

2024 Budget Notes

Office of the Integrity Commissioner

Budget submissions from the Accountability Officers (Auditor General, Integrity Commissioner, Lobbyist Registrar and Ombudsman) have not been the subject of an administrative review and have not been submitted to the City Manager or Chief Financial Officer and Treasurer for review, approval or recommendation prior to submission to the Budget Committee as set out in Chapter 3 of the Toronto Municipal Code, "Accountability Officers."

While we aim to provide fully accessible content, there is no text alternative available for some of the content within these pages. If you require alternate formats or need assistance understanding our charts, graphs, or any other content, please contact us at 416-392-3826 or integrity@toronto.ca.

Description

The Office of 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, *Municipal Conflict of Interest Act* (MCIA), bylaws, policies and legislation governing ethical behaviour.

Why We Do It

The *City of Toronto Act, 2006* and Chapter 3 of the Toronto Municipal Code require that City Council appoint an Integrity Commissioner. The Commissioner, as one of the City's four Accountability Officers, helps foster public confidence in the City's government and serves the public, City Council, local boards and their members by:

- **Increasing stakeholder awareness** about the rules in the elected and appointed members' Codes of Conduct and the *Municipal Conflict of Interest Act (MCIA)* so they understand the high standards of conduct members are required to meet.
- **Giving proactive advice** to elected and appointed members to help them perform their duties in a way that best serves the public and protects and maintains the City of Toronto's reputation and integrity.
- **Resolving complaints fairly and impartially** to ensure that allegations of member misconduct are evaluated, investigated, and concluded in a timely manner so that, if there is found to be misconduct, it can be reported to the court, City Council, or local board to impose a penalty or order remedial action.
- **Providing Council and City Staff with expert policy advice** about matters dealing with ethics and integrity to improve the City of Toronto's public administration and governance.

The Integrity Commissioner may also be assigned additional duties respecting ethical matters by City Council to promote public trust, good governance, and to protect and maintain the City of Toronto's reputation and integrity.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

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What Service We Provide

Increasing Stakeholder Awareness

Who We Serve: The public, members of Council, members of local boards (restricted definition), staff in elected members’ offices, staff of boards, and City staff who want to understand the standards of conduct and the obligations of members.

What We Deliver: The Office maintains a webpage with the Commissioner’s reports, public statements, interpretation bulletins, as well as legislative updates, information about best practices, and a searchable database of advice. The Office regularly responds to inquiries from the public and the media. Additionally, the Commissioner makes reports and presentations to City Council, local boards, City staff, and external organizations about integrity and accountability at the City of Toronto and in government.

Giving Proactive Advice to Appointed and Elected Members

Who We Serve: Members of Council and members of local boards (restricted definition) who request confidential advice about how to comply with the standards of conduct they are expected to meet.

What We Deliver: The Commissioner gives expert and timely advice about the interpretation and application of the applicable Code of Conduct, the MCIA, and any other relevant legislation and policies to ensure members are given the guidance they need to perform their duties in a way that protects and maintains the City of Toronto’s reputation and integrity.

Resolving Complaints Fairly and Impartially

Who We Serve: The public, members of Council, members of local boards (restricted definition), City Council, City staff, staff in elected member’s offices, and staff of boards who believe that a member of Council or local board (restricted definition) has contravened the Code of Conduct and/or MCIA.

What We Deliver: The Office receives complaints about alleged violations of the Code of Conduct and/or the MCIA by elected and appointed members. The Office has adopted comprehensive Complaint and Application Procedures to ensure complaints are assessed, investigated, and reported fairly and impartially. The procedures protect both the public interest and the rights and interests of complainants and respondents. The Commissioner’s findings are of public significance as the issues concern whether the City of Toronto’s elected and appointed officials have met the high standards of conduct required of them in performing their duties. In order to uphold the principles of transparency and accountability, the Commissioner’s findings of misconduct are reported to Council or the local board and MCIA inquiries are publicly reported and may result in the Commissioner applying to court. Far beyond the penalties and remedial action that Council, a local board, or a judge may order, the outcomes are crucial for upholding the principle of democratic accountability.

Providing Council and City Staff with Expert Policy Advice

Who We Serve: City Council and City staff seeking expert guidance to ensure policies are relevant and reflective of the highest standards of integrity.

What We Deliver: The Commissioner gives advice and makes recommendations to senior leaders in the City administration. The Commissioner also makes reports to Council, to ensure that the City of Toronto is a national leader in promoting high standards of conduct for government officials.

