

budget 10

—2019—



BUDGET NOTES

ICT Office of the Integrity Commissioner

OFFICE OF THE INTEGRITY COMMISSIONER TORONTO

What We Do

The Integrity Commissioner is responsible for providing advice, education, policy recommendations and complaint resolution to City Council, local boards, their members and the public on the application of the City's Codes of Conduct, bylaws, policies and legislation governing ethical behaviour. Beginning March 1, 2019, the Integrity Commissioner will also be responsible for receiving complaints under the *Municipal Conflict of Interest Act* (MCIA) and for providing members of Council and local boards with advice about complying with that Act.

Why We Do It

The *City of Toronto Act, 2006* requires that there be an Integrity Commissioner who carries out the above-mentioned functions in an independent manner. The Commissioner oversees compliance with the high standards of conduct expected of elected and appointed City officials in a neutral and independent manner. The Integrity Commissioner is part of the City's Accountability Framework which works to improve the public's trust and confidence in City government.

Our Experience in 2018

- Resolved approximately 200 requests for advice to members of Council and 21 different local boards.
- Received 15 formal complaints and 4 informal complaints about members of Council and local boards and concluded 80% of new formal complaints received.
- Concluded investigations in an average of 277 days.
- Carried out complex policy review, consultation and interpretation bulletin development in relation to several issues (e.g. local board code of conduct, investment policies, election guidance, preparation for MCIA duties).
- Carried out several outreach activities and responded to 427 inquiries from the public, City staff and media.

Key Challenges

- The Office is unable to respond in a timely fashion to high volumes and complex cases.
- This issue will become an acute problem as a result of new duties effective March 2019, requiring that alleged contraventions of the MCIA be investigated within 180 days and the additional responsibility of the Integrity Commissioner to bring MCIA applications to Court in appropriate cases.
- Toronto has been a role model for other jurisdictions in the field of ethics and integrity. Current resource levels are insufficient to enable the Office to fulfill its statutory mandate.

Addressing Challenges

- This budget includes \$0.190 million for external investigative and legal support to enable the Office to respond in a timely manner to complex cases, high volumes and to meet statutory time limits. These funds would be used on an as-needed basis and enable future integrity commissioners to properly assess whether additional permanent resources are necessary.
- This budget includes funding to convert one existing position to a legal counsel role to enhance the Office's expertise to carry out duties under the MCIA.

Budget At A Glance

INTEGRITY COMMISSIONER-RECOMMENDED OPERATING BUDGET			
\$ Millions	2019	2020	2021
Gross Expenditures	\$0.8	\$0.8	\$0.8
Revenues	\$0.0	\$0.0	\$0.0
Net Expenditures	\$0.8	\$0.8	\$0.8
Approved Positions	3.0	3.0	3.0

Our Key Service Levels



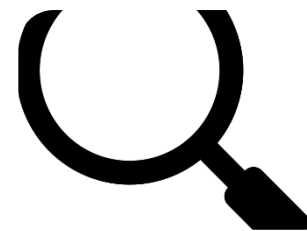
Provide advice to members within two business days.



Raise awareness of the Code of Conduct with all members of Council and local boards.



Provide policy recommendations to Council and boards.



Investigate complaints in a timely manner.

Key Service Deliverables

Provide timely, practical advice to members of Council and local boards about compliance with the Code of Conduct and the *Municipal Conflict of Interest Act* (MCIA).

Review and investigate complaints about alleged Code of Conduct and MCIA contraventions in a timely and procedurally-fair manner.

Provide education and outreach to improve awareness of the Code of Conduct, MCIA and the Integrity Commissioner as a resource.

Provide policy recommendations about matters of ethics and integrity.

Who We Serve and Who Benefits

- Members of City Council
- Members of Local Boards
- Members of Adjudicative Boards
- City Council
- The Toronto Public Service
- The Public
- Staff in Councillor's Offices
- Staff of Boards

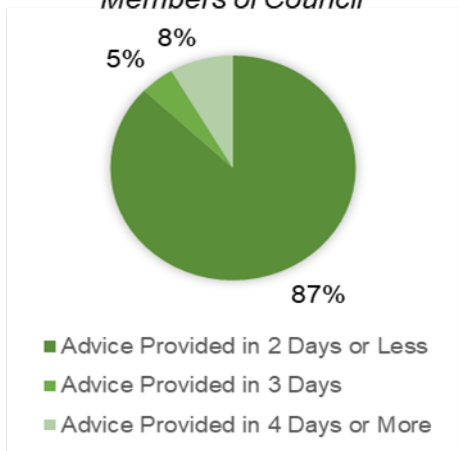
How Are We Doing?

