



INTEGRITY COMMISSIONER REPORT ACTION REQUIRED

Integrity Commissioner Annual Report - 2006

Date:	August 27, 2007
To:	City Council
From:	Integrity Commissioner
Wards:	All
Reference Number:	

SUMMARY

This is the second annual report of the Integrity Commissioner.

As required by the terms of my appointment, I report on my activities over the past twelve months. This involves a summary of various initiatives taken to improve the operations of the office and, more particularly, the rules and protocols under which it operates. It also accounts for the other elements of my mandate: the investigation of and reporting on complaints, provision of advice (including samples of advice given), and various educational initiatives. As well, I outline the outreach activities of the office as well as account for its budget.

RECOMMENDATIONS

The Integrity Commissioner recommends that City Council receive this report.

FINANCIAL IMPACT

Receipt of this report will have no financial impact.

DECISION HISTORY

Item 8 on the list of the Integrity Commissioner's duties adopted by Council at its meeting of February 5, 6 and 7, 2007 requires her or him to report annually to Council. That report is to include in general terms examples of advice given and complaints dealt with during the previous twelve months. Section 162(1) of the *City of Toronto Act, 2006*

("COTA") directs the Integrity Commissioner in reporting to Council on advice provided not to disclose confidential information that could identify the person concerned.

COMMENTS

Overview

This is my second annual report. It covers the period January 1, 2006 to December 31, 2006. I have served as Integrity Commissioner on a part-time basis since September 1, 2004. My current two year contract expires on August 31, 2007.

2006 was a watershed year in the brief history of this office. With the enactment of COTA, the office was put on a statutory footing and given permanent status. This Act (which came into force on January 1, 2007) and the City's initiatives to give effect to the recommendations of the Report of the Toronto Computer Leasing Inquiry ("Bellamy Commission") necessitated revisions to the *Code of Conduct for Members of Council* ("Code of Conduct") and associated *Council Code of Conduct Complaint Protocol* ("Complaint Protocol"). While that work is ongoing, Council at its September 2006 meeting endorsed significant changes to the Code of Conduct. I provide a more detailed account of the process and the changes later in this report.

Throughout the year, I continued to provide advice, both formal and informal, to Members of Council and their staff, though there was a significant reduction in the number of requests for advice. As required, samples of that advice are set out in this report. There were also a number of formal complaints and, in four instances, I reported to Council on violations of the Code of Conduct. However, in only one of those instances did I recommend remedial action. I also completed work on two matters that Council had referred to me in 2005. That resulted in new policies on the hiring of relatives of Members of Council and Members of Council acting as references for those seeking a position with the City. I also continued to participate along with the City Solicitor in an inquiry being conducted by the Auditor General. This inquiry generated a report recommending changes in the ways in which Committees of Adjustment function. During 2006, Council also referred a number of other issues to me for consideration and reporting. Some of these references are ongoing. I was also involved in providing advice and assistance to City staff on a variety of policy initiatives having integrity or Code of Conduct dimensions. Once again, the details of these aspects of my work are contained in this report.

2006 was an election year. This raised a number of important issues involving ethics and integrity and I worked in close cooperation with the City Clerk and, in particular, the Director of Election and Registry Services in an endeavour both to anticipate issues that might involve my office and to deal with problems as they arose in the course of the process. The election of a new Council also provided the opportunity for more sustained fulfilment of my educational mandate. In cooperation with the City Clerk's, City Manager's and Auditor General's offices (and, in particular, the Director of Corporate Access and Privacy), an educational programme was mounted in December 2006.

During the year, I accepted a number of invitations (both internal and external) to speak about the work of my office and aspects of it. This included meeting with three delegations from the People's Republic of China. I also formed a working relationship with the Centre for Ethics at the University of Toronto.

