



The Corporation of the City of Vaughan

Supplemental Report regarding
the Mayor's City-Related
Expenses for 2007

14 May 2009



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The Audit and Operational Review Committee
The Corporation of the City of Vaughan
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14 May 2009

Supplemental Report regarding the Mayor's City-Related Expenses for 2007

Dear Committee Members:

Attached please find our supplemental report for your attention.

We reserve the right, but are under no obligation, to supplement or amend our report upon the receipt of additional information. This Report was prepared solely for the purposes of an investigation on your behalf and the restrictions on its use are set out within the document.

Very truly yours,

Ernest & Young LLP

Bob Ferguson
Partner

Attachment

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The Corporation of the City of Vaughan Supplemental Report regarding the Mayor's City-related expenses for 2007

1.0 Background

On December 5, 2008, we attended a meeting of the City of Vaughan's Audit and Operational Review Committee ("Audit Committee") to present the Ernst & Young LLP report dated December 3, 2008, regarding the Mayor's City-Related Expenses for 2007 ("Original Report"). At that meeting, a number of questions were raised. Accordingly, this supplemental report has been prepared to present our findings in a manner that is directly responsive to each of the original scope items listed in the Request For Proposal ("Supplemental Report", collectively "our Reports").

2.0 Executive Summary

Findings

Based on the documents reviewed and interviews conducted, we found the following:

- The following City policies were breached:
 - Policy 01.14, Council Budget/Expenditure Policy, Paragraph 2.1 - City funds were expended for personal use, ;
 - Policy 01.14, Council Budget/Expenditure Policy, Paragraph 4.1.13 - the Mayor failed to retain supporting invoices and documentation relating to cellular telephone bills;
 - Policy 01.14, Council Budget/Expenditure Policy, Paragraph 4.1.14 - the Mayor failed to retain or provide receipts and supporting documentation relating to business meals, the Mayor filed duplicate receipts, and the Mayor failed to provide sufficient explanation relating to a meal expense;
 - Policy 01.14, Council Budget/Expenditure Policy, Paragraph 4.1.13 - the Mayor failed to retain supporting invoices and documentation relating to cellular telephone bills;
 - City of Vaughan Purchasing Policy - the Mayor made a purchase with a total value of \$12,765.74 and did not follow the City's policies with respect to such purchases;
- Policy 05.5.13, "Code of Conduct for Municipal Employees", may have been breached by purchases made from a business owned by the spouse of a staff member in the Mayor's office;
- The Mayor's expenses for 2007, as disclosed, are overstated by approximately \$3,000; and
- The Mayor used City funds to pay for expenses that were then reimbursed to the City by York Region. The reimbursements did not occur on a timely basis and, in a number of instances, the Mayor failed to request the reimbursement.

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Recommendations

In light of the above, we have the following recommendations for Council:

- 1 • Regarding Policy 01.14, "Council Budget/Expenditure Policy, Paragraph 4.1.6 - Council should confirm that the intent was to include "fuel" in Policy 4.1.6 and then amend the wording of the policy to reflect their decision;
- 2 • Regarding Policy 01.14, "Council Budget/Expenditure Policy, Paragraph 4.1.13 - Council should amend the policy relating to cellular phones to require at a minimum that the summary page of the bill indicating the cellular phone number and total charges relating to that number be submitted in support of the amount claimed in an expense report;
- 3 • Regarding Policy 05.5.13, "Code of Conduct for Municipal Employees", Council should refer the purchases from NAIPI in 2007 and 2008 to the City's Administration to determine the appropriate measures and actions to be taken where the "Code of Conduct for Municipal Employees" was breached;
- 4 • Council should clarify the wording with respect to business meals to require both the original detailed restaurant invoice and the transaction slip be submitted. Also, "supporting documentation" should be expanded to include who attended and the business purpose;
- 5 • Council should consider whether a policy is required with respect to the Mayor's practice of entertaining staff members and their spouses at an annual holiday party in December paid for with funds from the Mayor's budget;
- 6 • The Mayor should incur York Region expenses personally and seek reimbursement from York Region. If the Mayor is going to continue to use the City Amex Card for York Region expenses, she needs to implement a system that will result in timely submissions to York Region, timely reimbursement to the City, and copies of all invoices and supporting documents being retained by her office for reference purposes;
- 7 • Council should require repayment of the cellular telephone amounts claimed by the Mayor if the Mayor fails to provide supporting documentation within a reasonable period of time;
- 8 • Council should amend Policy 01.14 by adding an additional paragraph to the "Guiding Principles" section, as follows:
 - o 2.10 - All Corporate and Council expenditures must be supported by appropriate documentation and original receipts;
- 9 • Regarding Policy 01.14, "Council Budget/Expenditure Policy - The policy needs to be amended to mandate the appropriate action to be taken in the event of non-compliance. Council needs to direct the City as to the corrective action to be taken;
- 10 • While consumption of alcohol when meeting with external parties is reasonable, Council should decide when it is appropriate for alcohol to be consumed at City funded business meals and amend the wording of the policy to reflect its decision;
- 11 • The City should consider a policy and/or guidance regarding the attendance of spouses at City-funded events.

These findings and recommendations are described in detail below.

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3.0 Engagement mandate

This Supplemental Report should be read in conjunction with our Original Report.

As noted in our Original Report, the scope of our engagement included:

- *A full and comprehensive forensic audit on all of the Mayor's expenses for 2007, with full and detailed explanations;*
- *Whether the City's policies were violated (if any);*
- *Whether personal expenditures were claimed as business expenses;*
- *Whether the Mayor's expenses have been properly disclosed to the public;*
- *Whether the Mayor's use of public funds were appropriately used to perform her duties in the interest of the City;*
- *To answer the issues raised in the two letters of the resident (will be provided to auditor);*
- *To issue a full and comprehensive report with the results which may be available to the public.*

3.1 A full and comprehensive forensic audit on all of the Mayor's expenses for 2007, with full and detailed explanations

We performed a forensic audit on the Mayor's expenses for 2007, as required under the terms of our engagement, and accordingly performed the procedures we considered appropriate in the circumstances. As indicated in our Original Report, we did not perform an external audit on the financial statements of the City of Vaughan.

3.2 Whether the City's policies were violated (if any)

Our Original Report identified various transactions that were not compliant with City Policies.

The Mayor is the only elected official that has a City Amex Card. We identified a number of Policy violations that pertain to the Mayor's use of the City Amex Card. The violations include use of the City Amex Card for personal purchases as well as failure to retain or provide the City Manager with receipts in support of various business-related expenditures. The City has a policy that requires submitting receipts in support of expenditures. The policy does not contain an enforcement mechanism. Council should amend the relevant policy to include an appropriate enforcement mechanism.

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Set out below are the specific policies that were breached, our findings as they relate to the breaches, and our recommendations with regard to the breaches.

Policy/Issue	Finding	Recommendation
Policy 01.14 Council Budget/Expenditure Policy		
2.1 Public funds may not be expended for personal use, non-City business use, campaign or election related purpose	<p>On April 4, 2007, the Mayor incurred a \$481.60 flight charge for her spouse to attend with her at a Federation of Canadian Municipalities ("FCM") conference in Calgary. The Mayor's spouse did not attend the conference. The cost of the flight was non-refundable; however a credit valid for one year was issued in the name of the Mayor's spouse. This transaction with a value of \$481.60 was reimbursed to the City on January 21, 2009. See Schedule S-1 attached.</p> <p>This use of City funds for personal expenses was a breach of this policy.</p>	<p>A process is required that results in recoveries directly from individuals when there is a failure to submit receipts on a timely basis.</p> <p>The City has a policy that requires submitting receipts and supporting documentation. The policy does not contain an enforcement mechanism in the event of non-compliance. Council should amend the policy to mandate appropriate action to recover the expenditures in the event of non-compliance.</p> <p>Alternatively, the Mayor could relinquish her City Amex Card. She would then incur charges personally and submit expense reports for reimbursement when City-related expenses are incurred.</p>

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Policy/Issue	Finding	Recommendation
2.1 (cont'd)	<p>The Mayor used the City Amex Card to make \$5,816.37 in personal purchases. Deposits to the City in the amount of \$5,614.27 were made prior to the City making payments to Amex. \$202.10 was reimbursed after the City had paid Amex. The use of the City Amex Card for personal purchases could be perceived as personal use of City funds. The \$202.10 reimbursed after the City had paid Amex is a breach of policy. The \$5,614.27 that was deposited prior to the City paying Amex, while not technically a breach, was not appropriate use of the City Amex Card. See Schedule S-1 attached.</p>	<p>The Mayor should limit her use of the City Amex Card to City-related business expenses. Alternatively, the Mayor could relinquish her City Amex Card.</p> <p>Council should amend Policy 01.14, "Council Budget/Expenditure Policy" so that paragraph 2.1 includes the word "committed" and reads as follows:</p> <p>"Public funds may not be committed or expended for personal use, non-City Business use, campaign or election related purposes."</p>
4.1.13 Reimbursement of expenditures for cellular telephone phone charges, 407 charges and mileage. It shall be the responsibility of each Member of Council to retain supporting invoices and documentation.	<p>The Mayor did not retain copies of her cellular phone bills and has not produced the cellular phone bills to support her expense report claims of \$3,312.18. The cellular bills were requested on a number of occasions during the investigation. The failure to retain copies is a breach of this policy. See Schedule S-2 attached.</p>	<p>Council should require repayment of the amounts by the Mayor to the City if the Mayor fails to provide supporting documentation in a reasonable period of time.</p> <p>Going forward, Council should amend the policy to require at a minimum that the summary page of the bill indicating the cellular phone number and total charges relating to that number be submitted in support of the amount claimed in an expense report.</p>
4.1.14 Reimbursement of expenditures for business meals with staff and/or external persons with supporting documentation and receipts.	<p>The Mayor used the City Amex Card to purchase business meals with a total value of \$1,001.30 for which no receipts or supporting documents were provided to the City. This action was in breach of this policy. See</p>	<p>A process is required that results in recovery of the expenditure when there is a failure to submit receipts on a timely basis.</p> <p>The City has a policy that requires submitting receipts and supporting</p>

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Policy/Issue	Finding	Recommendation
4.1.14 (cont'd).	Schedule S-3 attached.	<p>documentation. The policy does not contain an enforcement mechanism in the event of non-compliance. Council should amend the policy to mandate appropriate action to recover the expenditures in the event of non-compliance.</p> <p>Alternatively, the Mayor could relinquish her City Amex Card. She would then incur charges personally and submit expense reports for reimbursement when City-related expenses are incurred.</p>
	The Mayor submitted a receipt for \$56.15 for which insufficient explanation was provided. This action was in breach of this policy. See Schedule S-3 attached.	See 4.1.14 above.
	The Mayor was personally reimbursed for receipts totalling \$346.94 relating to Amex charges and thus not incurred personally. This action was in breach of this policy. See Schedule S-3 attached.	See 4.1.14 above.