Advice

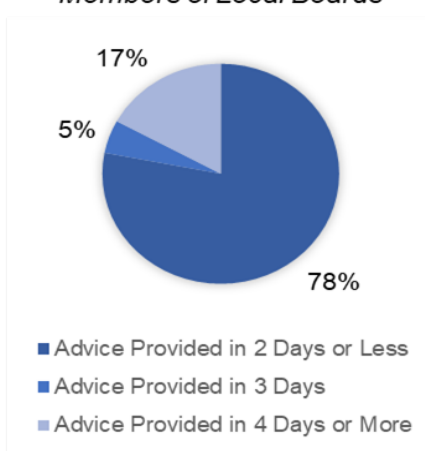
Amount of Advice Issued to Members of Council and Local Boards

	2016	2017	2018
Advice Provided	184	193	196

Response Time for Advice Provided to Members of Council

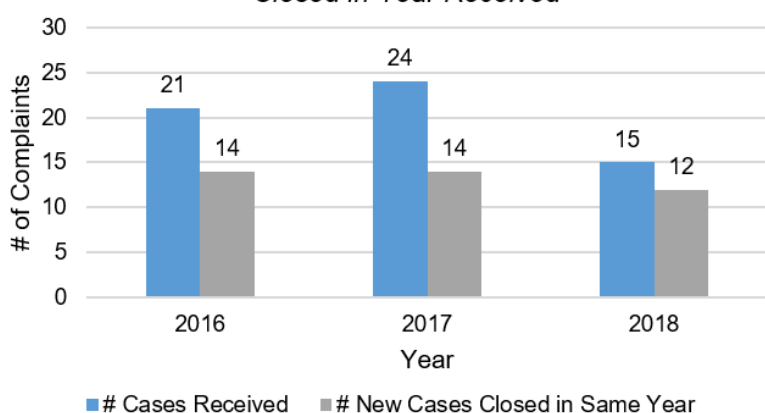


Response Time for Advice Provided to Members of Local Boards



Complaints

Number of Formal Complaints Received and Closed in Year Received



Days Taken to Close Complaints (Tracked Since 2015)

Complaint Type	Number of Cases	Average Number of Days	Median Number of Days	Least Number of Days	Most Number of Days
Investigated Complaints	20	277	258	139	514
Dismissed without Investigation	33	50	37	12	244

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RECOMMENDATIONS

RECOMMENDATIONS

The Integrity Commissioner recommends that:

1. City Council approve the 2019 Integrity Commissioner-Recommended Operating Budget for the Office of the Integrity Commissioner of \$0.766 million gross and net and associated staff complement of 3.0 positions.