Throughout 2006, I continued to have what I regarded as an excellent working relationship with the City Clerk, the City Manager, the City Solicitor and their staff. This was particularly important in moving forward with work on various policy issues that Council had referred to my office or with which I was otherwise involved. Mutual trust and respect are also important in situations where my complaint and investigation jurisdiction intersects within the frontline responsibilities of City staff and, in particular, Corporate Access and Privacy, Council and Support Services, and, especially, during the latter part of 2006, Elections and Registry Services. Invariably, the officials with whom I dealt went out of their way to assist me when needed. Very importantly, those same officials were always very aware of the independent nature of my office and, at all times, respected the boundaries that ensure I exercise independent judgment on matters that are properly before me. I also met regularly and worked successfully with the City's other independent official, the Auditor General.

In my dealings with Members of Council, I did not encounter any situations during 2006 in which Members were other than cooperative with the work of my office and, in particular, my complaint resolution role. I also felt very comfortable working with the Members of Council who served on the Advisory Task Force charged with reviewing the Complaint Protocol and the Bellamy Recommendations Steering Committee.

Towards the end of 2006, my part-time Administrative Assistant, Zorida Ali secured a full-time, permanent position elsewhere in the City. Her departure early in 2007 was a big loss to my office and I simply want to put on record the important contributions she made to the setting up of the office and its day-to-day operations during the two years she worked as my Administrative Assistant.

Policy Development and Other References from Council

Revisions to Code of Conduct

The Code of Conduct underwent significant changes in 2006. The impetus for these changes came from three sources: the enactment of COTA (and, in particular, Part V, Accountability and Transparency), the City's meeting of its obligation to provide a response to the recommendations of the Bellamy Commission, and my own experience working with the existing Code over a two year period.

During the summer of 2006, the Bellamy Recommendations Steering Committee, a special purpose committee of Members of Council, worked on developing Council's responses to those parts of the Bellamy Commission Report dealing with a lobbyist registry, codes of conduct, complaint protocols and the office of the Integrity Commissioner. It was within that process that the changes to the Code of Conduct were developed and submitted to Council at its meeting of September 28 and 29, 2006.

To meet the requirements of section 157(2) of COTA, Council stipulated that the Code of Conduct applied to members of local boards (restricted definition) as defined by that Act. This group comprises most but not all of the City agencies, boards and commissions to which the existing Code of Conduct applied. Council also endorsed in principal the extension of the Code of Conduct to the staff of Members of Council. However, this was made subject to further advice from the City Manager and the City Solicitor.

The principal substantive changes to the Code of Conduct were as follows:

- The provision on receipt of gifts and benefits was tightened in a number of ways. No longer are gifts and benefits received as a matter of “custom” permissible. Except for political contributions permitted by the *Municipal Elections Act*, Members may no longer accept gifts and benefits from lobbyists. Members must report to the Integrity Commissioner on permissible gifts and benefits from a single source worth over \$300 individually or on a calendar year accumulated basis, and, except in the case of travel paid for by other governments, there is an upper limit of \$500 for even permissible gifts and benefits. This \$500 limit also applies to individual gifts and benefits or an accumulation of gifts and benefits from a single source in any calendar year. Finally, the provision now applies to gifts and benefits received not only by a Member but also by a Member’s spouse, parent, child or staff member.
- It is now a violation of the Code of Conduct for a Member not only to disclose confidential information but also to secure or try to secure access inappropriately to confidential information.
- Improper use of influence was previously referenced only in the Preamble to the Code of Conduct and as a result was not one of the Code’s substantive provisions. It has now been transferred to the body of the Code.
- When the Lobbyist registration system is functioning, it will be a violation of the Code to deal with unregistered lobbyists or registered lobbyists who are otherwise in violation of the relevant by-law.
- The word “fairly” no longer appears in the Discreditable Conduct provision. Its use had encouraged members of the public particularly to believe that the Integrity Commissioner could investigate Members of Council for not promoting the interests of particular constituents or taking up a particular issue.
- There is now a generic provision making it a violation for a Member not to follow Council policies.
- Obstructing the Integrity Commissioner in the conduct of an investigation as well as taking reprisals against complainants also becomes violations.

- Acting on the formal advice of the Integrity Commissioner now, however, provides an answer to any complaint.
- The Code of Conduct also now contains the sanctions provided for in COTA, a reprimand or loss of wages for up to 90 days, as well as a range of other possible penalties such as loss of membership on a committee and a direction to repay money.