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Policy/Issue	Finding	Recommendation
Policy 05.5.13 Code of Conduct for Municipal Employees		
<p>Conflict of Interest (extracts)</p> <p>Employees shall not extend, in the discharge of their official duties, preferential treatment to relatives, friends, organizations or groups in which they or their relatives or friends have a pecuniary interest.</p> <p>Employees shall not gain personal benefit, directly or indirectly, from any agreement or contract with the City about which they can influence decisions or affect the outcome.</p> <p>Employees shall be bound to inform their supervisors, in writing, of any business interests of a commercial or financial nature where such interests might be construed to provide an advantage or to be in conflict with their civic duties. The supervisor shall then make alternative arrangements to deal with the situation.</p> <p>Enforcement</p> <p>Where it is determined that an employee is in contravention of any one of</p>	<p>The Mayor's office purchased printing services totalling \$1,896.77 from NAIPI, a company owned and operated by the spouse of a member of the Mayor's office staff ("Staff 1"). Staff 1 indicated that she was under the impression that the staff member ordering the printing ("Staff 2") was aware of the relationship.</p> <p>Staff 2 has not been available to answer questions with respect to what she knew and when.</p> <p>The Mayor indicated that all purchases from NAIPI during 2007 were co-ordinated by her office staff and that she did not have any role in choosing NAIPI as the supplier.</p>	<p>Council should refer the matter to the City's Administration to determine the appropriate measures and actions to be taken where the "Code of Conduct for Municipal Employees" has been breached.</p>

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Policy/Issue	Finding	Recommendation
the foregoing, or of the Code itself, disciplinary action shall be taken.		
City of Vaughan, Field Purchase Order		
Field Purchase Order, Maximum Limit \$3,000	<p>In 2008, an additional purchase of printed material, comprising information packages for new residents, with a value of \$12,765.74 was made from NAIPI. We examined the support for the payment in 2008 and noted that it was not properly supported by a purchase order. The Field Purchase Order ("FPO") that was attached to the invoice is insufficient because FPOs are only applicable to purchases up to a value of \$3,000.</p> <p>We understand the printing was completed in January 2008 and the goods were delivered in two shipments, the first in January 2008 and the balance in May 2008. There was not sufficient storage space to receive the entire order in January 2008. We confirmed the receipt of the goods relating to the purchase and verified the existence of the remaining inventory, but were not able to locate any associated packing slips for the two deliveries. See Schedule S-4 attached.</p> <p>The use of the FPO for an amount exceeding \$3,000 does not comply with the City's</p>	No changes required. The invoice was flagged and escalated for further investigation prior to any payment being made.

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Policy/Issue	Finding	Recommendation
	<p>purchasing policies.</p> <p>Based on statements from the accounting manager, we understand that the NAIPI invoice for \$12,765.74 was flagged and brought to his attention because it exceeded the \$3,000 FPO limit. Accounting contacted the Mayor's office and reminded staff that invoices in excess of \$3,000 should be processed with a purchase order as authorization. Upon gaining satisfaction that the materials existed and had been received, the accounting manager indicated that this invoice would be processed but future purchases in excess of the \$3,000 FPO limit would not be processed without the proper supporting documentation.</p>	

3.3 Whether personal expenditures were claimed as business expenses

In our Original Report, we included the statement, "There were no personal expenditures of the Mayor that were claimed as business expenses." As clarified at the December 5, 2008 Audit Committee meeting, the statement should have included the phrase "except as noted below" because the next and subsequent headers clearly identified such personal expenditures.

The Mayor claims expenses in a number of ways, including the following:

1. Submitting expense reports for reimbursement
2. Submitting invoices to the City for payment
3. Use of the City Amex Card, and
4. Use of the City Petro Canada card.

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1. Submitting expense reports for reimbursement

With respect to expense reports submitted by the Mayor, we noted in our Original Report that there were breaches of policy due to either:

1. failure to retain copies of invoices supporting cellular telephone charges; or
2. failure to provide sufficient explanation with respect to a meal claimed as a business meal.

In the absence of the receipts and supporting documentation, we are not able to make a determination with respect to whether personal expenses have been claimed.

2. Submitting invoices to the City for payment

Certain expenses in the Mayor's budget were invoiced directly to the City and paid directly to the supplier by the City. There were no personal expenditures identified for this category of purchases.

3. Use of the City Amex Card

As noted in our Original Report and in Section 3.2 above, there were occasions when the City Amex Card was used for personal expenditures. In the case of the \$481.60 flight charge, the Mayor did not reimburse the City until the issue was identified in the course of our investigation. See Schedule S-1 attached for the details of personal purchases made by the Mayor using the City Amex Card.

As noted in Section 3.2 above, the word "committed" should be inserted in paragraph 2.1 of Policy 01.14 so that it reads: "Public funds may not be committed or expended for personal use, non-City Business use, campaign or election related purposes."

4. Use of Petro Canada card

No personal expenditures were identified with respect to the Mayor's use of her Petro Canada card.

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3.4 Whether the Mayor's expenses have been properly disclosed to the public

The Mayor's expenses for 2007 were reported as \$84,134.20, excluding remuneration and benefits. Based on our investigation, the total should be adjusted as follows:

<i>Expenses, as reported by the City</i>	<i>\$84,134.20</i>
<i>Items to be added:</i>	
• December Amex statement included in 2008	1,159.22
• December Amex charges on January 2008 statement	<u>199.90</u>
	<u>1,359.12</u>
<i>Items to be deducted</i>	
• December 2006 Amex expenses included in 2007	1,240.30
• York Region expenses not yet claimed	1,058.44
• Duplicate expense claims	346.94
• Meals incorrectly charged to Mayor's budget	315.42
• Seven flower arrangements for Mayor's office or sent on her behalf in 2006	604.74
• Two flower arrangements sent on behalf of the Mayor and Members of Council	218.16
• Gas incorrectly charged to Mayor's budget	83.46
• Personal expenses - Calgary airfare	<u>481.60</u>
	<u>(4,349.06)</u>
<i>Revised amount</i>	<u><u>\$81,144.26</u></u>

See Schedule S-5 (attached) for the details relating to the above items.

3.5 Whether the Mayor's use of public funds were appropriately used to perform her duties in the interest of the City

Council establishes the Policies to govern the activities of Councillors and City employees. To the extent that the Policies were breached by the Mayor, as noted in Sections 3.2 and 3.3 above, the Mayor has made inappropriate use of funds in performing her duties in the interest of the City.

In addition, we consider the following to be inappropriate use of public funds:

- Use of the City Amex Card for personal purchases; and
- Use of the City Amex Card for York region expenses and failing to obtain reimbursement from York Region on a timely basis.

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**3.6 To answer the issues raised in the two letters of the resident
(which will be provided to auditor)**

Attached is Appendix A which deals with the points raised by the Resident in a letter dated April 4, 2008 (Exhibit A to our Original Report).

In the Resident's May 2, 2008 letter (Exhibit B to our Original Report), the resident raised the issues of (a) the City paying for the Mayor's gasoline purchases and (b) transfers and reallocations of some of the Mayor's expenses. The gasoline issue is addressed in Section 5 of this Supplemental Report. The transfers and reallocations of some of the Mayor's expenses were addressed in Section 10.0 of our Original Report.

**3.7 To issue a full and comprehensive report with the results
which may be available to the public**

Refer to our Original Report dated 3 December 2008 and this Supplementary Report.

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4.0 Other issues raised by Audit Committee and Council

At both the December 5, 2008 Audit Committee meeting and the December 8, 2008 Council meeting, issues were raised. To the extent not previously dealt with, the other issues and our findings are as follows:

4.1 Gift bowls

The Mayor incurred an expense for 40 gift bowls for distribution at the annual Senior Management and Directors annual holiday dinner in December 2007. The Audit Committee indicated they could only account for 23 of the bowls and questioned what happened to the remainder of the bowls. In follow-up discussions with City Administration, at least 35 gift bowls would have been required to provide one to each Director, Commissioner and member of Council.

We understand that the remaining bowls were donated to various charity events for use as prizes; however the Mayor's assistant who has knowledge of the distribution of the bowls has been unavailable due to medical reasons.

4.2 Dinners at Bistro 96

The Mayor dined at the restaurant Bistro 96 on City related business on two occasions in 2007. Bistro 96 is owned by a relative of the Mayor. The Audit Committee questioned whether by doing so the Mayor breached the City's conflict of interest policies.

In order to breach the City's conflict of interest policies, the Mayor would have had to extend preferential treatment to the restaurant. Our analysis of the Mayor's business related meals at restaurants determined that such preferential treatment was not given to Bistro 96.

4.3 Mayor's purchase of a couch at a charity function

The Mayor purchased a couch for her office during an auction at a charity function. The Mayor's couch was charged to her budget. The purchase did not breach any City policies.

4.4 Driver for the Mayor

Council approved the allocation of up to \$20,000 of the Mayor's existing annual budget to pay for a driver for the Mayor during her recovery from knee surgery. No additional driver was hired; the occasional driving duties, when required, were assumed by the staff already employed by the City. The only incremental charges were some occasional overtime charges that accounted for less than \$1,000.

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The charges were not reallocated by the City to the Mayor's budget because overtime charges are occasionally incurred for other reasons, such as providing deliveries to all members of Council, none of which are charged back to the budgets of specific Councillors.

4.5 Supplier related to a member of the Mayor's office staff

In our Original Report we addressed purchases for external printing by the Mayor's office from N.A.I.P.I. Print Management, an operating division of North American Institute of Private Investigation Inc. A corporate search for North American Institute of Private Investigation Inc. determined that a person ("Person A") is a Director, the President and the Administrator of the Company.

Person A is the spouse of a member of the Mayor's office staff ("Staff 1"). In our Original Report, we indicated that the Mayor represented to us that at the time the printing orders were placed and delivered, she neither knew what printing company was being used nor that Staff 1's spouse's company provided the printing services.

Subsequent to the release of our Original Report, we spoke with Person A. He told us that he was under the impression that the Mayor knew that NAIPI was Person A's company and that NAIPI was providing printing services for her office.

In our most recent discussion with the Mayor, she reiterated her previous explanation that at no time prior to our meeting with the Mayor on November 24, 2008 was she aware or informed that:

- Her staff was purchasing printed materials from Person A; nor
- That NAIPI was connected to Person A.

In any event, the purchase of goods and services from a company owned and operated by the spouse of an employee in a matter over which the employee can influence the decision is a contravention of the code of conduct for the employee. This issue is included above in Section 3.2.

4.6 Additional documents provided to the City auditor

On December 8, 2008, Council provided additional documents relevant to the investigation to the City Auditor and asked the City Auditor to comment on same. We have reviewed the documents and taken them into consideration in preparing this Supplemental Report.