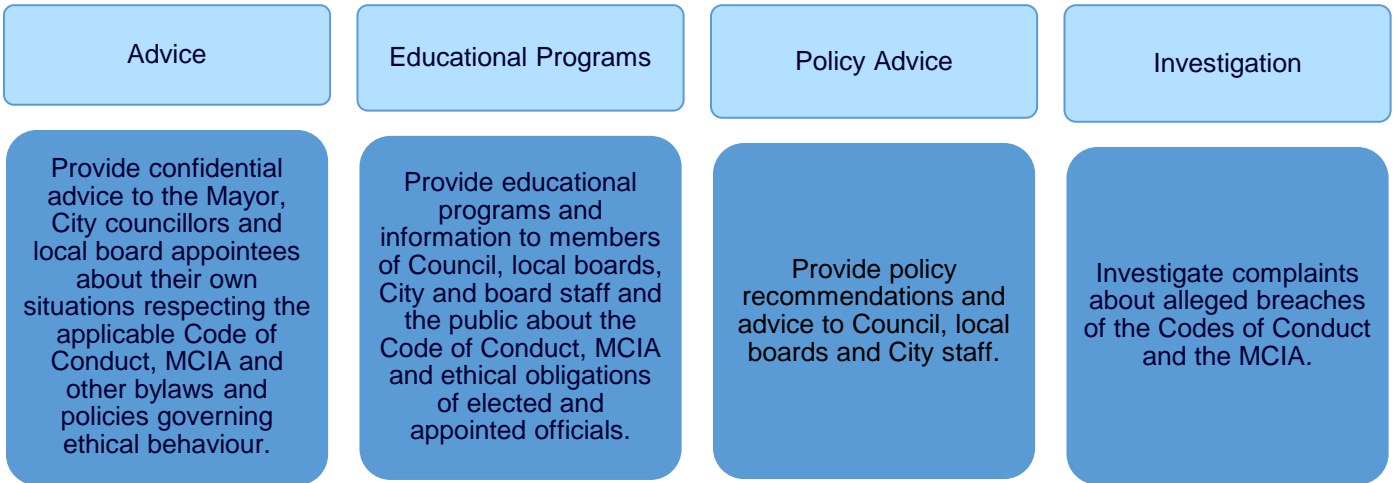


2019 INTEGRITY COMMISSIONER- RECOMMENDED OPERATING BUDGET

PROGRAM MAP

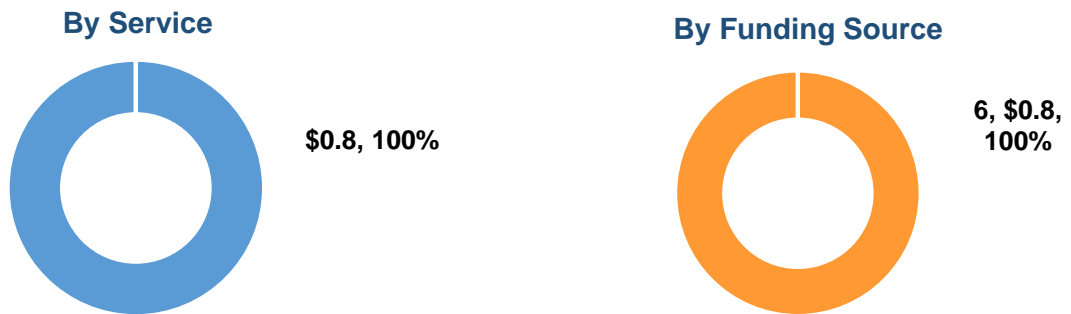
The Office of the Integrity Commissioner

The Integrity Commissioner, a required independent officer of City Council, is responsible for providing advice, complaint resolution and education respecting the Code of Conduct, the *Municipal Conflict of Interest Act* (MCIA) and ethical obligations of elected and appointed City officials.



2019 OPERATING BUDGET HIGHLIGHTS

2019 Integrity Commissioner-Recommended Operating Budget \$0.8M



47.9% budget increase over the 2018 Approved Net Operating Budget to maintain existing service levels and comply with new legislative requirements.

- **\$0.190M** Enhancements to Legal and Investigative Services Budget.
- **2020/2021** Increases primarily for known adjustments for salaries and benefits, and inflationary adjustments for non-payroll items.

2019 OPERATING BUDGET OVERVIEW

Table 1: 2019 Integrity Commissioner-Recommended Operating Budget and Plan

(In \$000s)	2018		2019			Changes		Incremental Change	
	Budget	Projected Actual*	Base	New / Enhanced	Total Integrity Commissioner-Recommended Budget	\$	%	2020 Plan	2021 Plan
	\$	\$	\$	\$	\$	\$	%	\$	\$
Total									
Gross Expenditures	517.6	517.6	575.7	190.0	765.7	248.2	47.9%	3.5	10.2
Revenue			0.0		0.0	0.0	-	0.0	0.0
Total Net Expenditures	517.6	517.6	575.7	190.0	765.7	248.2	47.9%	3.5	10.2
Approved Positions	3.0	3.0	3.0	0.0	3.0	0.0		0.0	0.0

* Year-End Projection Based on Q3 2018 Variance Report

Base Changes

(\$0.058M Gross and Net)

- Salary & benefit adjustment related to progression pay, COLA and benefit adjustments.
- Economic factor adjustments for non-payroll items.
- Transition costs relating to the appointment of a new Integrity Commissioner.
- One position conversion.

Enhancement Requirements

(\$0.190M Gross and Net)

- Enhanced legal and investigative services budget for external support and expertise to enable the Office to respond to high volumes, complex cases and new statutory time limits.

Future Year Plan

- Salaries and benefits adjustments and inflationary adjustment for non-payroll items.

EQUITY IMPACTS

Not applicable.