Budget at a Glance

2024 OPERATING BUDGET			
\$Million	2024	2025	2026
Revenues	\$0.1	\$0.1	\$0.1
Gross Expenditures	\$0.8	\$0.8	\$0.8
Net Expenditures	\$0.7	\$0.7	\$0.7
Approved Positions	3.0	3.0	3.0

How Well We Are Doing – Behind the Numbers

Increasing Stakeholder Awareness

- To assist members of Council to comply with their obligations under the MCIA, the Commissioner supplied all members of Council training materials to help them identify, assess and disclose their pecuniary interests.
- The Commissioner met with 3 BIAs to provide training about the Code of Conduct for Members of Local Boards and the MCIA.
- The Commissioner met with the Tribunals Nominating Panel and the Toronto Licensing Tribunal to provide training about the Code of Conduct for Members of Local Boards, the Code of Conduct for Members of Adjudicative Boards and the MCIA.
- The Commissioner presented to senior management of the Toronto Fire Services about the role of the Office as part of the City's Accountability Framework.
- The Commissioner presented to the Workplace Safety and Insurance Appeals Tribunal for its 2023 Ethics Month.
- The Commissioner spoke to the Medico-Legal Society of Toronto about the role of the integrity commissioner and ethical adjudication.
- The Office responded to 252 inquiries from the public and City staff.
- When Council amended requirements concerning the for the 2023 Mayoral By-Election at the end of March 2023, the Commissioner wrote to Council about these requirements on April 3, 2023 and subsequently revised and reissued the Interpretation Bulletin on April 14, 2023.
- The Office continued to partner with the Community Research Partnerships in Ethics (CRPE) program at the University of Toronto. The Office is working with two students for the 2023/24 academic year.
- The Commissioner responded to 28 media inquiries.

Giving Proactive Advice to Appointed and Elected Members

- The Commissioner gave advice on 78 questions from members of Council and 16 questions from members of local boards.
- The Office received and processed 7 travel declaration forms.
- The Office received and processed donor forms for 2 community events.

Resolving Complaints Fairly and Impartially

- Under the Code of Conduct for Members of Council, the Commissioner submitted 2 reports to Council with findings of misconduct about a member of Council (March 2023 and October 2023).
- The Commissioner received 37 complaints under the City's Codes of Conduct (including 1 self-report, which resulted in some findings of misconduct).
- Of the complaints received to date in 2023, 49% were closed following a review and/or investigation.
- The average and median number of days to complete an investigation are 257 and 238, respectively.
- The average and median number of days to close a complaint at the intake stage are 46 and 30 respectively.

Providing Council and City Staff with Expert Policy Advice

- In October 2023, the Commissioner submitted a report, which Council adopted, including proposals for legislative reform and a report back on measures Council can implement regarding workplace harassment and discrimination.

How Well We Are Doing

Service	Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	Status	2024 Target	2025 Target
Outcome Measures								
Increasing Stakeholder Awareness	Yearly meetings/presentations to members of Council and their staff	23 (88%)	22 (85%)	26 (100%)	19 (73%)	●	26 (100%)	26 (100%)
Giving Proactive Advice to Appointed and Elected Members	Provide advice to members of Council within two business days	74%	75%	75%	77%	●	75%	75%
Giving Proactive Advice to Appointed and Elected Members	Provide advice to members of local boards within two business days	52%	75%	75%	50%	●	75%	75%
Resolving Complaints Fairly and Impartially	Complaints closed in same year received	76%	75%	75%	52%	●	75%	75%
Providing Council and City Staff with Expert Policy Advice	Provide relevant and timely policy recommendations	1	1	1	1	●	1	TBC

2023 Projection to 2023 Target Comparison
 ● 100% (MET TARGET) ● 70 - 99% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

Service	Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	Status	2024 Target	2025 Target
Service Level Measures								
Increasing Stakeholder Awareness	Number of inquiries responded to	191	180	180	300	●	200	200
Giving Proactive Advice to Appointed and Elected Members	Amount of advice provided to members of Council	74	100	100	85	●	100	100
Giving Proactive Advice to Appointed and Elected Members	Amount of advice provided to members of local boards	35	35	35	25	●	35	35
Resolving Complaints Fairly and Impartially	Average number of days to complete an investigation	282	270	270	257	●	270	270
Resolving Complaints Fairly and Impartially	Median number of days to complete an investigation	249	240	240	238	●	240	240
Resolving Complaints Fairly and Impartially	Average number of days to close a dismissal case	52	50	50	46	●	50	50
Resolving Complaints Fairly and Impartially	Median number of days to close a dismissal case	32	30	30	30	●	30	30

2023 Projection to 2023 Target Comparison

● **100% (MET TARGET)** ● **70 - 99% (LOW RISK)** ● **69% and Under (REQUIRES ATTENTION)**

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success (As of November 1, 2023)

- In the last twelve months, completed three major inquiries concurrently and issued comprehensive public reports in record time.
- Addressed additional service demands arising from the 2023 Mayoral By-Election; specifically, election-related advice requests, inquiries, and complaints (which normally cannot be filed during an election).
- The time and resources expended on these major inquiries and election-related service demands lengthened response times, in comparison to previous years, for providing advice to members of Council and members of local boards.
- The mandatory termination of inquiries during the 2022 municipal election, subsequent resumption of those inquiries in the fourth quarter of 2022, coupled with the inquiries initiated by the former mayor and complaints from the subsequent by-election, means the office has a higher than usual inventory of open complaint files heading into 2024.