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5.0 Observations & Recommendations

Our Original Report and subsequent procedures identified both weaknesses in wording of some policies and practices that are not covered by a City policy. These items and the recommended changes are set out below.

To the extent that policies could be improved to more appropriately direct the use of public funds, we have identified opportunities for improvement below.

Policy/Issue	Finding	Recommendation
Policy 01.14 Council Budget/Expenditure Policy		
4.1.6 Mayor's Vehicle - lease, repairs, insurance, license, maintenance.	The City purchases all the fuel, in this case gasoline, used in the vehicle leased for the Mayor by the City. The policy states that the City will pay for specific vehicle related expenses of the Mayor. It does not, however, specifically state that the City will pay for fuel expenses. The practice for the previous Mayors was the same; the City paid for the fuel.	Council should confirm that the intent was to include "fuel" in Policy 4.1.6 and then amend the wording of the policy to reflect their decision.
4.1.14 Reimbursement of expenditures for business meals with staff and/or external persons with supporting documentation and receipts.	The Mayor used the City Amex Card to purchase business meals with a total value of \$1,137.88 for which only a receipt (transaction slip) was submitted and no supporting documentation (detailed restaurant invoice) was provided.	Council should clarify the wording with respect to business meals to require both the original detailed restaurant invoice and the transaction slip be submitted. Also, "supporting documentation" should be expanded to include who attended and the business purpose.

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Policy/Issue	Finding	Recommendation
	<p>The Mayor hosted annual dinners in December 2006 and December 2007 for the members of her office staff and their spouses. The costs were borne by the City. The Mayor's annual dinners were a departure from City practices, however are not contemplated by City policies and guidelines.</p>	<p>Council should consider whether a policy is required with respect to this issue.</p>
York Region Expenses	<p>When attending conferences that are paid by York Region, the Mayor incurs expenses on the City Amex card, seeks reimbursement from York Region, and then issues a personal cheque to reimburse the City. In addition, the Mayor incurred \$1,058.44 in expenses that were reimbursable from York Region but had failed to make a claim for reimbursement to York Region at the time our Original Report was issued.</p> <p>The City is out of pocket for the entire amount until the claim is submitted and reimbursement made to the City. Based on our findings related to 2007 expenses, the reimbursements are not received by the City on a timely basis. See Schedule S-6 attached.</p>	<p>The Mayor should reimburse the \$1,058.44 to the City.</p> <p>The Mayor should incur York Region expenses personally and seek reimbursement directly from York Region.</p> <p>If the Mayor is going to continue to use the City Amex Card for York Region expenses, she needs to implement a system that will result in timely submissions to York Region, timely reimbursement to the City, and copies of all invoices and supporting documents being retained by her office for reference purposes.</p>

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Policy/Issue	Finding	Recommendation
Non Meal Amex Receipts	<p>The Mayor incurred \$2,575.72 in non meal related City Amex card expenses for which no receipt or transaction slip was submitted. City policies do not explicitly state that receipts or transaction slips are required for non-meal business expenses incurred on the City Amex card. See Schedule S-7 attached.</p>	<p>Council should amend Policy 01.14 by adding an additional paragraph to the "Guiding Principles" section, as follows:</p> <p>2.10 All Corporate and Council expenditures must be supported by appropriate documentation and original receipts.</p> <p>Consistent with the policy relating to Meal Expenses, an appropriate policy needs to be developed requiring original detailed receipts and supporting documentation be submitted to the City and mandating appropriate action in the event of non-compliance. Council needs to direct the City as to the corrective action to be taken.</p>
Receipts for Expenses	<p>The policies do not explicitly state that a receipt is required for any non-meal business expenses, regardless if incurred using the City Amex card or through the submission of an expense report or from a third party. We understand that when expense reports are submitted, the expense report form requires receipts to be attached.</p>	<p>Council should amend Policy 01.14 by adding an additional paragraph to the "Guiding Principles" section, as follows:</p> <p>2.10 All Corporate and Council expenditures must be supported by appropriate documentation and original receipts.</p>
Consumption of alcohol during business meals	<p>Alcohol was consumed at some of the City funded business meals. City policies do not prohibit the consumption of alcohol at City funded meals.</p>	<p>While consumption of alcohol when meeting with external parties is reasonable, Council should decide when it is appropriate for alcohol to be consumed at City funded business meals and amend the wording of the policy to reflect its decision.</p>

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Policy/Issue	Finding	Recommendation
Spousal involvement at City funded events	At some of the City funded events the Mayor's spouse accompanied the Mayor. City policies do not provide any guidance as to the extent of spousal involvement at City funded events.	The City should consider a policy and/or guidance.

6.0 Restriction of use

The Audit Committee may, at its sole discretion, disclose this Supplemental Report to any third party provided that the City provides Ernst & Young with prior notification of the proposed disclosure and discloses the Supplemental Report in its entirety including all disclaimers and restrictive legends attached thereto by us intact. Notwithstanding anything herein, Ernst & Young does not assume any duties or obligations to third parties who may obtain access to the Supplemental Report. Any use such third parties may choose to make of the Supplemental Report is entirely at their own risk and we shall have no responsibility whatsoever in relation to any such use.

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Schedules

Schedule	Schedule Description
Schedule S-1	Analysis of Personal Use of City Amex Card
Schedule S-2	Cellular Telephone Bills Not Supported by Invoices
Schedule S-3	Business Meals Lacking Proper Support
Schedule S-4	Invoices from N.A.I.P.I. Print Management
Schedule S-5	Revised Reporting of the Mayor's Expenses
Schedule S-6	York Region Expenses
Schedule S-7	Non-Meal Amex Expenses Lacking Support

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Appendices

Appendix	Appendix Description
Appendix A	Field Purchase Order
Appendix B	Resident's Questions - Report References or Other Resolution

Schedule 1

THE CITY OF VAUGHAN MAYOR'S EXPENSES - 2007

Analysis of Personal Use of City Amex Card

Notes:

- [1] Date of City Amex Card statement in which the expenditure can be found.
 - [2] Date of expenditure per City Amex Card statement.
 - [3] Date the City paid Amex for the charge per the subsequent month's Amex Card statement.
 - [4] Date of the Mayor's payments to the City, as evidenced by the stamp on the receipt received by the Mayor from the City.
 - [5] Personal charge not reimbursed to the City as at December 3, 2008. The amount was repaid on January 21, 2009.

Schedule 2

**THE CITY OF VAUGHAN
MAYOR'S EXPENSES - 2007**

Cellular Telephone Bills Not Supported By Invoices [1]

Month / Year [2]	Expense Report Date [3]	Amount Per Expense Report [4]		Amount Per General Ledger [5]		Note [6]	Other Information [7]
		GST [5]	General Ledger [6]				
December 2006	Jan 22/07	\$ 490.03	\$ (25.79)	\$ 464.24		[8]	Cell phone charge \$429.85, PST \$34.39, GST \$25.79
January 2007	Feb 13/07	\$ 554.16	\$ (29.16)	\$ 525.00			Cell phone charge \$486.10, PST \$38.89, GST \$29.17
Feb & Mar. 2007	Mar 28/07	317.53	(16.71)	300.82			Cell phone charge \$278.53, PST \$22.28, GST \$16.72
July 2007	Jul 25/07	798.43	(42.02)	756.41			Cell phone charge \$699.93, PST \$56.28, GST \$42.22
August 2007	Aug 24/07	427.93	(22.52)	405.41			Cell phone charge \$383.94, PST \$25.14, GST \$18.85
Sept - Oct 2007	Oct 31/07	411.98	(21.68)	390.30			Cell phone charge \$363.07, PST \$27.95, GST \$20.96
Nov - Dec 2007	Jan 23/08	163.92	(8.63)	155.29			Cell phone charge \$143.79, PST \$11.50, GST \$8.63, November 2007
Nov - Dec 2007	Jan 23/08	148.20	(7.80)	140.40			Cell phone charge \$131.15, PST \$10.49, GST \$6.56, December 2007
Total not supported		<u><u>\$ 3,312.18</u></u>					
Reversal of 2006 accrual				(464.24)		[8]	
Other				284.64		[9]	
Total Account Cellular Line Charges 010002.7122.01				<u><u>\$ 2,958.27</u></u>			

Notes:

- [1] The transactions set out in this schedule represent the cellular telephone bills the Mayor submitted by way of expense reports in 2007. None of the underlying cellular telephone bills were provided to us.
- [2] "Month/Year" of the cellular telephone bill, as written on the expense report.
- [3] Date the expense report was signed by the Mayor.
- [4] The amount of the cellular telephone bill as written on the Expense Report. This amount includes the cellular telephone charges and provincial Sales Tax ("PST") and federal Goods and Services Tax ("GST").
- [5] GST as entered in the general ledger.
- [6] The amount of the expense item recorded in the General Ledger.
- [7] Description of charges as written on the expense report.
- [8] This expense report was for the Mayor's cell phone charges for December 2006. The amount had been accrued in 2006 and a subsequent reversal of the accrual was recorded in 2007. Accordingly, the amount was recorded as an expense in 2006 and not in 2007.
- [9] Includes charges to General Ledger account Cellular Line Charges 010002.7122.01 that are paid direct to the service provider by the City.

Schedule 3

**THE CITY OF VAUGHAN
MAYOR'S EXPENSES - 2007**

Business Meals Lacking Proper Support [1]

Statement Date	Item Date	Business Establishment	Amount	No Receipt [2]	Insufficient Explanation	Duplicate Claim	Nature of Expense [3]
Amex Card Charges [4]							
Jan 23/07	Dec 28/06	Bistro 96, Toronto, ON	588.81	588.81			Annual staff Christmas dinner with Linda Jackson, Mirella Compagno, Kathy Thorne, and spouses.
Feb 22/07	Feb 9/07	Keg Newmarket, Newmarket, ON	105.49	105.49			Business dinner with York Region Police re: email investigation.
Aug 22/07	Aug 19/07	Eighteen, Ottawa, ON	307.00	307.00			AMO Conference in Ottawa, August 19 - 22/07 - business meal with representatives from the energy sector to discuss opportunities in Vaughan.
Expense Report Claim [5]							
Sept - Oct 2007	Apr 21/07	Koganei Japanese Restaurant	56.15	56.15			Lunch with the Mayor and one other person. The Mayor has indicated to us the nature of the business lunch. The Mayor has not identified who the meal was with. Accordingly, we are unable to verify the nature of the expense.
Duplicate Claim [5]							
July 2007	May 18/07	Basilico Ristorante, Vaughan, ON	113.49				Lunch meeting with the Mayor and a third party re: Powerstream.
July 2007	May 22/07	Bistro 96, Toronto	160.58				Dinner meeting with Linda Jackson and Mirella Compagno.
July 2007	May 31/07	Milestone's, Calgary AB	72.87				FCM Annual Conference in Calgary, lunch meeting with Linda Jackson and three other third parties.
			\$1,404.39	\$1,001.30	\$56.15	\$346.94	

Notes:

- [1] The transactions set out in this schedule represent business meals recorded in the Mayor's Expenses for which there was insufficient supporting documentation or explanation.
- [2] Amount of the charge for which the Mayor is unable to provide either a copy of the receipt or transaction slip.
- [3] Nature of expense determined from discussions with the Mayor and/or other City Staff.
- [4] Source: the Mayor's Amex Card statements. Item dates are based on the date they appear on the Amex statement.
- [5] Source: the Mayor's expense reports. Item dates are based on receipts attached to expense reports.