2019 Integrity Commissioner-Recommended Operating Budget Changes

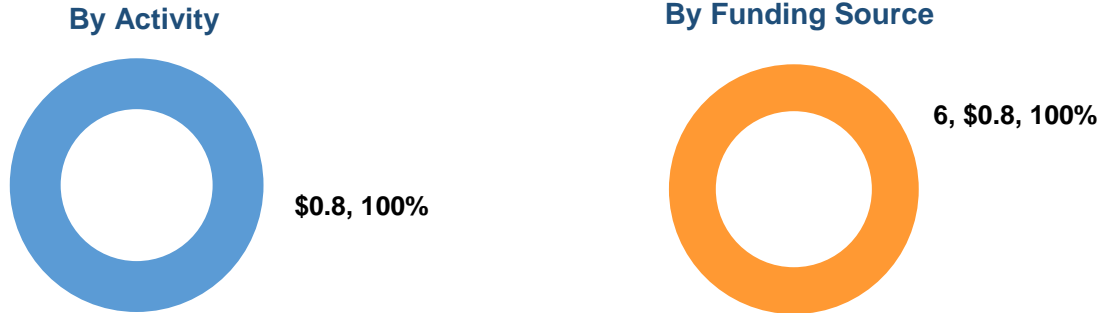
The 2019 Integrity Commissioner-Recommended Operating Budget for the Office of the Integrity Commissioner is \$0.766 million gross and net or 47.9% higher than the 2018 Council Approved Operating Budget. Table 2 below summarizes the key cost drivers to maintain current service levels and to comply with legislative changes.

Table 2: 2019 Integrity Commissioner-Recommended Operating Budget Changes

(In \$000s)	Total	
	\$	Positions
2018 Council Approved Operating Budget (Net)	517.6	3.0
Base Expenditure Changes		
Prior Year Impacts		
Other Prior Year Impacts	(14.0)	
Economic Factors		
Divisional Economic Factors	0.4	
Salaries and Benefits		
COLA	5.0	
Progression Pay	7.9	
Salary and Step Adjustments		
Benefits Adjustments	6.4	
Other Base Expenditure Changes		
Integrity Commissioner Transition Cost	10.1	
Position Conversion	42.4	
Sub-Total Base Expenditure Changes	58.2	
Total Base Changes	58.2	
New & Enhanced Services		
Enhanced Service Priorities		
Enhancement to Legal and Investigative Service Budget	190.0	
Sub-Total New & Enhanced Services	190.0	
Total 2019 Integrity Commissioner-Recommended Operating Budget (Net)	765.7	3.0

Office of the Integrity Commissioner is responsible for providing advice, complaint resolution and education to members of City Council and local boards on the application of the City's Codes of Conduct, the *Municipal Conflict of Interest Act* and other bylaws, policies and legislation governing ethical behaviour.

2019 Integrity Commissioner-Recommended Operating Budget \$0.8M



Key Service Levels



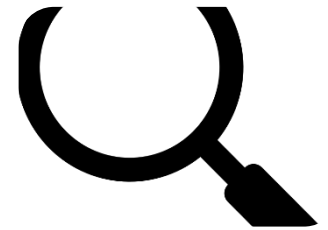
Provide advice to members within two business days



Raise awareness of the Code of Conduct with all members of Council and local boards.



Provide policy recommendations to Council and local boards.



Investigate complaints in a timely manner.

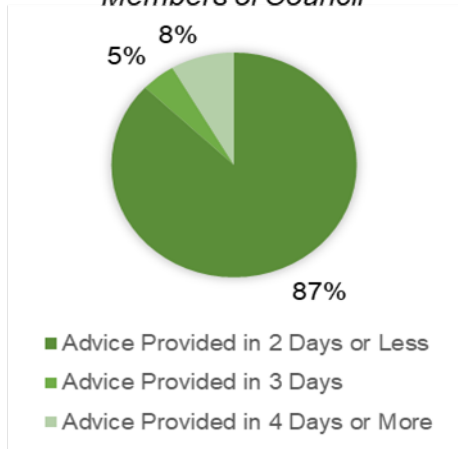
Service Performance Measures (2018 Activities)