As well, Council approved in principle inclusion within the Code of Conduct of a conflict of interest provision but not extending to perceived conflicts of interest. This too was left to be developed by the Integrity Commissioner in consultation with the City Solicitor.

As noted below, Council conditioned the coming into effect of the revised Code of Conduct on certain changes to the legal costs provisions contained in the Complaint Protocol.¹

Code of Conduct Complaint Protocol

In last year's report, I outlined the work of an Advisory Task Force of Council charged with considering various aspects of the original Complaint Protocol. Council adopted that Task Force's recommendations at its April 2006 meeting. The principal changes were strengthening the provisions entitling the Integrity Commissioner to decline to investigate a complaint (or to terminate an investigation) on the basis that a complaint was frivolous, vexatious, not made in good faith, or otherwise without substance, as well as directions to the Integrity Commissioner not to report automatically to Council on dismissed complaints but only where exceptional circumstances warranted it.

Over the balance of 2006, I used the first authority in declining to investigate four complaints and also in giving advice to potential complainants that there was little purpose in filing a formal complaint. During that same period, I also dismissed six complaints as outside my jurisdiction and one complaint after a full investigation and did not see justification for reporting to Council in any of those instances. This created efficiencies for Council, the City Clerk's staff charged with processing my reports, as well as my own Office.

This did not, however, mark the end of the need for changes to the Complaint Protocol. Through experience, further defects had become apparent in the original Complaint Protocol. The provisions of COTA dealing with my office also necessitated further changes *e.g.* the provisions on confidentiality, the authority to function as a public inquiry, and penalties. As well, Council conditioned the coming into force of the revised Code of Conduct on the substitution of a more generous provision in the Complaint Protocol on legal costs. As 2006 ended, work was under way on an even more significant set of changes to the Complaint Protocol than had taken place in April of that year.

¹ That happened at the February 5, 6, 7 and 8, 2007 meeting of Council and the Consolidated Code of Conduct came into effect on February 8, 2007, the last day of that meeting.

Policies on Councillors Acting as References and the Hiring of Relatives of Councillors

In 2005, Council asked me to report on the propriety of Members acting as references for those seeking positions with the City and also on the question of the relatives of Members working for the City. I submitted my two reports to the Policy and Finance Committee at its meeting of May 16, 2006. Subsequently, Council considered my reports at its July 25, 26 and 27, 2006 meeting. Council adopted my recommendations for the hiring of relatives of Members and most of the recommendations that I made with respect to Members acting as references.

The major impact of the report on the hiring of relatives is to prevent the appointment of the spouses, conjugal partners, children and parents of Members to a range of senior positions in the City of Toronto Public Service, including the City's various accountability offices. While existing situations were grandparented, the policy does apply to relationships that are formed during the time a Member is in office. As well, the policy removes Members from formal participation either at Council or elsewhere in any hiring competition for which one of a more broadly defined range of relatives is a candidate. Also, Members are obliged to declare a conflict of interest and refrain from participation and voting at Council on collective bargaining and other personnel matters affecting the interests of a spouse, conjugal partner, parent or child, and on policy reports in which a person within this category has taken a lead or significant development role. In making the recommendations that Council adopted, I rejected the arguments of those who were advocating a more widespread, if not total ban on the City employing the relatives of Members. Given the size of the City's workforce and the demands of the province's anti-discrimination laws, I formed the view that any broader ban would be inappropriate, if not illegal.

Under the references policy, Members of Council may now act as a reference for someone seeking a position with the City (including membership on an agency, board and commission) only if they have had a relevant employment, instructional or supervisory relationship with the applicant or candidate. Knowing the person as a constituent is not enough. Beyond that, Members may not act as referees for relatives broadly defined or for those (other than their own staff) where the only relevant relationship has been with that person as a member of the public service of the City or a City agency, board or commission. Members of Council may also not participate as decision-makers on applications by those for whom they have written a reference and must declare the existence of a relevant relationship with a candidate for whom they could have acted as a reference.