Schedule 4

**THE CITY OF VAUGHAN
MAYOR'S EXPENSES - 2007**

Invoices From N.A.I.P.I. Print Management

<u>Invoice Date</u>	<u>Invoice Amount</u> [1]	<u>Description</u>	<u>Note</u>
Oct 18/07	\$ 1,717.90	5,000 sheets of letterhead.	[2]
Nov 27/07	1,570.35	2,500 Custom note cards for the Mayor	[3]
Nov 30/07	215.20	500 business cards for Ann Coletta	[3]
Dec 10/07	216.60	Graphic design services for October and November 2007	[3]
Jan 13/08	12,765.74	12,000 mail out packages made up of brochures, pre-printed letters, business cards, and special envelopes.	[4]
Total	\$ 16,485.79		

Notes:

- [1] Invoice amount includes PST and GST. The Ledger Sheet entry does not include GST
- [2] Noted invoice was allocated to the Council Corporate account, "Printing - External account, 0200020.7222.02"
- [3] Noted invoices, totalling \$1,896.77, were allocated to the Mayor's account, "Printing - External account, 0100002.7222.02", in 2007.
- [4] Noted invoice was allocated to the Mayor's account, "Printing - External account, 010002.7222.02", in 2008.

Schedule 5

**THE CITY OF VAUGHAN
MAYOR'S EXPENSES - 2007**

Revised Reporting of the Mayor's Expenses

Item	Item Date	Amount	Amount	Notes
Mayor's Reported Expenses - 2007			84,134.20	
Expenses to be included in 2007				
Dec 22/07 Amex Charges recorded in 2008				[1]
David Inter Continental		12.64		
Esso Hwy 400		55.01		
Rent a Cellular Phone		59.80		
Sunoco		82.90		
Esso King Side		30.01		
Toys 'R' Us		36.43		
Sunoco		80.44		
Costco		74.14		
Octagon Restaurant		245.86		
Dominion		210.07		
San Antonio Fish		271.92	1,159.22	
December 2008 Amex charges included in January 2008 statement				[2]
Rogers Plus		45.60		
Globe Limo Financials		77.15		
Globe Limo Financials		77.15	199.90	
Subtotal			1,359.12	
Expenses to be deducted from 2007				
December 2006 Amex charges included in January 2007				[1]
Luggage City		(164.12)		
Bistro 96		(588.81)		
Esso		(20.00)		
The Source by CC		(467.37)	(1,240.30)	
Unclaimed FCM/AMO expenses				[3]
FCM - Milestone's (Tab 15)		(72.87)		
FCM - Air Canada flight change (Tab 15)		(25.44)		
FCM - Air Canada flight change (Tab 15)		(42.40)		
FCM Westin Calgary (Tab 15)		(877.73)		
AMO Ottawa parking (Tab 18)		(6.00)		
AMO Ottawa Taxicab (Tab 18)		(34.00)	(1,058.44)	
Reimbursement of duplicate charges			(346.94)	[4]
Delivered dinner for Mayor and members of Council		(93.22)		[1]
Delivered dinner for Mayor and members of Council		(170.21)		[1]
Purchase of pastries for Council Executive Assistants meeting		(51.99)		[5]
Petro Canada charge allocated to the Mayor's budget		(83.46)		[6]
Flower expenses relating to 2006		(604.74)		[7]
Flower expenses incorrectly charged to the Mayor's budget		(218.16)		[7]
Air Canada air fare for Mayor's spouse		(481.60)		[4]
Subtotal			(4,349.06)	
Mayor's Reported Expenses - 2007 - REVISED			81,144.26	

**THE CITY OF VAUGHAN
MAYOR'S EXPENSES - 2007**

Revised Reporting of the Mayor's Expenses

<u>Item</u>	<u>Item Date</u>	<u>Amount</u>	<u>Amount</u>	<u>Notes</u>
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Notes:

- [1] Per Schedule 3 of EY Report dated December 3, 2008
- [2] Agreed to Amex Statement dated January 23, 2008
- [3] Per Schedule S-6 of this Supplemental Report
- [4] Per EY Report dated December 3, 2008. See Schedule S-3 of this Supplemental Report.
- [5] Per Schedule 5 of EY Report dated December 3, 2008
- [6] A charge to the City's corporate Petro Canada card was incorrectly charged to the Mayor's budget; it should have been charged to another City department.
- [7] In late 2007 the Mayor's office received several invoices from a florist for the delivery of flower arrangements in November 2006 to February 2007. All of these charges were allocated to the Mayor's 2007 budget. In reviewing the supporting invoices, we identified \$604.74 relating to purchases in 2006 that should have been reflected in the Mayor's 2006 expenses. Also, we identified charges totalling \$218.16 that should have been recorded in the Council Corporate budget because they were arrangements sent on behalf of the Mayor and members of Council.

Schedule 6

**THE CITY OF VAUGHAN
MAYOR'S EXPENSES - 2007**

York Region Expenses [1]

Item Description	Amex Statement [2]	Transaction Date [3]	Date Amex Paid [4]	Date Reimbursed [5]	York Region Exp Rpt [6]	Not Submitted to York Region [7]	Total York Region Expenses
FCM Calgary conference - hotel deposit	Feb 22/07	Feb 13/07	Apr 12/07	Nov 27/07	\$254.19		\$ 254.19
FCM Calgary conference - registration fees	Mar 24/07	Feb 22/07	Apr 23/07	Nov 27/07	620.00		620.00
AMO Ottawa conference - registration fee	[8] N/A	Mar 21/07		Nov 27/07	710.20		710.20
FCM Calgary conference - travel insurance	Apr 23/07	April 4/07	May 14/07	Nov 27/07	21.20		21.20
FCM Calgary conference - airfare	Apr 23/07	April 4/07	May 14/07	Nov 27/07	481.60		481.60
FCM Calgary conference - business meal	Jun 22/07	May 31/07	Jul 18/07				72.87
FCM Calgary conference - business meal	Jun 22/07	Jun 2/07	Jul 18/07	Nov 27/07	1,543.87		1,543.87
FCM Calgary conference - business meal	Jun 22/07	Jun 3/07	Jul 18/07				25.44
FCM Calgary conference - airfare	Jun 22/07	Jun 3/07	Jul 18/07		42.40		42.40
FCM Calgary conference - hotel	Jun 22/07	Jun 5/07	Jul 18/07		877.73		877.73
FCM Calgary conference - airfare	Aug 22/07	Aug 17/07	Oct 3/07	Dec 6/07	504.92		504.92
AMO Ottawa conference - airfare	Aug 22/07	Aug 17/07	Oct 3/07	Dec 6/07	31.80		31.80
AMO Conference - lunch	Aug 22/07	Aug 21/07	Oct 3/07	Nov 13/07	132.22		132.22
AMO Conference - parking at GTAA	Sep 22/07	Aug 22/07	Nov 2/07		6.00		6.00
AMO Conference - taxi charges	Sep 22/07	Aug 23/07	Nov 2/07				31.45
AMO Conference - hotel charges	Sep 22/07	Aug 23/07	Nov 2/07				734.31
AMO Conference - miscellaneous	Sep 22/07	Aug 26/07	Nov 2/07				27.50
AMO Conference - taxi charges	Sep 22/07	Sep 6/07	Nov 2/07				34.00
Total York Region Expenses					\$5,093.26	\$1,058.44	\$6,151.70

Notes:

- [1] This schedule sets out the expenses incurred by the Mayor with respect to York Region that were paid by the City. The Mayor is eligible to receive reimbursement of these expenses from York Region. The expenses were charged to the Mayor's City Amex Card, except where noted.
- [2] Date of City Amex Card statement in which the original expenditure can be found.
- [3] Date the original expenditure was made, as evidenced on the City Amex Card statement.
- [4] Date the City's payment of the City Amex Card statement, as evidenced by the subsequent month's City Amex Card statement.
- [5] Date the reimbursement was made, as evidenced by the stamp on the receipt received from the City.
- [6] An expense report was submitted to York Region for reimbursement of the expense. The reimbursement was received by the Mayor and deposited into the City's bank account.
- [7] An expense report was not submitted to York Region for reimbursement of the expense. The City has not received reimbursement of the expense.
- [8] This item was paid direct to AMO by the City. The Transaction Date is the "G/L Date" in the Ledger Sheets.

Schedule 7

**THE CITY OF VAUGHAN
MAYOR'S EXPENSES - 2007**

Non-Meal Amex Expenses Lacking Support [1]

Statement Date	Item Date	Business Establishment	No Receipt	Nature of Expense
[2]	[3]	[4]	[5]	[6]
Jan 23/07	Dec 27/06	Luggage City Inc, Woodbridge, ON	\$164.12	Purchase of briefcase to be used by Linda Jackson.
Jan 23/07	Dec 29/06	Esso 3650 Rutherford, Vaughan, ON	20.00	Gasoline for car.
Jan 23/07	Dec 31/06	The Source By CC 710 Vaughan, ON	467.37	Purchase of camera and memory card for digital documentation at site visits and events.
Mar 24/07	Mar 4/07	7-Eleven #22980 (MKT), Woodbridge, ON	15.00	Gasoline for car.
Mar 24/07	Mar 5/07	Esso 3100 MJR Macken, Maple, ON	30.00	Gasoline for car.
Mar 24/07	Mar 9/07	Casino Windsor Hotel, Windsor, ON	378.99	LUMCO meeting in Windsor, Linda Jackson's hotel room and meals taken at the hotel.
Apr 23/07	Mar 24/07	Westin Hotels Atl No, Atlanta, GA	720.88	Hotel in Atlanta relating to trip arranged by the City's Department of Economic Development.
Apr 23/07	Apr 1/07	Esso 8525 HWY 27, Vaughan, ON	66.04	Gasoline for car.
Apr 23/07	Apr 17/07	Willowdale Nissan Lt, Thornhill, ON	17.33	Repair charges, however the Mayor does not recall what the repairs were for.
May 23/07	Apr 23/07	Absolute Conferences, Toronto, ON	26.50	The Mayor believes that this charge may be an administrative fee relating to an online conference booking.
May 23/07	May 17/07	Waterside Inn, Mississauga, ON	4.00	Councillor retreat; the Mayor cannot recall what the charge was for.
Jun 22/07	May 26/07	Esso 3650 Rutherford, Vaughan, ON	69.00	Gasoline for car.
Jul 22/07	Jul 19/07	Shell Canada C22130, Woodbridge, ON	64.26	Gasoline for car.
Aug 22/07	Aug 3/07	CDN Tire Gas Bar, Gravenhurst, ON	42.01	Gasoline for car.
Aug 22/07	Aug 7/07	Esso 3555 MAJ Macken, Vaughan, ON	48.00	Gasoline for car.
Aug 22/07	Aug 18/07	Sunoco 681 Christie, Vaughan, ON	69.90	Gasoline for car.
Sep 22/07	Aug 30/07	Esso 3555 MAJ Macken, Vaughan, ON	51.00	Gasoline for car.
Oct 22/07	Oct 13/07	Esso 3650 Rutherford, Vaughan, ON	60.00	Gasoline for car.
Nov 22/07	Nov 17/07	Good Art Ltd, Jerusalem	152.45	[7] Israel trip - purchase of a ceramic sculpture that is now on display in the Mayor's office.
Dec 22/07	Nov 24/07	David Inter Continen, Tel Aviv	12.64	[7] Israel trip - expenses charged by hotel after check out.
Dec 22/07	Dec 2/07	Rent a Cellular Phon, Tel Aviv	59.80	[7] Israel trip - cell phone rental for Israel trip.
Dec 22/07	Dec 13/07	Toys 'R' Us #3540 Christie, Vaughan, ON	36.43	[7] Purchase of a toy gift donation for a York Region Christmas event attended by the Mayor.
		Total	\$ 2,575.72	