Advice

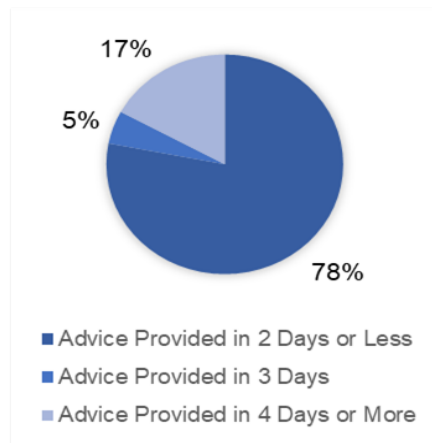
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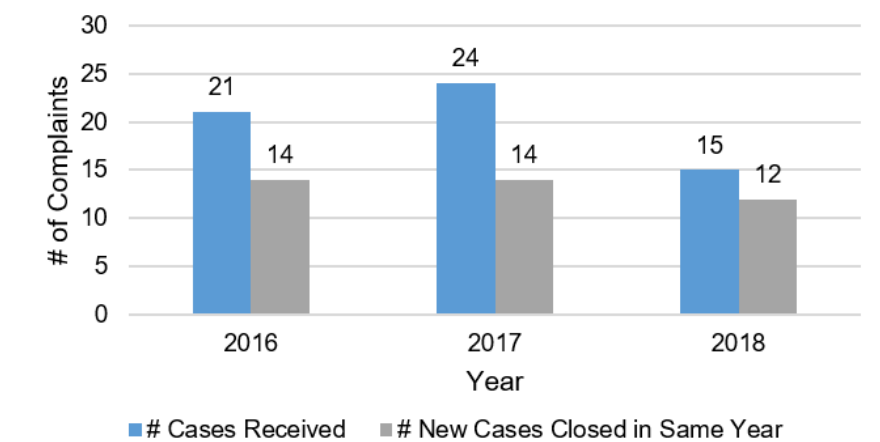


Response Time for Advice Provided to Members of Local Boards



Complaints

Number of Formal Complaints Received and Closed in Year Received



Days Taken to Close Complaints (Tracked Since 2015)

Complaint Type	Number of Cases	Average Number of Days	Median Number of Days	Least Number of Days	Most Number of Days
Investigated Complaints	20	277	258	139	514
Dismissed without Investigation	33	50	37	12	244

2018 OPERATING PERFORMANCE

2018 Service Performance

Key Accomplishments:

- Provided advice to members of Council within two business days or less 87% of the time.
- Provided advice to members of local boards within two business days or less 78% of the time.
- Provided 155 pieces of advice to 42 members of Council.
- Provided 41 pieces of advice to 21 members of Local Boards.
- Completed 80% of the new formal complaints received in 2018.
- Responded to 427 inquiries from the public, City staff and media, which was a higher than average volume.
- Met with six local boards to provide outreach and awareness of the Code of Conduct.
- Issued eight direct outreach letters to members of Council.
- Participated in 10 external outreach events.
- Attended two and hosted one meeting of Municipal Integrity Commissioners of Ontario (MICO).
- Provided administrative and leadership support to MICO.
- Concluded two significant policy reviews (i.e. Review of the Local and Adjudicative Board Codes of Conduct; and, Personal Trading Policy for the Toronto Investment Board).
- Preparation and policy review for upcoming *Municipal Conflict of Interest Act* changes.
- Issued six interpretation bulletin to members.

2018 Financial Performance

Table 3: Budget vs. Actual by Category of Expenditures and Revenues

Category (In \$000s)	2017 Actual	2018 Budget	2018 Projected Actual *	2019 Total Integrity Commissioner- Recommended Budget	2019 Change from 2018 Approved Budget	
	\$	\$	\$	\$	\$	%
Salaries and Benefits	440.5	492.8	482.8	550.5	57.8	11.7%
Materials & Supplies	0.4	1.6	1.6	1.6	0.0	1.4%
Equipment	0.5	0.1	0.1	0.1	0.0	2.2%
Service and Rent	55.1	18.3	28.3	208.6	190.4	1041.5%
Contribution To Capital						
Contribution To Reserves/Reserve Funds	4.5	4.5	4.5	4.5		
Other Expenditures						
Inter-Divisional Charges		0.4	0.4	0.4		
Total Gross Expenditures	501.0	517.6	517.6	765.7	248.2	47.9%
Sundry and Other Revenues						
Total Revenues						
Total Net Expenditures	501.0	517.6	517.6	765.7	248.2	47.9%
Approved Positions	3.0	3.0	3.0	3.0		

* Year-End Projection Based on Q3 2018 Variance Report

The Office of the Integrity Commissioner is projecting to be on budget at year-end.

For additional information regarding the 2018 Q3 operating variances and year-end projections, please refer to the report entitled "[Operating Variance Report for the Nine-Month Period Ended September 30, 2018](#)", considered by City Council at its [meeting on December 13, 2018](#).



