

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 14, 2009

Item 1, Report No. 5, of the Audit and Operational Review Committee, which was adopted, as amended, by the Council of the City of Vaughan on December 14, 2009, as follows:

By approving the following in accordance with the memorandum from the City Auditor, dated December 14, 2009:

“That Council receive and approve the report of the City Auditor that no further action be taken with regard to the mileage paid to the consultant.”

1 INTERNAL AUDIT REPORT OF ENGINEERING SERVICES

The Audit and Operational Review Committee recommends:

- 1) That the recommendation contained in the following report of the City Auditor, dated December 10, 2009, be approved; and
- 2) That the confidential memorandum from the City Clerk, dated December 10, 2009, be received and referred to staff for a response.

Recommendation

The City Auditor recommends to the Audit and Operational Review Committee:

That the Internal Audit Report of Engineering Services be received.

Economic Impact

The recommendations suggested by the auditor and the implementation of corrective actions in the audit report, will improve the effectiveness of risk management, control and governance processes of the department. Some impact will be economic and will be measurable in dollar terms, while others will provide intangible benefits which may not be measurable. Other benefits will be an improvement in the efficiency and effectiveness in the operations of the department. Internal Audit adds value to all areas of City activity which are audited.

Communications Plan

The report will be available to the public through the City of Vaughan's website.

Purpose

To present to the Audit and Operational Review Committee, the Internal Audit Report of Engineering Services.

Background - Analysis and Options

The audit was part of the 3 year risk-based Internal Audit Work Plan which was approved by the Audit and Operational Review Committee.

Other than what is included as observations in the Internal Audit Report, the department is operating effectively.

The Internal Audit Report is provided as an attachment. The report has an Executive Summary and includes, for all deficient items, (1) the observations of the auditor, (2) the implications, (3) the auditor's recommendations, (4) the director's response for corrective actions and (5) the auditor's response to the corrective actions.

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Relationship to Vaughan Vision 2020

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

Not applicable

Conclusion

1. The Internal Audit Report includes the audit findings, recommendations and corrective actions.
2. The Commissioner and Director of the department/operation audited have responded favourably to all observations and recommendations in the Internal Audit Report.
3. When all corrective actions are implemented, (1) internal controls will be improved, (2) the quality of performance in carrying out assigned responsibilities will be enhanced, (3) the department/operation will operate more effectively and efficiently and (4) the Internal Audit department will have added value to the organization and assisted members of the organization in the effective discharge of their responsibilities.

Attachments

Internal Audit Report of Engineering Services.

Report prepared by:

Michael Tupchong, CA, CIA, CPA, CFE
City Auditor

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

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Item 2, Report No. 5, of the Audit and Operational Review Committee, which was adopted, as amended, by the Council of the City of Vaughan on December 14, 2009, as follows:

By approving the following in accordance with the memorandum from the City Auditor, dated December 14, 2009:

- 1) ***That Council approve the recommendation in the report of the City Auditor which was presented to the Audit and Operational Review Committee meeting on December 10, 2009, and was approved by the Committee; and***
- 2) ***That no further action is required regarding the Mayor's 2007 Expenses.***

**2 REPORT BY THE CITY AUDITOR WITH RESPECT TO THE OUTSTANDING ISSUES
REGARDING THE MAYOR'S CITY-RELATED EXPENSES FOR 2007**

The Audit and Operational Review Committee recommends:

- 1) That the recommendation contained in the following report of the City Auditor, dated December 10, 2009, be approved; and
- 2) That the following written submissions be received and referred to the City Auditor for a response:
 - a) Ms. Carrie Liddy, dated December 5, 2009; and
 - b) Mr. Gino Ruffolo, dated November 23, 2009.

Recommendation

The City Auditor recommends:

That the attached report on the Resolution of Outstanding Issues on the Mayor's Expenses 2007 be received and approved.

Economic Impact

There is no economic impact.

Communications Plan

Staff in consultation with Corporate Communications will develop appropriate communication materials.

Purpose

The purpose is to report on the meeting of the City Auditor and the Chair of the Audit and Operational Review Committee with the Mayor to review and resolve the outstanding issues regarding the Mayor's city-related expenses for 2007.

Background - Analysis and Options

At the Audit and Operational Review Committee meeting dated November 16, 2009, the Audit and Operational Review Committee recommended that the Chair of the Audit and Operational Review Committee and appropriate staff be requested to review and resolve the outstanding issues with the Mayor.

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At the December 3, 2009 meeting, the Mayor provided to the City Auditor:-

- (1) the supporting documentation for the cellular phone expenses.
- (2) a copy of the supporting documentation of York Region expenses totaling \$1,058.44 which has been sent to York Region for reimbursement.

All other issues are addressed in the report which is attached.

Relationship to Vaughan Vision 2020

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

Not applicable

Conclusion

The attached statement by the City Auditor reveals no further recommendations and that all outstanding issues with the Mayor's 2007 City-related expenses are now addressed and closed.