I also made more general recommendations for guidelines for Members on acting as references outside of the City context. These guidelines were based on those specified by the province's Integrity Commissioner for Members of the Provincial Parliament. However, Council deleted some of the guidelines including one cautioning against the provision of "To Whom it May Concern" letters. Nonetheless, Council did accept that Members should not be providing any form of reference where the sole basis for that

reference is the Member's knowledge of that person as a friend, relative or constituent. Here too, the appropriate test is whether the Member has had a relevant employment or other relationship with the candidate.

Subsequently, Council also asked me to revisit the issue of Councillors employing the relatives of other Councillors as members of their staff. The existing policy forbids that but Council's specific concern was whether this prevented the continued employment of the relative of a person who became a Member of Council after the employment relationship commenced, and, if it did, whether, this should continue. The City Solicitor advised me that the existing policy did not require the termination of the employment relationship in those circumstances. I reported this to Council and indicated my concurrence with that position as a matter of policy.

North York Committee of Adjustment

At its October 2005 meeting, Council requested the Auditor General to conduct a review of the processing and hearing of certain applications before the North York Panel of the Committee of Adjustment. The City Solicitor (in consultation with the Integrity Commissioner) was asked to review the Auditor General's report and determine whether the matter needed any further consideration and, if so, to recommend procedures for that further consideration.

As directed, I was part of that process that eventually in February 2007 led to Council adopting a report that made recommendations for significant changes in the practices and procedures of Committees of Adjustment across the City. Along the way, the Auditor General and the City Solicitor presented confidential reports to Council in April 2006. While the reports were still under consideration *in camera*, a local newspaper carried a report to the effect that the writer had obtained a copy of the Auditor General's report and then went on to reveal sufficient of its content to confirm the veracity of the reporter's claim that there had been a leak.

Council then requested me to investigate the leaking of the report or the information contained in it. I interviewed numerous persons (including the reporter) but was unable to ascertain the source of the leak or how it occurred. This was not surprising. Unless, as in one other instance during 2006, the source of the leak admits the conduct, it is always going to be difficult to ascertain reliably the identity of the perpetrator, notwithstanding fairly strong suspicions.

During the course of my investigations, however, one person whom I interviewed stated that he/she knew the source of the report and offered to share that information with me if I would agree to take certain steps in another investigation. I declined that offer and, in early 2007, reported out on this conduct as an instance of obstructing the Integrity Commissioner in the performance of his duties. This was the first occasion on which I had made such a report to Council. While I eventually concluded that the person concerned did not in fact know the identity of the person responsible for the leak, I nonetheless regarded this conduct as a serious ethical lapse.

Involvement in Other Policy Initiatives

On a number of occasions, Staff invited me to provide my perspectives on various issues that were under consideration at a policy development level and that had ethical or integrity components. These involvements included:

- Development of the lobbyist registry and lobbyist code of conduct;
- Proposals relating to donations and section 37 (*Planning Act*) benefits;
- Preparation of the 2006 Handbook for Members;
- Revisions to the policies and processes for the appointment of civilian members of City Agencies, Boards and Commissions;
- Development of a new policy on protecting confidential information in Staff Reports;
- Providing advice with respect to Ethics Education for Managers; and
- Discussions about “ownership” of paper and electronic records of Members and their Staff

Complaint Investigation and Reporting

Statistics – January 1, 2006 to December 31, 2006²

Formal Complaints Received:	26 ³
Settled, Withdrawn or Abandoned:	3
Rejected as Beyond Jurisdiction:	6 ⁴
Rejected as Frivolous or Vexatious, Made in Bad Faith or Without Substance:	4
Rejected after Formal Investigation:	1
Sustained:	3 ⁵
Still under Investigation (as of December 31, 2005):	9 ⁶

² As of the date of my previous report, there were five outstanding complaints from 2005, three of which were related. I found one of the group of three to have been sustained as well as a component of one of the other two. I also upheld one other complaint, and treated the other as withdrawn.