Combined Totals

Notes:

[1] The transactions in this schedule represent the non-business meal charges to the Mayor's City Amex Card that were not supported by receipts.

[2] Date of City Amex Card statement in which item is found.

[3] Date of transaction, as set out on the City Amex Card statement.

[4] Name of company where purchase was made, as set out on the City Amex Card statement.

[5] Amount of the charge in which the Mayor is unable to find a copy of the receipt.

[6] Based on discussion with the Mayor or her staff.

[7] Charges relating to the December 22, 2007 City Amex Card Statement were recorded in the Mayor's 2008 expenses.

Appendix A

City of Vaughan □ Vaughan Public Libraries □

2141 Major Mackenzie Drive
Vaughan, Ontario L6A 1T1

900 Clark Avenue West,
Thornhill, Ontario L4J 8C1

Field Purchase Order Number

FPO 114148

**Field Purchase Order
Maximum Limit \$3000.00**

Vendor

Ship To Location/Department

Requisitioner

Account and/or Vehicle Number

Phone/Ext.

Ordered By Telephone Fax In Person Dept. No. _____

Confirmation Order

Sub-Total | \$

Tax PST

GST □

Delivery/Install

Received By:

Date

TOTAL | \$

Vendor Notice: The **FPO** number must be shown on all invoices and documents.

Forward Invoice Directly to: **Accounts Payable** (at address above CITY/LIBRARY)

Appendix B

APPENDIX B Supplemental Report Regarding the Mayor's City-Related Expenses for 2007

Resident's Questions - Report References or Other Resolution

In a letter dated April 4, 2008 a resident of the City of Vaughan (the "Resident") raised a number of issues. Refer to Tab A of the EY Report dated December 3, 2008 ("Original Report") for a copy of the letter.

This appendix sets out each of the issues raised and identifies where the issue is addressed in the Original Report, the Supplemental Report dated March 13, 2009, or is resolved in some other way.

Location ¹	Description ²	Report Reference or Other Resolution
Main Letter, Page 1	<i>I have outlined below four major issues of concern.</i>	
Main Letter, Page 1	1. Receipts submitted and reimbursement made through Accounts Payable for the same restaurant charges which were incurred and already paid for through the American Express corporate card.	This is the Mayor's duplicate claim of three business meals. This is addressed in section 8.3 of the Original Report.
Main Letter, Page 1	2. Vehicle expenditures recorded in the amount of \$53,961.79 for 2007.	This is the incorrect recording of car lease expenses. This is addressed in section 10.1 (b) of the Original Report.
Main Letter, Page 1	3. Travel expenses incurred.	Specific questions not raised. Refer to analysis below of specific travel questions.
Main Letter, Page 1	4. Clarification of expenses incurred using the City of Vaughan Corporate credit card.	Specific questions not raised. Refer to analysis below of specific questions.

¹ Location in the Resident's April 4, 2008 letter of the issue raised.

² Direct quotation from the Resident's April 4, 2008 letter.

APPENDIX B

Supplemental Report Regarding the Mayor's City-Related Expenses for 2007

Resident's Questions - Report References or Other Resolution

Location ¹	Description ²	Report Reference or Other Resolution
Main Letter, Page 1 and 2	<p><i>Additionally, proper checks and balances are not being conducted. According to an explanation provided to me by the City, backup documentation is not required in relation to several thousand dollars in cell phone bills submitted for reimbursement by Mayor Jackson.</i></p> <p><i>"The Financial Services Department does not have the back-up documentation for the cell phone expenses. The Financial Services Department does not require the back-up documentation for the cell phone."</i></p>	<p>City Policy 01.14, section 4.1.13 does not require Councillors to submit back up documentation of cellular telephone expenses. Councillors are required, however, to retain copies.</p>
Main Letter, Page 2	<p><i>Proper checks and balances, at least according to my understanding of normally accepted accounting principles would mean that a third party would be signing off or verifying expenditures of all taxpayer funds. The Mayor to be authorizing, and certifying the expenditures as being proper without providing any backup documentation or receipts does not protect taxpayers.</i></p>	<p>The practice of the City is for all Councillors, including the Mayor, when submitting expenses, to sign a declaration that they have "incurred the expenses noted above while in the conduct of business related to Council and the Corporation of the City of Vaughan."</p> <p>There is no other practice or policy of the City to have Councillors' expenses otherwise authorized.</p>

APPENDIX B
Supplemental Report Regarding the Mayor's City-Related Expenses for 2007

Resident's Questions - Report References or Other Resolution

Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 1	<u>Issue One - Duplicate or Double payment of expenses</u> (Reference: Appendix 2 - Duplicates)	This topic is addressed in section 8.3 of the Original Report. To answer the specific questions:

It appears from the examination of the expense records that there are three examples of where Mayor Jackson used the City corporate credit card American Express, and then further submitted the same three expenses to receive cash. The monthly expense requests are signed by the Mayor, and the notation that is signed as a declaration specifically states that these expenses are not receivable from any other source . An explanation is required, please .

Declaration:

"I the undersigned, hereby state that I have incurred the expenses noted above while in the conduct of business related to the Council and the Corporation of the City of Vaughan and the these expenses are not receivable from any other source."

1. Why did Mayor Jackson submit these charges for personal reimbursement?
2. Why was Mayor Jackson reimbursed for these charges?

<i>Basilico</i>	\$113.49
<i>Bistro 96</i>	\$160.58
<i>Milestones</i>	\$72.87

APPENDIX B
Supplemental Report Regarding the Mayor's City-Related Expenses for 2007

Resident's Questions - Report References or Other Resolution

Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 2	<p><i>It is my understanding that the Mayor was authorized to lease a car in the name of the City of Vaughan with a monthly expense of \$772.06, plus PST of \$61.76, totaling \$833.82. This has a yearly reported cost of \$10,005.84. When the expense statements were examined, the true cost appears to be higher than the reported cost.</i></p> <p><i>The total cost incurred for a vehicle for the Mayor for the year 2007, as understood from the statements appears to be \$53,961.79.</i></p> <p><i>This amount raises some very serious questions about the use of taxpayer money. It appears that additional costs were incurred in relation to the Mayor's vehicle but are not reported on the Mayor's Council Expenditure Summary for the year ending December 31, 2007.</i></p>	<p>This is addressed in section 10.1 (b) of the Original Report.</p> <p>The regularly scheduled lease payment for the Mayor's car was incorrectly entered into the City's accounts payable system to pay the lease's payments to 2010. The error was detected before payment. Because the expenses had been recorded, a correcting journal entry was made. There were no 'extra' cheques or payments made to the leasing company.</p>
Appendix 1, Page 2	<p><i>Based on the above, I have several questions in this regard:</i></p> <ol style="list-style-type: none"> <i>1. Why based on a monthly (12) payment lease, are 16 payments made in 2007?</i> 	<p>See notes above.</p>
Appendix 1, Page 2	<ol style="list-style-type: none"> <i>2. Why are there four lump sum payments totalling \$36,008.89 on April 2, 2007?</i> 	<p>See notes above.</p>
Appendix 1, Page 2	<ol style="list-style-type: none"> <i>3. Why was \$36,008.89 transferred out of the Rental, Leases-Vehicle Expenditure?</i> 	<p>This was an entry to correct the processing error, see notes above.</p>
Appendix 1, Page 2	<ol style="list-style-type: none"> <i>4. Has the Mayor's leased vehicle been paid in advance and why?</i> 	<p>The lease has not been paid in advance. See notes above.</p>

APPENDIX B
Supplemental Report Regarding the Mayor's City-Related Expenses for 2007

Resident's Questions - Report References or Other Resolution

Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 2	5. Is there a lien against the Mayor's leased vehicle held by the City of Vaughan and what value is the lien based on?	The leasing company has placed a lien on the vehicle, and it remains in effect.
Appendix 1, Page 2	6. Based on the assumption as stated above, under whose authority was the vehicle paid in full in the first year, and when was the authorization level of payment changed?	The assumption is incorrect, see notes above.
Appendix 1, Page 2	7. Can the Mayor purchase the car, for book value (and what is that value) if the vehicle has been paid in full, and does this represent value for the taxpayer?	The lease is in the City's name, the Mayor is not able to purchase the car at book value.
Appendix 1, Page 2	8. Based on the expenses publicly disclosed along with the salary of the Mayor, this benefit does not appear to be reflected in its entirety. Does the full payment of the Mayor's vehicle in the first year (based on assumption as stated above), then mean an offsetting benefit disclosure to Revenue Canada will be made?	Because the lease was not paid in advance, there was no benefit to the Mayor.
Appendix 1, Page 2	9. Given the resolution by Council on October 9, 2007 "The cost to implement a driver for the duration of 2007 would have an economic impact to a maximum of \$20,000.00 to the Mayor's 2007 Budget". Why is the cost for driver not reported on the Mayor's Expenditure Summary?	We were informed by the City Clerk's Department that less than \$1,000 in additional driving charges relating to the Mayor had been incurred. This expense remained in the City Clerk's accounts.

APPENDIX B
Supplemental Report Regarding the Mayor's City-Related Expenses for 2007

Resident's Questions - Report References or Other Resolution

Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 3	1. Do trips have to be approved by Council, or business cases submitted to justify the use of taxpayer money for travel?	Response per Management of COV:

There is presently no written City policy on Business Travel for Economic Missions and International Partnerships. There is a policy to attend conferences and seminars within Canada and the USA.

