



**OMBUDSMAN REPORT
ACTION REQUIRED**

BU3.4g

Office of the Ombudsman - 2015 Operating Budget

Date:	December 31, 2014
To:	Budget Committee
From:	Fiona Crean, Ombudsman
Wards:	All
Reference Number:	

SUMMARY

This report details information about the 2015 operating budget for the Office of the Ombudsman, including a recommended full-year 2015 operating budget of \$2,110.5 thousand gross and net for approval by City Council.

RECOMMENDATION

The Ombudsman recommends that:

1. Budget Committee recommends to the Executive Committee that City Council approves the 2015 full-year operating budget for the Office of the Ombudsman of \$2,110.5 thousand gross and net.

Financial Impact

Approval of the Ombudsman's 2015 operating budget request will result in \$ 2,110.5 thousand being part of the City of Toronto's 2015 operating budget.

DECISION HISTORY

This report is submitted to Budget Committee in accordance with Executive Committee Item 31.1 'A Policy Framework for Toronto's Accountability Officers' adopted as amended by City of Toronto Council at its April 2009 session; and Chapter 3, Accountability Officers, Toronto Municipal Code, enacted by City Council October 27, 2009. Chapter 3 provides that the Accountability Officers are independent and accountable to City Council. Section 3-10C requires each Accountability Officer to submit an annual budget request to the Budget Committee for consideration and recommendation to City Council.

ISSUE BACKGROUND

Under the *City of Toronto Act*, the Ombudsman has the responsibility to investigate public complaints about decisions, actions or recommendations made or omitted by the Toronto Public Service. It is an office of last resort where residents can complain when they believe they have been treated unfairly by the Toronto Public Service, its agencies, boards, commissions and corporation.

In the 2009 start-up year, the Office of the Ombudsman's budget was \$1, 218.3 thousand. This amount fell significantly short of the Office's actual requirements to serve Toronto's 2.8 million residents. In 2014, the Office's fiscal challenges remained acute with a complement of 11, a budget of \$1, 636.8 thousand, and a complaint increase of 128 % over the past five years.

The challenge in 2015 is the severe and chronic lack of resources that threatens to cripple the operations of the Office. With insufficient resources the needs of individual residents are not being met. The Office is less able to inform residents about its services, in particular those individuals who are vulnerable and/or marginalized. The number of systemic problems left unexamined is increasing. The toll of conducting large scale systemic investigations on the limited resources is having a detrimental effect on staff morale and wellbeing. Any staff absence from such a small team exponentially impacts the capacity to handle complaints.

City Council approved a strategic plan (2013-2018) that included the improvement of customer service and the strengthening of public service governance. Both of these are critical underpinnings of an efficient public administration.

The role of Toronto's Ombudsman is to ensure the public service properly carries out Council's directives. The Office does this by conducting investigations and providing governance-related advice and interventions that bring improvements to the administration of local government. This helps Council meet its strategic directions.

The capacity and resources of the Office are insufficient for the task given it by the *City of Toronto Act* and the Municipal Code. Its ability to meet the statutory mandate is being compromised by a lack of funding. The pace of work and productivity is not sustainable. Significant investigations have required external expertise, legal advice and additional contractors that have eaten into the budget allocation. As a consequence, individuals on contract in 2014 were laid off due to budgetary shortfalls.

City Council was alerted to the above situation in August 2014 when a report was tabled, entitled 'A Commitment to Oversight: The Origin, Mandate and Purpose of Toronto's Ombudsman.' That report signaled an urgent need for additional resources.

In May 2014, Council expanded the Ombudsman's jurisdiction to include Build Toronto, Casa Loma Corporation, Invest Toronto, Lakeshore Arena Corporation, Toronto Portlands and Toronto Hydro. No debate took place at Council about giving the Office additional resources to meet its expanded authority, nor did any additional funding accompany this expansion.

Residents are filing complaints about these entities but, given the current caseload, the Ombudsman has no capacity to pursue them. A backlog of complaints is now emerging. The Office is prioritizing complaints by degrees of urgency. It is in a precarious position, both financially and resource-wise.

The immediate need is to recruit six more staff: 1 legal counsel/senior investigator; 3 investigators; 1 research associate; and 1 administrative assistant. These positions will strengthen the Office's investigative capacity and add internal legal advice along with greater research and administrative support for complaint handling.

The 2015 budget request for \$440.0 thousand will relieve short term pressures and meet the sharp increase of individual complaints and complex systemic challenges. Meeting these critical fiscal needs in the short term will be a valuable investment in the creation of greater fairness, better business processes, more efficiency and improved public administration and governance.

COMMENTS

The Office of the Ombudsman 2015 operating budget request of \$ 2,110.5 thousand gross and net includes a request for 6 new staff at \$440.0 thousand net for partial year budget requirement of 6 months.

CONTACT

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SIGNATURE

(Original signed)

Fiona Crean, Ombudsman

ATTACHMENTS

Appendix I: –Accountability Officers: 2015 Operating Budget Overview