³ Includes a request by the Mayor to consider whether his conduct amounted to a Code of Conduct violation and to report to Council.

⁴ Includes three connected complaints.

⁵ Two of these concerned the same conduct but different complainants.

⁶ As of the date of this report, two of these complaints were still under investigation. Of the other seven, I rejected one as beyond my jurisdiction, another as without substance without a formal investigation, and

Complaints by Staff:	0
Complaints by Public:	23
Complaints by Members:	3 ⁷
Members Complained Against:	17

During 2006, I did not report to Council on any complaints that I rejected for lack of jurisdiction. Similarly, after the Complaint Protocol was changed to require that I report to Council in only exceptional cases on complaints that I have rejected after an investigation, I did not exercise this authority.

Commentary

The number of complaints increased by four over the period of sixteen months for which I provided statistics in my previous annual report. However, I commenced fewer formal investigations – ten as opposed to fourteen in 2005.

Superficially, the biggest contrast between the statistics for the first sixteen months and those for 2006 is that, during the course of 2006, I reported to Council on six violations as opposed to only one. However, of those six reports, three were on complaints received in 2005. Two of the reports involved precisely the same incident while another two were about related incidents.

The subject matter of those six reports covered a variety of violations: mistreatment of a Council Member’s staff, improper disclosure of confidential information, and wrongful use of the City’s internet and email capacities. In no case did I recommend that Council impose a sanction on the Member and, indeed, in one, I found, in terms of Section 5 of the Complaint Protocol, that the contravention was the result of an error of judgment made in good faith. In one of the instances of mistreatment of staff, I recommended that efforts be made to secure some form of compensation for the person concerned and, while the specific remedies that I recommended were not legally feasible, I understand that alternatives were explored by the City Manager.

Clearly, this evidence provides no basis for any claim that violations of the Code of Conduct are a common occurrence among Members. Indeed, while with one exception, I regarded the violations as fully meriting the attention of Council, they were certainly not among the most egregious kinds of conduct that could arise under the Code of Conduct. This is reflected in my decision not to recommend any sanctions against any of the Members involved.

three more (including two interrelated matters) after an investigation. The ninth, I sustained and reported to Council.

⁷ Includes reference from the Mayor.

It is, however, worthy of note that there were a number of complaints filed in 2006 and early in 2007⁸ that involved allegations of misconduct during the 2006 Municipal Election campaign. I had been expecting that and intend to report more fully on this issue both in my 2007 Annual Report and in a separate report to the Executive Committee on issues that my office encountered arising out of the election campaign. As well, Council directed me at its September 2006 meeting to consider a recommendation that all complaints made against Members in the six months prior to a municipal election be held in abeyance until after the election. I will also be reporting to Council on that in due course.

Part A of the Complaint Protocol creates an Informal Complaint Procedure. Part B of the Complaint Protocol also empowers me to try to settle Formal Complaints. I regret to report that during the period September 2004 to December 2006, I was not able to utilize either of these facilities to advantage. I regarded this as particularly unfortunate in the case of three complaints that arose out of serious misunderstandings between Members of Council and members of the public that generated complaints of discrimination and harassment. In each instance, I suggested to the complainants that mediation might be a more appropriate way to proceed rather than a formal investigation, and, in each instance, the Member was prepared to explore that. However, the complainants simply refused. For them, matters had gone too far and my best efforts to persuade them otherwise fell on deaf ears. That is to be regretted and I intend in appropriate cases to persist in trying to convince the parties of the merits of trying to settle the matter without a full, formal investigation followed by a report.

Advice Given

Statistics – January 1, 2006 to December 31, 2006

Members of Council

Advice Sought:	23
Members Seeking Advice:	17
Informal Advice:	11
Formal Written Advice:	12

Citizen and Staff Inquiries

Citizen:	87
Staff:	13

⁸ Seven in total including three in 2006.