On February 26, 2007, Council approved \$50,000 to be allocated to the Economic/Technology Development and Communications Operating Budget to cover the cost of International Partnerships in 2007. A business mission to Italy in June 2007 in collaboration with the Italian Chamber of Commerce was referred to in the public report.

APPENDIX B
Supplemental Report Regarding the Mayor's City-Related Expenses for 2007

Resident's Questions - Report References or Other Resolution

Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 3	<i>2. What is the policy on taxpayer funds being used to pay for spousal travel, including hotel rooms, airfare and meals?</i>	<p>Presently there is no specific policy for spousal travel. However the practice is that spousal costs are a personal expense and should not be charged to the City. The Economic and Development department are currently working on a policy on Business Travel for Economic Missions and International Partnerships, which will be presented to Council for approval.</p> <p>Spouses travelling with Council members pay their own airfare and any incremental hotel costs. Where there is shared transportation, for example a rental bus, the City has covered the costs. For airfare, the spouse's cost is a personal expense. For group meals, only the cost of the Council member is claimed as an expense. The spouse's meal is not paid by the City. Travel for personal reasons and outside the scope of the established itinerary is at the personal expense of the Council member.</p>

APPENDIX B
Supplemental Report Regarding the Mayor's City-Related Expenses for 2007

Resident's Questions - Report References or Other Resolution

Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 3	<i>3. Is the policy of the City to allow the use of the City Corporate credit cards for personal expenditures and then allow the repayment of these personal expenditures at a later date?</i>	This is addressed in section 11.2 (a) of the Original Report and in the Supplemental Report.
Appendix 1, Page 3	<i>4. With respect to the Italy trips, why does it appear that there are four tickets purchased with one of the tickets being repaid by the Mayor's spouse in a lesser amount?</i>	There was a clerical error in the processing of an Amex statement, this is addressed in section 10.1 (a) of the Original Report.
Appendix 1, Page 3	<i>5. Why were there extra charges for hotel (meals?) accommodations in Italy?</i>	This is addressed in section 7.1 (b) of the Original Report..
Appendix 1, Page 3	<i>The Ottawa trip is very confusing, with a number of charges being incurred several days after what appears to be the Hotel departure date for the Mayor, and several days before what appears to be the air travel dates.</i>	The variance in the transaction dates of the expenses incurred while in Ottawa are a result of varying processing times by suppliers of Amex Card charges. The expenses incurred during the Ottawa trip were incurred within the dates the Mayor was in Ottawa. This is addressed in section 13.0 (e) of the Original Report.

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Resident's Questions - Report References or Other Resolution

Location ¹	Description ²	Report Reference or Other Resolution												
Appendix 1, Page 3	<p>Several months after the Mayor returned to Vaughan, the Mayor's spouse repaid one of the charges from the Ottawa trip, that were outside of what appears to be the air travel dates. The financial statements show this repayment, reallocation to Powerstream and a subsequent reversal (?) for the payment. This is confusing, and an explanation required why Powerstream would pay for expenditures in Ottawa?</p>	<p>The Mayor paid the City in respect of personal charges incurred during the Ottawa trip; the expense was neither incurred nor paid back by the Mayor's spouse</p> <p>Outside travel dates - refer to item immediately preceding re: transaction dates</p>												
Appendix 1, Page 3		<p>Powerstream - the reference to Powerstream was due to an employee of Powerstream being at the meal. The reallocations of the amount amongst various ledger accounts are explained in Schedule 6 of the Original Report.</p>												
Appendix 1, Page 3	<p>There are charges repaid from the Jackson campaign fund for the Ottawa trip as well. It is our information that City collected taxes and taxpayer funds cannot be used to pay campaign expenses. If the statements are correct in these multiple transactions and the amount indeed reimbursed from a campaign account, is this then a violation of the Elections Act, and should this be brought to the attention of the public auditor hired to address campaign finances?</p>	<p>Receipts issued to the Mayor when she reimbursed funds to the City were issued to "Linda Jackson Campese", "Campese" being the Mayor's spouse's surname. The input of the word "campaign" into the accounting system was a clerical error. This is addressed in section 11.3 of the Original Report.</p>												
Appendix 1, Page 3	<p>The following appears to depict some of the transactions from the Ottawa trip:</p>													
Appendix 1, Page 3 and 4	<table border="1"> <thead> <tr> <th>Date</th> <th>City</th> <th>Expense</th> <th>Explanation and notes</th> </tr> </thead> <tbody> <tr> <td>08/17/07</td> <td>Vaughan to Ottawa</td> <td>504.92 15.09*2</td> <td>Airfare to Ottawa plus upgrade</td> </tr> <tr> <td>08/19/07</td> <td>Ottawa</td> <td>307.00</td> <td>Eighteen Restaurant</td> </tr> </tbody> </table>	Date	City	Expense	Explanation and notes	08/17/07	Vaughan to Ottawa	504.92 15.09*2	Airfare to Ottawa plus upgrade	08/19/07	Ottawa	307.00	Eighteen Restaurant	<p>This section identifies a number of expenditures and asks questions in the following section. However, within this section, there are some questions raised and</p>
Date	City	Expense	Explanation and notes											
08/17/07	Vaughan to Ottawa	504.92 15.09*2	Airfare to Ottawa plus upgrade											
08/19/07	Ottawa	307.00	Eighteen Restaurant											

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Location ¹	Description ²	Report Reference or Other Resolution
08/21/07 Ottawa	132.22 Restaurant - note this amount was claimed as personal by Mayor's spouse and City Amex reimbursed by Mayor's spouse's personal cashier's cheque account #166639 on 11/13/07? This amount was then charged to AMEX PowerStream on 12/29/07 and what appears to be another cheque issued to the Mayor's spouse to reverse the original charge?	which are addressed as follows: 132.22 Restaurant - this is the "Powerstream" dinner noted above.
08/22/07 Vaughan	6.00 GTAA (Pearson airport) parking charge	
08/23/07 Ottawa	734.31 Hotel Sheraton charge	Ottawa (Nepean)
08/23/07 Ottawa	31.45 Ottawa (Nepean Westway) airport charge?	Ottawa (Nepean) - taxi fare to/from airport
08/25/07 Vaughan	61.00 Gas charge - Note this amount was reimbursed by 153984 Linda Jackson campaign cheque on 10/03/07	Gas charge - this charge was incurred after the Mayor returned from Ottawa
08/28/07 Ottawa	27.50 Weston Hotel Ottawa	

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Location ¹	Description ²	Report Reference or Other Resolution
	08/30/07 Vaughan 08/31/07 Vaughan 09/04/07 Ottawa	51.00 Gas 319.33 Restaurant - listed as business meal 10.00 Taxi cab in Ottawa - 10/30/07 repaid from 153984 Linda Jackson campaign fund cheque? 44.99 Restaurant - business meal 200.00 Drug store unknown purchase 34.00 Taxi in Ottawa
Appendix 1, Page 4	<p>The above brings about several questions.</p> <p>1. Why are there charges on the City Corporate credit card that indicate charges incurred between August 19 and September 6 in Ottawa, then Vaughan, in Ottawa, then Vaughan, in Ottawa, then Vaughan, etc?</p>	As noted above, the variance in the transaction dates of the expenses incurred while in Ottawa are a result of varying processing times by suppliers of Amex Card charges. The expenses incurred during the Ottawa trip were incurred within the dates the Mayor was in Ottawa. This is addressed in section 13.0 (e) of the Original Report
Appendix 1, Page 4	2. How many trips to Ottawa were taken between August 19 and September 6?	One.
Appendix 1, Page 4	3. Why were taxpayer funds first used to pay for expenses, and later these same expenses are reported to be repaid out of election campaign funds?	Refer to discussion above re: 'campaign' and 'Campese'

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Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 4	<p><i>Italy Trip</i></p> <p>The Italy trip was not discussed in a public forums where public input was allowed prior to the trip being taken. Even though Council requested a business report from the Mayor, I do not believe a report has been provided for either the public or Council that outlines the true cost of the trip, the benefits to the taxpayer, and in order that these costs can be publicly debated.</p>	<p>Response per Management of COV:</p> <p>On February 26, 2007, Council did approve \$50,000 to be allocated to cover the cost of International Partnerships in 2007. Italy was listed as one of the partnerships and there was reference to undertake a business mission to Italy sometime in June 2007 in collaboration with the Italian Chamber of Commerce.</p> <p>A report (post Italy trip) was tabled at a public meeting on February 19, 2008.</p> <p>As noted in section 7.1 (b) of the Original Report, the cost to the Mayor's Budget to attend the Italy trade mission was to be \$4,000.00. The actual cost was \$4,062.10. We do not know what the price agreement was between the organizer of the trip, the Italian Chamber of Commerce of Toronto, and York Region.</p> <p>The costs for Regional Councillors Frustaglio and Ferri to attend the trip were not within the scope of our Original Report or Supplemental Report.</p> <p>¹ The stated expense contradicts the reported expenses on the financial statements. Councilor Frustaglio and Ferri show Italy trip costs, of \$4063.80 and \$4349.08 respectively. There were no other costs found on their financial statements.</p>