Key Challenges and Risks

- Concurrent and/or complex requests for advice result in delay.
- Concurrent and/or complex investigations impact the conclusion of other investigations.
- MCIA investigations must be completed within tight/mandatory timelines.
- The MCIA requires the Commissioner to begin legal proceedings if misconduct is found.
- Witnesses who refuse to comply with summonses cause delay and hamper investigations; enforcing summonses requires external legal resources.
- Complex and/or large investigations may require external legal/forensic resources for completion.
- Investigations and reports may be subject to legal challenge.
- Without the flexibility to retain specialized external legal/forensic resources on a temporary basis, the capacity of the Office to provide advice and complete investigations on complex/numerous matters is compromised.
- Policies need to be reviewed and updated.
- Training and outreach for members and staff needs to be continually updated and provided.

Priority Actions

- Provide timely advice and updated training to members and staff.
- Develop virtual training opportunities for board members and staff.
- Create easy to use forms and easy to understand educational materials for stakeholders.
- Maintain the capacity of the Office to deal with concurrent or complex investigations and matters under the Code of Conduct and MCIA.

RECOMMENDATIONS

The Integrity Commissioner recommends:

1. The 2024 Operating Budget for the Office of the Integrity Commissioner of \$0.807 million gross, \$0.100 million revenue and \$0.707 million net.

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Total Office Budget	807.2	100.0	707.2

- The 2024 staff complement for the Office of the Integrity Commissioner of 3.0 positions comprised of 0.0 capital positions and 3.0 operating positions.

2024 OPERATING BUDGET

2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

(In \$000s)	2022 Actual	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Base Budget	2024 New / Enhanced	2024 Budget	Change v. 2023 Budget excl COVID	
	\$	\$	\$	\$	\$	\$	\$	\$	%
By Service									
Revenues									
Office of the Integrity Commissioner	38.0	310.0	310.0	310.0	100.0		100.0	(210.0)	(67.7%)
Total Revenues	38.0	310.0	310.0	310.0	100.0		100.0	(210.0)	(67.7%)
Expenditures									
Office of the Integrity Commissioner	699.6	991.2	986.2	991.2	807.2		807.2	(184.0)	(18.6%)
Total Gross Expenditures	699.6	991.2	986.2	991.2	807.2		807.2	(184.0)	(18.6%)
Net Expenditures	661.6	681.2	676.2	681.2	707.2		707.2	26.0	3.8%
Approved Positions**	3.0	3.0	N/A	3.0	3.0		3.0	N/A	N/A

*2023 Projection based on 9 Month Variance

**YoY comparison based on approved positions

KEY DRIVERS

Total 2024 Budget expenditures of \$0.707 million net reflecting an increase of \$0.026 million in spending above 2023 budget, predominantly arising from:

- Increase in salaries and benefits budget to reflect the staff resources required to deliver the office's mandate, including an adjustment for two additional working days in 2024.
- Economic factor adjustment for non-payroll expenses.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in the Office of the Integrity Commissioner's 2024 Operating Budget do not have any significant equity impacts.

2024 OPERATING BUDGET KEY COST DRIVERS

The 2024 Operating Net Budget for the Office of the Integrity Commissioner is \$0.026 million or 3.8% higher than the 2023 Net Budget, when reversing 2023 pandemic costs and applying a zero-base budget approach to all prior year COVID-19 related financial impacts. Table 2 below summarizes the key cost drivers for the 2024 Budget.