Commentary

Nothing occurred in 2006 that caused me to re-evaluate my position that the best gauge of the success of the office of Integrity Commissioner is the extent to which Members seek advice in advance of acting on matters that potentially engage the Code of Conduct. As a consequence, the reduction in the number of situations in which Members of Council sought advice during 2006 gave me some cause for concern. It remains to be seen whether this is part of a trend or the product of election year when Members' minds were elsewhere. It is also my sense that numbers may very well increase again as a result of the amendment to the Code of Conduct providing Members with an answer to a complaint of misconduct when they have acted on the formal advice of the Integrity Commissioner.

As for inquiries by members of the public, the vast majority of those inquiries are about matters over which the Integrity Commissioner has no jurisdiction. Many of them concern the actions of staff. It is to be hoped that with the advent of the 3-1-1 system and the office of Ombudsman, the numbers of that kind of inquiry will tail off and, in the case of complaints of maladministration, citizens of Toronto will have an office to which they can look for investigation and recourse. Also, many of the inquiries about the actions of Members of Council continue to involve members of the public becoming upset with their Ward Councillor because he or she has priorities other than the concern being advanced or has taken a position that is contrary to the interests of the person contacting my office. These are not Code of Conduct matters but it is often very difficult to explain to members of the public that the Integrity Commissioner does not have authority to be their advocate with a Member of Council who has decided not to take up their cause. With the removal of the word "fairly" from the Code of Conduct comes the elimination of one source of confusion on the role of the Integrity Commissioner. Nonetheless, I would be very surprised if this comes close to eliminating this aspect of the "work" of the office.

Samples of Advice Provided

- Q.** May a Member accept an invitation to attend a meeting from the Residents' Association in another Member's Ward?
- A.** It depends. If the meeting concerns a matter or matters that are of general or City-wide concern (that is, are not Ward-based), the Member can attend automatically, though simple courtesy might suggest informing the Ward Councillor. If the reason for the invitation is a Ward-based matter, the Member should contact the Ward Councillor and ascertain whether the Ward Councillor is involved. If the Ward Councillor is involved, the Member should generally refrain from attendance, unless the Ward Councillor is representing or supporting interests other than those of the Residents' Association.

- Q.** A Member has an application before a Committee of Adjustment relating to property that the Member owns in his Ward. How should the Member deal with constituents who have an interest in the application?
- A.** There is no explicit policy on this except the rules in the *Municipal Conflict of Interest Act* with respect to declarations of interest and neither participating nor voting. However, a sensible course of action is to refer the matter to a neighbouring Ward Councillor and, thereafter, remain at arm's length from both the constituents and the neighbouring Ward Councillor on the matter.
- Q.** A Member receives an invitation to attend an event being hosted by a company with which the City has just entered into a commercial arrangement. The event is a celebration of the successful collaboration between the City and the company. May the Member attend?
- A.** Yes, provided, under the Consolidated Code of Conduct (in force February 2007), that the value of what is provided does not exceed \$500 and that attendance is reported if the value exceeds \$300. This is a gift or benefit accepted as part of the responsibilities of office and received as an incident of protocol or social obligation.

Education

During 2004-05, there were no formal educational programmes for Members of Council and their staff. However, as a result of discussions with personnel from the City Clerk's and City Manager's Offices, the decision was taken to run a half day seminar for Members of Council and their staff as part of the orientation programme for the new Council following the 2006 Municipal Elections. The view was that the enactment of COTA, with its Accountability and Transparency provisions, as well as the adoption of a significantly revised Code of Conduct created a situation in which there would be interest in such a programme on the part of both returning and newly elected Members of Council.

Suzanne Craig, Director, Corporate Access and Privacy, and I took primary responsibility for organizing the programme including the preparation of a book of materials on Ethics, Accountability and Privacy. The programme took place on December 4, 2006 and the Mayor opened the proceedings. Jeff Griffiths, the Auditor General, Daphne Donaldson, Director, Records and Information Management, Suzanne Craig and I all made presentations.

Six of the eight new Members of Council were present. However, only eight returning Members attended. That was disappointing although a few others were represented by a member or members of their staff.

Despite the sparse attendance, I remain committed to offering this kind of facility and will be exploring further ways in which Members of Council will develop a fuller awareness of the various ethical obligations by which they are bound. It is also the case

that Councillors may develop a better sense of the details of those obligations through exposure to my reports to Council but, more particularly, in seeking advice from my office.