ISSUES FOR DISCUSSION

ISSUES IMPACTING THE 2019 BUDGET

Enhancement Request

- The Office of the Integrity Commissioner's 2019 Operating Budget of \$0.766 million gross and net includes \$0.190 million gross and net enhancements to increase the legal and investigative services budget of the Office.
- The base budget of the Office of the Integrity Commissioner (OIC) is insufficient to enable the Commissioner to complete the current investigation caseload in a timely manner and will leave the Office unable to adequately respond to new duties arising as a result of recent changes to Provincial legislation. This has been a long-standing concern, but the passage of new Provincial legislation has made the problem acute.
- With existing resource levels, the average length of time to complete cases does not meet required statutory time periods for MCIA complaints. At present it takes an average of 277 days to complete investigations, which exceeds the time limit set by Provincial legislation changes (180 days).
- The Commissioner, therefore, recommends the establishment of a budget of \$0.190 million for external legal and investigative support to enable the OIC to respond on an as-needed basis to high case volumes and complex cases. The establishment of a stable, contingency-based budget to respond to an unpredictable workload will enable the Office to more accurately gauge the need for permanent resources.
- A suitable budget for external legal services will also enhance the ability of the Office to fulfill two of the new duties arising from recent Provincial legislation changes. The Integrity Commissioner will now have a statutory duty to provide advice about the application of the MCIA. Legal advice is required to assist with interpreting the Act, and the Integrity Commissioner will require representation should she bring forward an application to the Court pursuant to the MCIA.
- Establishing a suitable budget for external services is necessary to protect the independence of the Office, enabling it to respond appropriately within its own budget to high volumes, complex cases and court needs.

Base Budget Pressures

- City Council will appoint a new integrity commissioner in September 2019. The 2019 Operating Budget, therefore, includes \$0.010 million for transition-related costs.
- In consideration of the Office's expanding jurisdiction, the 2019 Operating Budget includes \$0.042 million to convert an existing position to a legal counsel role to enhance the internal expertise of the Office going forward in relation to the application and interpretation of the MCIA.

Conclusion

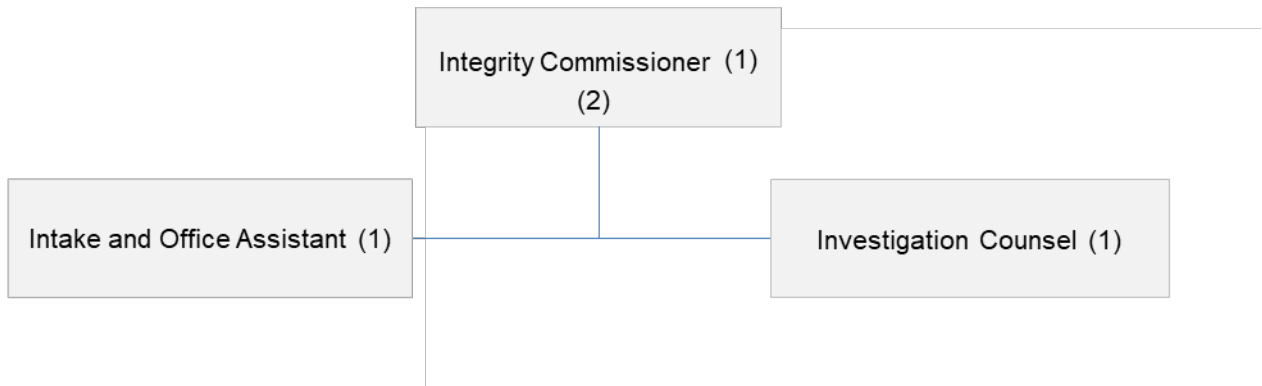
- If the recommended Operating Budget is not approved, the ability of the Office of the Integrity Commissioner to fulfill its statutory mandate will be compromised. The enhancement request is a modest, prudent measure to enable the Office to maintain current advice service levels and improve complaint service levels to bring them in line with statutory time limits.



APPENDICES

Appendix 1

2019 Organization Chart



2019 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent	1.0	-	2.0	-	3.0
	Temporary			-	-	-
	Total Operating	1.0	-	2.0	-	3.0
Capital	Permanent			-	-	-
	Temporary			-	-	-
	Total Capital	-	-	-	-	-
Grand Total		1.0	-	2.0	-	3.0

Appendix 2

Inflows and Outflows to/from Reserves and Reserve Funds

2019 Operating Budget

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2019	2020	2021
		\$	\$	\$
Insurance Reserve Fund	XR1010			
<i>Withdrawals (-)</i>				
<i>Contributions (+)</i>		4.5	4.5	4.5
Total Reserve / Reserve Fund Draws / Contributions		4.5	8.9	13.4

* Based on 9-month 2018 Reserve Fund Variance Report