Table 2: 2024 Key Cost Drivers

(In \$000s)	2024				2025 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
2023 Budget	310.0	991.2	681.2	3.0	N/A
2023 Projection*	310.0	986.2	676.2	N/A	N/A
2023 Budget (excl. COVID)	310.0	991.2	681.2	3.0	N/A
Key Cost Drivers:					
Prior Year Impacts					
Reversal of one-time 2023 in-year budget adjustment for investigative expenses	(210.0)	(210.0)			
Salary & Benefits					
Base salary, benefits and working day adjustments		21.4	21.4		(0.2)
Non-Salary Inflation					
Inflationary adjustment		4.6	4.6		3.2
Sub Total Key Cost Drivers	(210.0)	(184.0)	26.0		3.0
Affordability Measures:					
Sub Total Affordability Measures					
Total 2024 Budget	100.0	807.2	707.2	3.0	3.0
Change from 2023 Budget (excl. COVID) (\$)	(210.0)	(184.0)	26.0	N/A	N/A
Change from 2023 Budget (excl. COVID) (%)	-67.7%	-18.6%	3.8%	N/A	N/A

*Based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:**Prior Year Impacts:**

- Reversal of the 2023 in year budget adjustment of \$0.210 million gross and \$0 net to provide one-time additional external legal and investigative resources required by the Office to undertake Code of Conduct and/or Municipal Conflict of Interest Act (MCIA) investigations of members of City Council and local boards.

Salaries & Benefits:

- Increase of \$0.021 million gross and net in salary and benefits budget to reflect the staff resources required to deliver the office's mandate, including an adjustment for two additional working days in 2024.

Non-Salary Inflation:

- Economic factor adjustment of \$0.005 million gross and net for non-payroll expenditure items.

2025 & 2026 OUTLOOKS

Table 5: 2025 and 2026 Outlooks

(In \$000s)	2024 Budget	2025 Incremental Outlook	2026 Incremental Outlook
Revenues			
Total Revenues	100.0		
Gross Expenditures			
Base salary, benefits and working day adjustments		(0.2)	2.1
Inflationary Impacts for non-payroll expenses		3.2	2.8
Total Gross Expenditures	807.2	3.0	4.9
Net Expenditures	707.2	3.0	4.9
Approved Positions	3.0		

Key Outlook Drivers

The 2025 Outlook with total gross expenditures of \$0.810 million reflects an anticipated \$0.003 million or 0.37% increase in gross expenditures above the 2024 Operating Budget. The 2026 Outlooks expects a further increase of \$0.005 million or 0.61% above 2025 gross expenditures.

These changes arise from the following:

- Salaries and benefits adjustments related to 261 working days in 2025 and 2026 versus 262 working days in 2024, and benefit rate changes.
- Economic factor adjustments for non-payroll expenditure items.

APPENDICES

Appendix 1

2024 Operating Budget by Category

Category (In \$000s)	2021	2022	2023	2023	2024	2024 Change from 2023		2024 Change from 2023 Projection	
	Actual	Actual	Budget	Projection*	Budget	Budget	%	Budget	%
	\$	\$	\$	\$	\$	\$	%	\$	%
Contribution From Reserves/Reserve Funds	22.5	38.0	310.0	310.0	100.0	(210.0)	(67.7%)	(210.0)	(67.7%)
Total Revenues	22.5	38.0	310.0	310.0	100.0	(210.0)	(67.7%)	(210.0)	(67.7%)
Salaries and Benefits	552.4	542.1	557.0	570.7	578.3	21.4	3.8%	7.7	1.3%
Materials & Supplies	1.1		0.7	0.9	0.7	0.0	3.5%	(0.2)	(21.4%)
Equipment	0.7	0.2	0.3	0.3	0.8	0.5	157.2%	0.5	157.4%
Service and Rent	17.9	67.4	343.2	324.4	137.3	(205.9)	(60.0%)	(187.1)	(57.7%)
Contribution To Reserves/Reserve Funds	90.0	90.0	90.0	90.0	90.0				
Total Gross Expenditures	662.2	699.6	991.2	986.2	807.2	(184.0)	(18.6%)	(179.1)	(18.2%)
Net Expenditures	639.7	661.6	681.2	676.2	707.2	26.0	3.8%	30.9	4.6%

*Projection based on 9 Month Variance

Appendix 2

Summary of 2024 Service Changes

N/A

Appendix 3

Summary of 2024 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Summary of 2024 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2024 Capital Budget; 2025 - 2033 Capital Plan Including Carry Forward Funding

N/A

Appendix 5a

2024 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 5b

2025 - 2033 Capital Plan

N/A

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

Appendix 7

Capacity to Spend Review

N/A

Appendix 8

Summary of Capital Needs Constraints

N/A

Appendix 9

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2024 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		220.2	210.2	200.2
OIC External Legal and Investigative Expense RF	XR1415			
<i>Withdrawals (-)</i>		(100.0)	(100.0)	(100.0)
<i>Contributions (+)</i>		90.0	90.0	90.0
Total Reserve / Reserve Fund Draws / Contributions		210.2	200.2	190.2
Balance at Year-End		210.2	200.2	190.2

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced Service Priorities: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes.

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).