Other Aspects of My Work

On occasion during the year, the media contacted me about various facets of my work. Obligations of confidentiality and prudence mean that I cannot and do not comment on ongoing investigations, except in rare instances to clarify misconceptions when one of the parties to a complaint has “gone public”. I also allow my public reports on complaints to speak for themselves. However, on policy issues, such as my 2006 reports on the hiring of Members’ relatives and Members writing references, I have been prepared to discuss my recommendations with the media. More generally, I am also open to media inquiries about the operations of my office. During 2006, this included an appearance on Rogers Community Cable on “Goldhawk Live”.

I have also remained open to invitations to speak to various groups about the role of the Integrity Commissioner and my experiences in that role. During 2006, I spoke to the following groups:

- Ontario Bar Association, Municipal Section/AMTC joint dinner meeting (Hamilton)
- City of Toronto Community Environmental Assessment Team
- Ontario Bar Association, Continuing Legal Education programme on Current and Upcoming Local Government Issues
- City of Toronto Access and Privacy Coordinating Committee
- Three delegations of Chinese Public Officials, two under the auspices of the Ministry of Supervision
- Students in the Ethical Politics Course, York University Centre for Practical Ethics

As well, I have forged links with the Centre for Ethics at the University of Toronto as a Community Research Partner. In the academic year 2006-07, this involved joint supervision of a fourth year honours student conducting comparative research on the ethical regimes governing elected officials.

I also met with the Ontario Ombudsman, the Senate of Canada Ethics Officer, and the City of Montreal Ombudsman, and continued my membership on the Canadian Conflict of Interest Network.

As reported last year, a great number of the calls to my office (especially from members of the public) are about matters over which I have no jurisdiction. Most commonly, the

matters of concern are typically the purview of an Ombuds-type official. My Administrative Assistant and I try at least to ensure that these concerns are directed to the appropriate officials. However, we are anticipating that the workload associated with this will diminish drastically with the advent of both the Ombudsperson and the 3-1-1 system.

Budget

The accounts for my office for 2006 are set out in the Addendum to this Report.

As in the previous fiscal year, Council allocated \$200,000 for the operation of my office. Expenditures totalled \$148,400, a decrease of \$9000 from the previous year. This left a surplus of \$51,600. The major items were salary for my Administrative Assistant and me and amounted to \$144,800. Non-salary related items totalled \$3,600.

I would simply reiterate the comment that I made in my first annual report. Council should not regard the existence of a surplus as an indication that the original budget request was exaggerated. As in the previous year, my office did not have to bear the cost of a major investigation and, as opposed to the previous year, I did not have to seek external legal advice during 2006. Should I engage in a major investigation and, in particular, have to exercise the powers of a public inquiry (now conferred by COTA), the operations of the office could very rapidly move to a deficit position.

Conclusions

2006 was a critical year in the short life of the office of Integrity Commissioner. The office achieved statutory recognition in COTA and with it a more certain existence and greater formal assurances of independence. That and the recommendations of the Bellamy Commission also meant that I devoted considerable effort during the year to policy initiatives and changes to reflect the imperatives of and powers conferred by the new Act and the City's resolve to respond positively to Justice Bellamy's recommendations. With Council approval of the recommendations for revisions to the Code of Conduct, a significant part of that work was accomplished. However, at year's end, aspects of that exercise were still under consideration, the changes had still to be incorporated formally into a final authoritative text, and the Complaint Protocol also required updating. The Act's requirement that the City appoint an Ombudsman and a Lobbyist Registrar meant that the task of ensuring that the office was fully operational remained incomplete. In 2007, it seemed as though much work would have to be done in integrating the various roles of the City's four mandatory accountability and transparency officers and the development of protocols regulating and easing the relationships among them.

