



## STAFF REPORT ACTION REQUIRED

### Feasibility of Publishing Expense Details of Senior City Staff on the City's Website

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| <b>Date:</b>             | October 19, 2011                                    |
| <b>To:</b>               | Government Management Committee                     |
| <b>From:</b>             | City Manager  |
| <b>Wards:</b>            | All   |
| <b>Reference Number:</b> | P:\2011\Internal Services\acc\gm11009acc (AFS13534) |

#### SUMMARY

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This report responds to a request from the Audit Committee and recommends publishing certain expenses for senior staff at or above the Divisions Head level, on the City's public website on a semi-annual basis beginning with the 2011 calendar year.

#### RECOMMENDATION

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**The City Manager recommends that:**

1. Commencing with the 2011 calendar year, expenses related to business travel, conferences and training, hospitality and protocol for senior staff positions at the Division Head level and above, be published on the City's public website on a semi-annual basis.
2. City Council provide a copy of this report to the City's major agencies and corporations requesting that they adopt a similar policy for their organization if they have not already done so.

#### Financial Impact

There is no financial impact resulting from the adoption of this report.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

At its meeting held on February 22, 2011 the Audit Committee, in its consideration of item AU1.3 titled "The Audit Committee – Roles and Responsibilities", requested the City Manager to report on "the feasibility of publishing expense details of all senior city staff for 2010 and future years on the City's public website, such expense amounts to include consultant costs including external service providers; and that the external auditor provide an audit opinion on the accuracy of these amounts". The following is the link to the Audit Committee decision:

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getDecisionDocumentReport&meetingId=4730>

## **ISSUE BACKGROUND**

To enhance accountability and transparency in government, the Government of Canada, the Province of Ontario, and some Ontario municipalities have adopted the policy and practice of posting online certain expenses for senior government officials and staff.

### Government of Canada

The Federal Government introduced in 2003 a policy on the mandatory publication of travel and hospitality expenses (including transportation, accommodation, meals and incidental expenses, etc.) for selected government officials including cabinet ministers, parliamentary secretaries and their exempt staff and senior level employees at the deputy minister, associate deputy minister, assistant deputy minister and equivalent levels. The expense claims are reported quarterly and posted on the Government's website.

### Province of Ontario

The Ontario Government imposed the requirement that cabinet ministers, political staff, as well as agency senior executive's appointees and the top five (5) claimants of the designated 22 agencies must publicly disclose their expenses related to travel and hospitality (including transportation, accommodation, meals and incidental expenses, etc.) and post quarterly on the Government's website.

### Municipalities in Ontario

Research was done on 28 municipalities in Ontario. Two municipalities post online certain expenses for senior staff:

- City of Ottawa discloses travel, hospitality, and membership expenses for senior city officials including the City Manager, City Clerk and Solicitor, City Treasurer, Deputy City Manager (City Operations) and Deputy City Manager (Infrastructure Services and Community Sustainability). They report on a monthly basis and post on their website.

[http://www.ottawa.ca/city\\_hall/mayor\\_council/accountability/disclosure/exe\\_committee/index\\_en.html](http://www.ottawa.ca/city_hall/mayor_council/accountability/disclosure/exe_committee/index_en.html)

- City of London discloses travel expenses for senior administrative officials including the City Treasurer and Chief Financial Officer, General Manager Community Services, Chief Administrative Officer, General Manager of Planning and Development, and General Manager Environmental & Engineering Services & City Engineer. They report on an annual basis and post on their website. <http://council.london.ca/meetings/FAC%20Reports/2011-03-09%20Report/Item%202.pdf>

## COMMENTS

In considering the feasibility of publishing senior city staff expenses on the City's website, the following key issues were reviewed.

### 1. Defining "Senior Staff"

Senior management can be defined in a number of different ways – based on title, authority, pay, etc. Based on staff's review of reporting policies in other orders of government and Ontario municipalities, it is recommended that for the City's reporting purposes, senior staff be defined as Division Heads and above. This represents 52 employees, each with authority over a City Division or multiple Divisions.

### 2. Expenses to be Published

Consistent with reporting practices for the other orders of governments and municipalities, it is recommended that the following expenses will be reported for Division Heads and above:

- a. Business Travel (including kilometrage reimbursement);
- b. Conferences and Training (including accommodation, registration and per diem allowance);
- c. Hospitality or protocol expenses (hosting City events for non-employees at eating establishments or other, appropriate locations).

With respect to Audit Committee's request that consultant costs be reported, consulting expenditures are currently reported to Government Management Committee on an annual basis, and they are posted on the City's website.

### 3. Ensuring complete and accurate information

Senior city staff expenses that are reimbursed directly to an employee can be easily tracked and segregated in the City's financial system. However, expenses that are paid directly to vendors on behalf of employees will need to be identified and tracked to the appropriate employee(s). Procedures will be established by Accounting Services to ensure that these costs are properly identified and reported. Division Heads will be required to review and certify their expenditures, and Accounting Services staff will review corporate records to confirm the accuracy of the certifications.

As this information is subject to audit by the Auditor General Office, it would not be cost effective to require a separate audit by the City's external auditors.

4. Timing of Posting

In order to allow for tabulation, certification, and reporting of expenses, it is recommended that the initial posting of senior staff's expenses be implemented April, 2012 for the 2011 calendar year, with ongoing postings thereafter to be done on a semi-annual basis. This would permit a co-ordinated effort between the various Divisions and Accounting Services in getting the necessary inputs for reporting.

## **CONTACT**

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## **SIGNATURE**

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City Manager