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Location ¹	Description ²	Report Reference or Other Resolution																																																
Appendix 1, Page 5	<p>The Mayor's disclosed statement listed the Italy trip as \$4124.20. Yet, upon examination of the financial statements, the following transactions would appear to be related to the trip :</p> <table border="1" data-bbox="560 876 1406 1702"> <thead> <tr> <th>Date</th> <th>Item</th> <th>Amount</th> <th>Notes</th> </tr> </thead> <tbody> <tr> <td>06/30/07</td> <td>Amex airfare charge</td> <td>4062.10</td> <td>Note - Mayor's spouse personal cheque 158391 in amount of \$4,000 paid on 07/04/07</td> </tr> <tr> <td>07/24/07</td> <td>Amex airfare charge</td> <td>4062.10</td> <td>Reallocated on 07/31/07 unknown</td> </tr> <tr> <td>07/24/07</td> <td>Amex airfare charge</td> <td>4062.10</td> <td>Reallocated on 07/31/07 unknown</td> </tr> <tr> <td>07/02/07</td> <td>Limo GTA</td> <td>65.00</td> <td></td> </tr> <tr> <td>07/06/07</td> <td>Hotel Stendhal Parma</td> <td>56.22</td> <td></td> </tr> <tr> <td>07/08/07</td> <td>Hotel Villa Flori Como</td> <td>217.52</td> <td></td> </tr> <tr> <td>07/08/07</td> <td>Ristorante II Corian Milano</td> <td>868.87</td> <td></td> </tr> <tr> <td>07/09/07</td> <td>Jolly President Milano</td> <td>36.02</td> <td></td> </tr> <tr> <td>07/16/07</td> <td>Hotel Ashley Lamezia Terme</td> <td>712.55</td> <td></td> </tr> <tr> <td>07/16/07</td> <td>Limo</td> <td>50.00</td> <td></td> </tr> <tr> <td></td> <td></td> <td>18254.58</td> <td></td> </tr> </tbody> </table>	Date	Item	Amount	Notes	06/30/07	Amex airfare charge	4062.10	Note - Mayor's spouse personal cheque 158391 in amount of \$4,000 paid on 07/04/07	07/24/07	Amex airfare charge	4062.10	Reallocated on 07/31/07 unknown	07/24/07	Amex airfare charge	4062.10	Reallocated on 07/31/07 unknown	07/02/07	Limo GTA	65.00		07/06/07	Hotel Stendhal Parma	56.22		07/08/07	Hotel Villa Flori Como	217.52		07/08/07	Ristorante II Corian Milano	868.87		07/09/07	Jolly President Milano	36.02		07/16/07	Hotel Ashley Lamezia Terme	712.55		07/16/07	Limo	50.00				18254.58		<p>The cost of the Mayor and the Mayor's spouse to attend the trade mission was \$4,062.10. These amounts were billed to the Mayor directly by the trip organizer's travel agency, and were paid using the City Amex Card. The Mayor's spouse paid back to the City the amount of his trip.</p> <p>The duplicate entries for the \$4,062.10 and subsequent credit entries arose from a clerical error of double recording of the June 22, 2007 Amex Card statement, as noted in section 10.1 (a) of our Original Report.</p> <p>The other charges noted have been addressed in section 7.1 (b) of the Original Report.</p>
Date	Item	Amount	Notes																																															
06/30/07	Amex airfare charge	4062.10	Note - Mayor's spouse personal cheque 158391 in amount of \$4,000 paid on 07/04/07																																															
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Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 5	<p>Removing the \$4,000 reimbursement paid to the City by the Mayor's spouse for what appears to be his ticket to Italy, the cost, as appears to be reported in statements is \$14,254.58 yet the summary explanation, as stated above are \$4124.20. The cost of any trip abroad by an elected official, certainly requires an explanation. The difference in the reported cost of the trip, and the above also requires an explanation.</p>	<p>Refer to the comments above. The cost to the Mayor's Budget was \$4,062.10, not \$14,254.58.</p>
Appendix 1, Page 5	<p><i>It is unfortunate that there was no detailed business case filed prior to taking the trip, nor report expense/benefit report filed upon return from the trip, as had these reports been filed, the explanation of the additional and what now appears to be unreported costs could have been explained. Given the lack of reports, there are only questions that need to be answered.</i></p>	<p>Response per Management of COV:</p>
		<p>See previous responses.</p>
Appendix 1, Page 6	<p><u>Windsor Trip</u></p>	<p>The Mayor attended the Large Urban Mayors Caucus of Ontario ("LUMCO") meeting in Windsor with her Executive Assistant. The cost of this trip was separately set out in the Council Expenditure Summary (refer to Exhibit G of the Original Report).</p>
	<p><i>There are two expense items for what appears to be room charges for the Casino Windsor/Hotel in Windsor. The summary of trips, reported on the Mayor's expenditure statement, does not show any trips to Windsor. The Windsor trip could have been one of the trips that did not have an explanation as to location.</i></p>	

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Location ¹	Description ²	Report Reference or Other Resolution																
Appendix 1, Page 6	<p>The following charges were reported:</p> <table border="1" data-bbox="494 880 691 1708"> <thead> <tr> <th>Date</th> <th>Item</th> <th>Amount</th> <th>Note</th> </tr> </thead> <tbody> <tr> <td>03/09/07</td> <td>Casino Windsor / Hotel Windsor</td> <td>143.19</td> <td></td> </tr> <tr> <td>03/09/07</td> <td>Casino Windsor / Hotel Windsor</td> <td>378.99</td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td>522.18</td> <td></td> </tr> </tbody> </table> <p>Of note, there are two charges for hotel rooms at the Casino Windsor/Hotel Windsor casino. Both hotel room charges are for the same night, one appears to be approximately double the charge of the other. There does not appear to be an offsetting trip record that was reported to Council, and there are no reports, nor could explanations of two rooms for the same night in the Casino Windsor/Hotel Windsor be found.</p>	Date	Item	Amount	Note	03/09/07	Casino Windsor / Hotel Windsor	143.19		03/09/07	Casino Windsor / Hotel Windsor	378.99		Total		522.18		<p>The charges are for two hotel rooms (one for each of the Mayor and her Executive Assistant) and meals at the same hotel.</p> <p>Response per Management of COV:</p> <p>One room was for the Mayor and the other was for her assistant. The meals were charged to the Mayor's room. As this was local travel for a LUMCO meeting, no trip record was required to be reported to Council.</p> <p>Response per Management of COV:</p> <p>The Mayor and Members of Council all have a budget to travel and attend conferences and seminars. The budget is a publicly approved document. All expenses incurred are charged to their budgets.</p> <p>Supporting documentation is required to support all travel expenses incurred.</p> <p>The costs of the Mayor's trips, after reimbursements from York Region and before</p>
Date	Item	Amount	Note															
03/09/07	Casino Windsor / Hotel Windsor	143.19																
03/09/07	Casino Windsor / Hotel Windsor	378.99																
Total		522.18																
Appendix 1, Page 6	<p>I wish to have several additional questions answered, and these are:</p> <ol style="list-style-type: none"> How does the Audit Committee justify the use of taxpayer funds for travel, when there are no reports, and no business cases presented to Council, or staff, or most importantly the public? 																	
Appendix 1, Page 6	<p>What are the true costs of the travel that occurred last year, and if the business nature cannot be justified, should the Audit</p>																	

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Resident's Questions - Report References or Other Resolution

Location ¹	Description ²	Report Reference or Other Resolution
	<i>Committee consider repayment of the funds?</i>	<p>allocation of some expenses to other City Departments, were \$11,642.42. After the allocation of some of the Italy trip expenses to another department, the costs of the Mayor's trips were \$9,636.24. The detail is as follows:</p> <p>Windsor: \$580.00</p> <p>Atlanta: \$1,384.27</p> <p>Calgary: Gross expenditures \$3,939.30, York Region reimbursement (\$2,920.86), Net expenditures \$1,018.44</p> <p>Italy: Gross expenditures \$6,068.28, amount allocated to Department of Economic Development (\$2,006.18), Net expenditures \$4,062.10</p> <p>Ottawa: Gross expenditures \$2,172.20, York region reimbursement (\$2,132.20), Net expenditures \$40.00</p> <p>Israel: \$1,684.59</p> <p>Edmonton: \$866.84</p>

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Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 6	<p>3. Why did the City CEO not flag the issues of the use of taxpayer funds to pay expenses of the Mayor's spouse and election campaign expenses, given the potential legal consequences and seriousness of the potential improper use of taxpayer funds?</p>	<p>'campaign expenses' – Refer to discussion above re: 'campaign' and 'Campese'</p>
Appendix 1, Page 6	<p>4. What controls and checks and balances are in place that should have identified these expenditures as issues, and/or is the City relying on the public to ensure funds are spent properly and taxpayer money is protected?</p>	<p>Response per Management of COV:</p> <p>These expenditures were not considered issues. The City has its own controls to ensure that funds are spent properly and taxpayers' money is protected.</p> <p>For example, the following controls are in place:</p> <ol style="list-style-type: none"> 1. The budget is a publicly approved document. 2. Approval limits are established for authorized individuals. 3. There are policies which provide some guidance. 4. Monthly expenditure reports are provided for departmental review. 5. The City's external auditors audit the

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Location ¹	Description ²	Report Reference or Other Resolution
		annual financial statements.
Appendix 1, Page 7	6. The city's Internal Auditor audits the City's departments.	
Appendix 1, Page 7	<p><i>Issue 4 – Clarification of Expenses</i></p> <p>(Reference – Appendix 2 – Clarification of Expenses)</p> <p>There are several items that appear to be personal in nature, and we wish to have clarified on the statements.</p> <p>Examples of these are purchases at San Antonio's Fish Market, Dominion Grocery store, Drug store, Costco, Toys 'R Us, and Garden Centers. These are purchases of a camera, memory card, TV, luggage, and portable 5.8 GZ phone. Taxpayer money has been used to purchase these items.</p>	<p>Explanations of all of the Mayor's expenses are set out in Schedule 3 of the Original Report. Items that appear to be of a personal nature have been shown to have City related purposes. The exception to this are the personal charges to the City Amex Card, and these have been addressed in section 11.2 of the Original Report.</p>
Appendix 1, Page 7		This is addressed in section 7.1 (b) of the Original Report.
Appendix 1, Page 7		Explanations of all of the Mayor's Amex Card expenses are set out in Schedule 3 of the Original Report.

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Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 7	<p><i>There is approximately \$2800.00 in cell phone charges reimbursed to the Mayor without backup documentation, including no name provided for the provider or user of the cell phone. Of note, this is in addition to the cell phone charges that are billed directly to the City.</i></p>	<p>This is addressed in section 8.2 of the Original Report.</p>
Appendix 1, Page 7	<p><i>Proper checks and balances do not appear to be conducted. According to an explanation provided by the City in a recent FOI, backup documentation is not required in relation to several thousand dollars in cell phone bills submitted for reimbursement by Mayor Jackson, as there is no City policy to request documentation.</i></p> <p><i>"The Financial Services Department does not have the back-up documentation for the cell phone expenses. The Financial Services Department does not require the back-up documentation for the cell phone."</i></p>	<p>This is addressed in sections 8.1 and 8.2 of the Original Report.</p>

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Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 7	<p><i>Proper checks and balances, at least according to my understanding of normally accepted accounting principles, would mean that a third party would be signing off or verifying expenditures of all taxpayer funds, which would include the submitting of receipts for a third party verification. The Mayor to be authorizing, and certifying the expenditures as being proper without providing any backup documentation or receipts, in my opinion, does not protect taxpayers, including for inadvertent or other mistakes.</i></p>	<p>City practice is that expenses for all Councillors, including the Mayor, do not require third party approval.</p> <p>City policies do not require back up documentation or receipts to be submitted except for business meals.</p> <p>Councillors are required to retain, though not submit to the City, back up documentation for cellular phone bills, ETR bills, and mileage charges.</p> <p>See recommendations in the Supplemental Report.</p>
Appendix 1, Page 7	<p><i>In addition, there are several thousand dollars where it appears expenses have first been charged to City Amex and City accounts and then either reallocated internally or repaid with external account cheques.</i></p>	<p>Charges that were reallocated either within the Mayor's Budget or to other City departments are addressed in section 10 of the Original Report.</p> <p>The Mayor's repayment of expenses is addressed in section 11.0 of the Original Report.</p>