While I sustained four complaints against Members of Council in 2006, that fact alone cannot be taken as any real indication of a lack of commitment on the part of some Members of Council to ethical behaviour and living within the dictates of the Code of Conduct. The issues raised by those four complaints, while troubling, were certainly not at the most serious end of potential violations of the Code. On the other hand, as I suggested in my 2005 Report, neither does that provide convincing evidence of a

wholehearted acceptance of the values contained in the Code of Conduct. The sample of matters raised by formal complaints and the statistics on complaints sustained are too random to enable one to become sanguine about the state of ethical behaviour among Members of Council. There was also some tendency on the part of some Members of Council to test the limits of the Code of Conduct in so far as it regulates conduct during the course of a municipal election. While that was not surprising, it is a cause for concern and preventative action. Nonetheless, it is reassuring to report that nothing resembling serious corruption came to my attention either formally or informally.

I continue to regard it as a real privilege to be the first Integrity Commissioner of the City of Toronto. I trust that I can continue to make a worthwhile contribution to the building of the office and the furtherance of a culture of ethical behaviour among Members of Council. In the meantime, my thanks again to all who have assisted me so usefully in the work to this point: Staff, Members of Council, my Administrative Assistant, and those external to the City from whom I have from time to time sought general advice and guidance.

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SIGNATURE

David J. Mullan, Integrity Commissioner

ATTACHMENT

Budget and Expenditures of 2004, 2005, and 2006

ATTACHMENT**BUDGET AND EXPENDITURES
2004-2006**

APPROPRIATION	2004 Budget (262 days)	2004 Actual	2005 Budget (260 days)	2005 Actual	2006 Budget (260 days)	2006 Actual
CN900 - COST CENTRE A90001						
A90001 INTEGRITY COMMISSIONER'S OFFICE						
SALARIES & BENEFITS						
1115 - Salary - (D. Mullan & Zorida Ali)	20.0	41.7	0.0	141.7	0.0	133.0
1050 - Vacation pay	0.0	0.0	0.0	0.0	0.0	1.4
1850 - Benefits - Casual	3.0	4.3	0.0	10.3	0.0	10.4
TOTAL SALARIES & BENEFITS	23.0	45.6	0.0	152.0	0.0	144.8
MATERIALS & SUPPLIES						
2010 - Materials & Supplies	1.0	0.0	2.0	1.5	1.5	0.4
2020 - Books & Magazines	0.5	0.0	0.5	0.0	0.5	0.0
2099 - Stationery	2.0	0.5	2.0	0.0	2.0	1.1
2750 - Food & Beverages	0.5	0.0	0.5	0.0	0.5	0.0
TOTAL MATERIALS & SUPPLIES	4.0	0.5	5.0	1.5	4.5	1.5
EQUIPMENT						
3410 - Computer hardware	0.0	3.9	0.0	0.0	2.0	0.8
3099 - Equipment	5.0	0.0	3.0	0.0	1.0	0.1
TOTAL EQUIPMENT	5.0	3.9	3.0	0.0	3.0	0.9
SERVICES & RENTS						
4088 - Consulting - Technical & Professional	27.5	0.0	123.0	2.0	151.2	0.0
4220 - Travel - Ground Transportation	0.5	0.0	1.5	0.0	1.5	0.0
4225 - Travel - Public Transit	0.5	0.0	1.0	0.0	1.0	0.0
4255 - Conference Expenses	0.0	0.0	3.0	0.0	3.0	0.0
4424 - Contracted Services	20.0	0.0	50.0	0.0	27.8	0.0
4805 - Postage	0.5	0.0	0.7	0.0	0.7	0.0
4810 - Telephone	4.0	0.0	5.0	1.1	5.0	1.1
4815 - Courier Services	0.5	0.0	0.8	0.0	0.8	0.0
4820 - Business Meeting Expenses	1.0	0.0	2.0	0.0	1.5	0.0
TOTAL SERVICES & RENTS	54.5	0.0	187.0	3.1	192.5	1.1
INTER-DEPARTMENTAL CHARGES						
7030 - IDC - Printing/Photocopying	3.5	1.0	5.0	0.8	0.0	0.1
TOTAL CN900	90.0	51.0	200.0	157.4	200.0	148.4