Attachments

1. Report on the Resolution of Outstanding Issues on the Mayor's Expenses 2007.

Report prepared by:

Michael Tupchong, CA, CIA, CPA, CFE
City Auditor

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

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Item 3, Report No. 5, of the Audit and Operational Review Committee, which was adopted, as amended, by the Council of the City of Vaughan on December 14, 2009, as follows:

By approving the following:

- 1) ***That Attachment 1, Council Member Expense Policy, contained in the memorandum from the City Auditor, dated December 14, 2009, be approved, subject to the section titled "Community Expense (Hosting Events by Council Member)" being deferred to the Committee of the Whole meeting on January 12, 2010, for a report from the Integrity Commissioner in consultation with the City Auditor, addressing the concerns raised;***
- 2) ***That the following policies be rescinded and replaced by the new Council Member Expense Policy:***
 - a) ***01.05 Option to claim mileage or receive an allowance to a maximum of \$450 per month;***
 - b) ***01.07 Reimbursement of cellular phone basic monthly charge and costs of calls for City-related business;***
 - c) ***01.14 Current Council Budget/Expenditure Policy; and***

By approving the following contained in the memorandum from the City Auditor, dated December 14, 2009:

"The City Auditor recommends that policy 03.19 be amended as follows:

City credit card business expenses and any City related expenses requested for reimbursement by the City Manager be approved by the Mayor."

3

DRAFT COUNCIL MEMBER EXPENSE POLICY

The Audit and Operational Review Committee recommends:

- 1) **That the draft Council Member Expense Policy contained in the following report of the City Auditor, dated December 10, 2009, be approved subject to the further refinements discussed at today's meeting and the following amendments:**
 - a) **That the \$200 monthly allowance for incidental expenses be eliminated;**
 - b) **That the monthly travel allowance be increased to \$686 per month;**
 - c) **That Council members expenses be reviewed by the City Auditor for verification and compliance for the remainder of the term of Council and that the City Auditor report back in six months on any necessary amendments to the policy;**
 - d) **That Advertising and Promotion by individual council members not be permitted as an eligible expense out of the Council Member budget;**
 - e) **That Business Hospitality Expense (1) be deleted and included with appropriate wording in Business Meeting Expense (1); and**
 - f) **That City of Vaughan related promotional items such as pins, ties, pens, etc., including gifts from the Economic Development Department's gift inventory, be permitted as an eligible expense charged to the Council Member budget;**
- 2) **That the Council Member Expense Policy take effect one month after the Council approval date to allow for training of Council members and their staff, with the exception of the section relating to an election year, which is to take effect as of January 1, 2010;**
- 3) **That the written submission from Regional Councillor Rosati, be received; and**

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- 4) That the deputation of Mr. Nick Pinto, President, West Woodbridge Homeowners Association, 57 Mapes Avenue, Woodbridge, L4L 8R4, and written submission, be received.

Recommendation

The City Auditor recommends:

1. That the draft Council Member Expense Policy be received for further discussion and refinement; and
2. That should the Committee approve the draft Council Member Expense Policy incorporating today's refinements, then the effective date of implementation will be one month after the Council approval date to allow for training of Council Members and their staff.

Economic Impact

There is no economic impact.

Communications Plan

Not applicable as the policy is a draft policy being tabled for discussion.

Purpose

To review the draft Council Member Expense Policy prepared by the City Auditor and to have open discussion with Members of Council to understand the contents and ramifications of the Policy before the policy is further refined and finalized.

Background - Analysis and Options

The Preliminary Draft of the Council Member Expense Policy, prepared by the City Auditor, was introduced to the Audit and Operational Review Committee meeting of November 16, 2009 for discussion purposes.

The City Auditor was directed to post the Policy on the City of Vaughan's website and obtain comments from the public. This was done on the 17th November, 2009.

All Members of Council were also encouraged to provide written feedback to the City Auditor.

After considering comments received from residents and Council Members, the edited Preliminary Draft of Council Member Expense Policy was discussed at the Committee of the Whole (Working Session) on November 30th, 2009,

Additional comments were provided to the City Auditor.

The Preliminary Draft Council Member Expense Policy was edited (shown **in shade**) after considering the comments received from the Committee of the Whole (Working Session).

The Draft Council Member Expense Policy is hereby presented for more discussion and further refinement.

Relationship to Vaughan Vision 2020

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

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Regional Implications

Not applicable

Conclusion

The Draft Council Member Expense Policy is being brought forward at this time for further discussion and refinement.

Attachments

Draft Report on the Council Member Expense Policy.

Report prepared by:

Michael Tupchong

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

Please also refer to Item 2, Report 53, Committee of the Whole (Working Session).

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Item 4, Report No. 5, of the Audit and Operational Review Committee, which was adopted without amendment by the Council of the City of Vaughan on December 14, 2009.



4

**WRITTEN SUBMISSION FROM MR. GINO RUFFOLO
RE: OMBUDSMAN FOR VAUGHAN**

The Audit and Operational Review Committee recommends that the written submission from Mr. Gino Ruffolo, dated December 4, 2009, be received and referred to staff for a report.

The following matter was brought to the attention of the Committee by Regional Councillor Rosati.