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Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 8	<i>Several questions need to be addressed:</i>	<p>Charges that were reallocated either within the Mayor's Budget or to other City departments are addressed in section 10 of the Original Report.</p> <p>The Mayor's repayment of expenses is addressed in section 11.0 of the Original Report.</p>
Appendix 1, Page 8	1. Who authorized the purchase of these items, and are they personal purchases or alternatively should an explanation be provided?	<p>This is addressed in section 10.0 of the Original Report</p>
Appendix 1, Page 8	2. What are these items, and why are so many items reallocated both within and outside of the City accounts?	<p>Explanations of all of the Mayor's expenses are set out in one of Schedule 3, 4 or 5 of the Original Report.</p>
Appendix 1, Page 8	3. Where are the explanations of the use of taxpayer money for these purchases, and what value did taxpayers receive for their money?	<p>Councillors are required to retain, though not submit to the City, back up documentation for cellular phone bills, ETR bills, and mileage charges. See recommendations in the Supplemental Report.</p>
Appendix 1, Page 8	4. Why was approximately \$2800.00 in cell phone charges reimbursed without backup documentation or the name of the provider?	<p>The letter then sets out the following individual items:</p>
Appendix 1, Page 8	Dominion groceries, 5/1/07, 26.37	<p>Refer to Schedule 3 of the Original Report for an explanation of the charge.</p>

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Location¹	Description²	Report Reference or Other Resolution
Appendix 1, Page 8	<i>Dominion groceries, 12/21/07, 210.07</i>	Refer to Schedule 3 of the Original Report for an explanation of the charge.
Appendix 1, Page 8	<i>San Antonio's fish market, 12/21/07, 271.92</i>	Refer to Schedule 3 of the Original Report for an explanation of the charge.
Appendix 1, Page 8	<i>Costco, 12/15/07, 74.14</i>	Refer to Schedule 3 of the Original Report for an explanation of the charge.
Appendix 1, Page 8	<i>Toys 'R Us, 12/13/07, 36.43</i>	Refer to Schedule 3 of the Original Report for an explanation of the charge.
Appendix 1, Page 8	<i>Drug store purchase, 9/5/07, 200.00 (drug store purchase - Richmond Hill)</i>	Refer to Schedule 3 of the Original Report for an explanation of the charge.
Appendix 1, Page 8	<i>Desiree China, 10/21/07, 1,502.52 (unknown purchase in china/gift store)</i>	Refer to Schedule 3 of the Original Report for an explanation of the charge.
Appendix 1, Page 8	<i>Reeves garden supply, 9/28/08, 87.77 (garden center purchase)</i>	Refer to Schedule 3 of the Original Report for an explanation of the charge.
Appendix 1, Page 8	<i>Reeves garden supplies, 2/24/07, 118.50 (garden center purchase)</i>	Refer to Schedule 3 of the Original Report for an explanation of the charge.
Appendix 1, Page 8	<i>Barrett garden Center, 5/29/07, 474.12 (garden purchase fpo95420)</i>	Refer to Schedule 5 of the Original Report for an explanation of the charge.

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Location ¹	Description ²	Report Reference or Other Resolution
Appendix 1, Page 8	Luggage City Inc, 12/27/06, 164.12	Refer to Schedule 3 of the Original Report for an explanation of the charge.
Appendix 1, Page 8	Laura clothing store, 10/20/07, 1,469.70	Refer to Schedule 3 of the Original Report for an explanation of the charge.
Appendix 1, Page 8	Laura clothing, 11/12/07 (reallocated 1,469.70 repaid by personal cheque 166610 Linda Jackson)	This is addressed in section 11.2 of the Original Report.
Appendix 1, Page 8	Goodu Art-Jerusalem, 11/17/07, 152.45 (personal purchase on Israel [sic] trip) (reallocated or repaid)	The purchase is addressed in Schedule 3 of the Original Report. The reallocation of the purchase is addressed in Schedule 6 of the Original Report.
Appendix 1, Page 8	David Citadel Jerusalem, 11/19/07, 44.11 (personal purchase Israel [sic] trip) (repaid or reallocated)	The purchase is addressed in Schedule 3 of the Original Report. The reallocation of the purchase is addressed in Schedule 6 of the Report.
Appendix 1, Page 8	David Inter Continental Tel Aviv, 11/24/07, 12.64	Refer to Schedule 3 of the Original Report.

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Appendix 2 Trips - Issue Three			Report Reference or Other Resolution
			All of the following items have been addressed in the Report. We will simply refer to the section and/or schedule of the reporting which the item is addressed.
<i>Calgary</i>			
Restaurant	6/30, Meals, Misc	1,543.87	Note Calgary trip change
Restaurant charge	Calgary 7/24, Meals	1,543.87	Section 10.0
	7/31	(1,543.87)	Removed - no indication of where allocated to
		(1,543.87)	Section 10.0 Cashiers receipt Linda Jackson 167601
	12/29	1,543.87	Reallocated to 167601
Airfare to Calgary - extra charge	4/4	21.20	Section 7.0
Mario Campese flight to Calgary	4/4	21.20	Section 7.0

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Appendix 2 Trips - Issue Three				Report Reference or Other Resolution
	12/29	(21.20)	167601 Mayor Jackson	Section 10.0
Flight to Calgary	4/30	481.60		Section 7.0
Flight to Calgary Mario	4/30	481.60	Mario Campese's flight to Calgary	Section 7.0
Conference fee	12/29	710.20		Section 10.0
Conference fee	11/27	(710.20)	Noted as transfer for FCM Calgary conf	Section 10.0
	12/29	(481.60)	Cashiers cheque 167601 mayor Jackson	Section 11.0
Total Calgary		6,347.41 - 5,010.94		
Reported on summary		759.26	Exhibit G	
<i>Italy</i>				
<i>Italy trip purchase</i>	6/30, airfare, Misc	4,062.10		Section 7.0
<i>Italy trip purchase</i>	6/30, airfare, Misc	4,062.10		Section 7.0

APPENDIX B
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Resident's Questions - Report References or Other Resolution

Appendix 2 Trips - Issue Three			Report Reference or Other Resolution
<i>Italy trip purchase</i>	7/24, airfare, Misc	4,062.10 (4,062.10)	Reallocated Section 10.0
<i>Italy trip purchase</i>	7/24, airfare, Misc	4,062.10 (4,062.10)	Reallocated Section 10.0
<i>Italy trip</i>	7/4, airfare, cashiers cheque	(4,000.00)	158391 mcampese holdings Section 11.0
GTA Limo Taxi Travel Woodbridge	7/2	65.00	 Section 7.1 (b)
Park Hotel Stendhal Parma	7/6	56.22	Note: all inclusive trip purchase per Zito press release Section 7.1 (b)
Hotel Villa Fiori Como	7/8	217.52	Note: all inclusive trip purchase per Zito press release Section 7.1 (b)
Ristorante Il Coriam Milano	7/8	868.87	Note: all inclusive trip purchase per Zito press release Section 7.1 (b)
Jolly President Milano	7/9	36.02	Note: all inclusive trip purchase per Zito press release Section 7.1 (b)

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Appendix 2 Trips - Issue Three				Report Reference or Other Resolution
<i>Hotel Ashley Lamezia Termé</i>	7/16	712.55	<i>Note: all inclusive trip purchase per Zito press release</i>	Section 7.1 (b)
<i>Taxi & Limo Payment Mississauga</i>	7/16	50.00		Section 7.1 (b)
<i>Total Italy</i>		<i>18,254.58 - 12,124.20</i>		
<i>Reported Summary</i>		\$4,124.20	<i>Discrepancy?</i>	Section 7.1 (b)
<i>Ottawa</i>				
<i>AMO conf registration fee</i>	12/29	560.00	<i>Conf fee</i>	Section 9.0
<i>AMO conf banquet</i>	12/20	113.30	<i>Banquet fee</i>	Section 9.0
<i>Eighteen Restaurant</i>	8/19	307.00		Section 7.0

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Resident's Questions - Report References or Other Resolution

Appendix 2 Trips - Issue Three				Report Reference or Other Resolution
Milestone's Ottawa	8/21	132.22 (132.22)	Reimbursed by Mario Campese personal cashier's cheque account #166639 on 11/13/07 - amount then charged to AMEX PowerStream on 12/29/07 amount then appears to be reimbursed to Mario Campese to reverse the original charge?	Section 7.0 Section 11.0
GTAA parking	8/22	6.00	Ottawa	Section 7.0
West Way Airport Nepean	8/23	31.45	Ottawa	Section 7.0
Sheraton Ottawa	8/23	734.31	Ottawa	Section 7.0
Westin hotel Ottawa	8/28	27.50	Ottawa	Section 7.0
Flight airfare	8/17	504.92		Section 7.0
Flight upgrades		15.09		Section 7.0 (wrong number entered in letter, amount should have been 15.90)

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Resident's Questions - Report References or Other Resolution

Appendix 2 Trips - Issue Three			Report Reference or Other Resolution
<i>Flight upgrades</i>		15.09	Section 7.0 (wrong number entered in letter, amount should have been 15.90)
<i>Taxi cab</i>	9/4	10.00 (10.00) <i>Repaid - 10/3/07 from 153984 Linda Jackson campaign</i>	Section 7.0 Section 11.0
<i>Taxi cab</i>	9/6	34.00 (34.00) <i>Taxi cab in Ottawa - 10/30/07 repaid from 153984 Linda Jackson campaign fund cheque</i>	Section 7.0 Section 11.0
<i>Total Ottawa</i>		2,490.88 - 176.22	
<i>Reported summary</i>		700.80	Exhibit G
<i>Washington</i>	8/27	381.38 <i>Note: trip not taken - no apparent refund</i>	Section 7.0 Section 10.0
<i>Reported summary</i>		381.38	Exhibit G
<i>Windsor</i>			

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Resident's Questions - Report References or Other Resolution

Appendix 2 Trips - Issue Three				Report Reference or Other Resolution
Windsor casino	3/9	143.19	Hotel charge	Section 7.0
Windsor casino	3/9	378.99	Hotel charge	Section 7.0
Reported LUMCO conf		522.18		Exhibit G
<i>Israel</i>				
UJA Donation	10/25	1,000.00		Section 7.0
UJA Donation	11/6	500.00		Section 7.0
Goodu Art - Jerusalem	17/11/2007	152.45		Section 7.0
		(152.45)	Repaid personal	Section 10.0
David Citadel Jerusalem	19/11/2007	44.11		Section 7.0
		(44.11)	repaid personal	Section 10.0
David Inter Continental Tel Aviv	24/11/2007	12.64		Section 7.0
Reported on summary		1,764.60		Exhibit G

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Resident's Questions - Report References or Other Resolution

Appendix 2 Trips - Issue Three			Report Reference or Other Resolution
<i>Misc</i>			
<i>Limo charges</i>	11/27	419.75	<i>Fpo34800</i>
<i>Limo charges</i>	11/27	345.00	<i>Fpo34798</i>
<i>Limo charges</i>	7/18	542.78	<i>Fpo95428</i>
			<i>Not allocated to trips</i>