening of a city facility, and community consultations relating to a matter to be considered by Council before the end of the term and further that publications shall not be placed to issue greetings on behalf of a councillor or merely to provide contact information;**
  - c.        That business card publications shall be permitted; however care shall be taken to avoid multiple business cards from different Council Offices in one publication. In those cases a corporate ad shall be placed instead;**
  - d.        That if a corporate greeting is placed, no individual ads (or business cards) shall be permitted, particularly for holiday greetings;**

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- e. That as a principle, the manner of advertising chosen shall be made on the basis of reaching the most residents for the lowest cost;
  - f. That congratulatory letters (provided they are at no cost) shall not be subject to the restrictions in the expense policy regarding paid advertising;
  - g. That 'on-line publications' shall be added to the list of media eligible for paid postings;
  - h. That the election year advertising cut-off date shall remain as June 30;
  - i. That the \$2000/\$4000 (Council Member/Mayor) limit for advertisements in 'charitable' publications shall be maintained, but for other publications there shall be no maximum otherwise so long as the advertising expense is within budget;
  - j. That a definition for Community Events shall be provided, with different treatment to be given to 'Social Community Events' versus 'City Business Community Events';
  - k. That Council may host up to 2 Social Community events per year and approval of this policy recognizes conformity with the Code of Ethical Conduct on Gifts and Benefits Rule No.2 1(j) and further that any additional events by any Member of Council will require pre-approval or authorization from Council;
  - l. That Social Community Events are to be funded entirely by donations and sponsorships, with the exception of reasonable indirect city expenses such as council staff time;
  - m. That a post Community Event filing shall be required setting out the donations and services that have been provided to support the event and further that Cash will continue to flow through Finance;
  - n. That there must be full transparency when sponsors are involved in Social Community Events and that Sponsorships shall only be provided in conjunction with set criteria to be defined; and
  - o. That the Corporation Communication Department inform Council of all corporate advertisements annually;
- 2) That the recommendations contained Attachment 2, be approved for inclusion into the Council Expenditure and Code of Conduct Review Task Force Findings Report, subject to amending the recommendations to read as follows:
- a. That under "Sponsorship received", 2. a. (ii) "Regional or" be added before "Ward"; and
  - b. That the reporting threshold for funds received from any one source during the course of a calendar year in the form of Sponsorship funding be amended to \$800;
- 3) That the foregoing recommendations pertaining to the Council Expenses be brought forward to the Council Expenditure and Code of Conduct Review Task Force meeting of December 13, 2016 in a consolidated findings report for final approval;
- 4) That the report of the Chief Financial Officer / City Treasurer, City Clerk and Director of Financial Planning and Development Finance / Deputy City Treasurer, dated October 27, 2016, be received; and
- 5) That Communication C1 from the Integrity Commissioner, be received.

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Report of the Chief Financial Officer / City Treasurer, City Clerk and Director of Financial Planning and Development Finance / Deputy City Treasurer, dated October 27, 2016.

**Recommendation**

The Chief Financial Officer / City Treasurer, City Clerk and Director of Financial Planning and Development Finance / Deputy City Treasurer, in consultation with the Director of Internal Audit and Integrity Commissioner, recommend:

1. That the recommendations as outlined in Attachment 1 be approved for inclusion into the Council Expenditure and Code of Conduct Review Task Force Findings Report, subject to the determination of an appropriate advertising cut off date as noted in the respective section of this report; and
2. That the standard operating procedure outlined in Attachment 2 and the template presented in Attachment 3 be endorsed by the Task Force and be approved for inclusion into the Council Expenditure and Code of Conduct Review Task Force Findings Report.

**Contribution to Sustainability**

Council is responsible for overall governance and policy making, which directly influences the financial and operational sustainability of the municipality.

**Economic Impact**

There is no direct economic impact from this report.

**Communications Plan**

Meetings of the Task Force are open to the public and appear on Council's calendar of meetings posted to the City's web site.

**Purpose**

The purpose of this report is to summarize and submit the Task Force recommendations into a consolidated finding report that will be forwarded to a future Finance, Administration and Audit committee meeting. This report is also to provide the Task Force with a proposed standard operating procedure and template for Council members to use to report on the expenditures and associated funding sources for member hosted social community events.

**Background - Analysis and Options**

**Recommendations for the Council Expenditure Policy have been made**

The Task Force has completed a review of the Council Expenditure Policy. As result of this review, there have been numerous recommendations proposed to the Council Expenditure Policy that are intended to provide some additional guidance to Members of Council to assist with the administration of their office budgets. Several recommendations that have come out of Task Force discussions have been outlined in Attachment 1, examples of broad categories include:

- Sources of funding for advertising
- Types of advertising
- Councillor expenditures in an election
- Member hosted versus community hosted events

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**A new Standard Operating Procedure for Event Reporting has been developed**

At the September 14, 2016 meeting of the task force, staff were directed to:

*...prepare for the Task Force's consideration, a draft Standard Operating Procedure to address the treatment of financial transactions related to Social Community Events.*

Attachment 2 provides the proposed Standard Operating Procedure and Attachment 3 provides a template for a Statement of Event that accompanies the procedure.

A working group of staff from Council Member offices were shown the proposed procedure and Statement of Event template. Input received as a result of this consultation were incorporated into the procedure and template. The working group commented that the procedure was relevant and simple to follow. They also commented that template should assist with the tracking and posting of the financial accounting of the event. The proposed procedure and template have been provided to the Integrity Commissioner and Director of Internal Audit for review and comment. Through this review it has been highlighted that there may be a duplication of reporting of expenditures in light of the new procedure.

Rule No 2 of the Code of Ethical Conduct which states:

*...if the total value received from any one source during the course of a calendar year exceeds \$500, the member shall within 30 days of receipt of the gift or reaching the annual limit, list the gift or benefit on a Councillor information statement...*

Rule No 3 (c) of the Code of Ethical Conduct which states:

*... Members of Council must report to the Integrity Commissioner, the names of all donors and the value of their donation that supplement the event.*

Currently, Members of Council would be required to file separate reports to comply with the rules above as well as posting a Statement of Event to their web-site. Members of Council could continue this practice, but staff recommend that only the completion of the Statement of Event template for an event that falls under the category of a Member Organized Community Event be required. The approval of Recommendation 2 above would result in this reporting practice being instituted and incorporated into the Council Expenditure Policy as necessary.

**An election year advertising cut off date can now be determined as a result of the enactment of amendments to the Municipal Elections Act**

Amendments to the Municipal Elections Act are now in force. As a result, the nomination period for candidates has been adjusted as follows:

- Beginning of the nomination the period moves to May 1 in an election year, from January 1 ;
- End of the nomination period moves to the fourth Friday in July, from the second Friday in September, in an election year;

The Task Force should therefore give consideration to the election year advertising cut off date either being adjusted to:

May 1;

The fourth Friday in July; or

Remain at June 30, which aligns to the end of Council meetings prior to summer hiatus

**Relationship to Term of Council Service Excellence Strategy Map (2014-2018)**

The report supports the goals established by Council in the Term of Council Service Excellence Strategy Map (2014-2018), particularly those relating to the Corporate Governance and Accountability Framework.

**Regional Implications**

There are no regional implications from this report.

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**Conclusion**

This report provides the members of the Task Force with a consolidated listing of recommended changes to the Council Expenditure Policy and a draft Standard Operating Procedure to address the treatment of financial transactions related to Social Community Events.

**Attachments**

1. Substantive Recommendations for the Findings Report
2. Standard Operating Procedure – Member Hosted Social Community Events
3. Reporting Template – Statement of Event

**2** **EXTENSION OF TERM**

The Council Expenditure and Code of Conduct Review Task Force advises Council:

- 1) That the following recommendations were approved:
  - 1) That the Council Expenditure and Code of Conduct Review Task Force be granted an extension to June 2016 to complete and submit its findings report in accordance with its mandate;
  - 2) That the following meeting dates for 2017 be approved:  
  
Tuesday, January 31  
Tuesday, February 28  
Tuesday, March 28  
Tuesday, April 25  
Tuesday, May 30; and
- 3) That the November 18, 2016 meeting be re-scheduled to December 13, 2016.

**3** **INTERNAL AUDIT ROLE**

The Council Expenditure and Code of Conduct Review Task Force advises Council:

- 1) That the following recommendations were approved:
  1. That Section 4.3 of the Council Member Expense Policy be revised to state:  
  
That the Director of Internal Audit has authority to conduct periodic compliance audits to assess whether Councillors expenses are in compliance with the policy; and
  2. That the following be added:  
  
That Councillors may consult with the Chief Financial Officer or designate on interruption of the Council Member Expense Policy.

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**4**

**OTHER MATTERS CONSIDERED BY THE TASK FORCE**

**4.1     ITEM ADDED TO THE AGENDA**

The Council Expenditure and Code of Conduct Review Task Force advises Council:

That the following items were added to the agenda:

2.        Extension of Term
  3.        Internal Audit Role
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The meeting stood adjourned at 11:09 a.m.

Respectfully submitted,

Councillor Marilyn Iafrate, Chair

Report prepared by: Adelina Bellisario, Council / Committee Administrator