Minutes - Executive Policy Committee - July 14, 2010

REPORTS

Minute No. 407 2009 Councillors' Representation Allowance Audit Report Update eFile GC-2

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee referred the 2009 CRA Audit Report Update submitted by the City Auditor back to the Council Secretariat Committee for a definitive recommendation.

DECISION MAKING HISTORY:

The Chairperson called Deputy Mayor Swandel to the Chair in order to move the following motion:

Moved by Mayor Katz,
That the 2009 CRA Audit Report Update submitted by the City Auditor be referred back to the Council Secretariat Committee for a definitive recommendation.

Carried

The Chairperson resumed the Chair.

COMMITTEE RECOMMENDATION:

On July 6, 2010, the Council Secretariat Committee received as information the 2009 CRA Audit Report Update submitted by the City Auditor and referred the matter to the Executive Policy Committee for information.

AUDIT REPORT

ISSUE: Councillors' Representation Allowance Fund Policy Audit

Critical Path: Council Secretariat Committee

AUTHORIZATION

Author	City Auditor/Chief Performance Officer		
B. Whiteside	B. Whiteside		

RECOMMENDATIONS

The Audit Report contains 6 recommendations for the Consideration of Council Secretariat Committee. The recommendations propose amendments to the CRA Policy in the following areas:

- Roles and Responsibilities
- Procedures
- Public Disclosure
- Allowable Expenses

The report is attached as an Adobe PDF.



CRA Policy
Supplementary Repor

IMPLICATIONS OF THE RECOMMENDATIONS

The responsibility for implementation of the proposed recommendations resides with the Council Secretariat Committee. When implemented the implications of the recommendations should be:

- to improve transparency of the CRA fund expenditures
- to improve the administration of the Policy

HISTORY

This report is supplementary to our November 2009 *Review of the Councillors' Representation Allowance Fund Policy* report.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 28, 2010

Project Name: **First Year of Program**

Review of the Councillors' Representation Allowance Fund Policy Requirements Supplemenatry Report

	0	1	2	3	4
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The financial impact cannot be quantified at this time. Financial benefits should be realized as the Audit recommendations are implemented.

Department Controller

CONSULTATION

In preparing this Report there was consultation with:

Legal Services Department and the City Clerks Department.

SUBMITTED BY

Department: Audit Department
Division
Prepared by: B. Whiteside
Date: June 25, 2010
File No.

Winnipeg

Audit Department

Review of the Councillors' Representation Allowance Fund - Policy Requirements Supplementary Report

June 2010

Leaders in building public trust in civic government

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MANDATE OF THE CITY AUDITOR

The City Auditor is a statutory officer appointed by City Council under *The City of Winnipeg Charter*. The City Auditor reports to Council through the Audit Committee (Executive Policy Committee) and is independent of the City's Public Service. The City Auditor conducts examinations of the operations of the City and its affiliated bodies to assist Council in its governance role of ensuring the Public Service's accountability for the quality of stewardship over public funds and for the achievement of value for money City operations. Once an audit report has been communicated to Council, it becomes a public document.

BACKGROUND

In November 2009, we recommended changes to the public disclosure of Councillor Representation Allowance Fund expenditures, the review of unusual expenditures and the role of the Audit Department in our *Review of the Councillors' Representation Allowance Fund Policy Requirements* report. Subsequent to the completion of our report, the Auditor General of Manitoba released an audit in November 2009 on *Members' Allowances*. She found that the *Members' Allowances Regulation "had not been rigorously reviewed to ensure that it anticipates all expenditures categories and reflects a contemporary view of public expectations and best practices"*. In February 2010, the Auditor General of Nova Scotia released a report on *Office of the Speaker: Members' Constituency and Other Expenses* and found that *"regulations and guidelines do not clearly outline the purpose of the fund provided; and guidance on how funds should be spent is vague or do not exist"*. In April 2010 City Council approved a motion to lay over the disposition of the recommendations coming from our *Review of the Councillors' Representation Allowance Fund Policy Requirements* report pending the forthcoming supplementary report from the City Auditor. This supplementary report was initiated in response to the above-noted report released by the Auditor General of Manitoba in November 2009. The supplementary report expands on our previous report by extending our review of the Policy in the following areas: roles and responsibilities, procedures, public disclosure and allowable expenses.

ACKNOWLEDGEMENT

The Audit Department wants to extend its appreciation to the management and staff from City Clerk's Department and Legal Services Department who participated in the review.

Members of the Review Team
Brian Whiteside CA·CIA City Auditor Bryan Mansky, MBA, CMA, CIA Deputy City Auditor Donna Woytowich Administrative Coordinator



Brian Whiteside CA·CIA
City Auditor

June 25, 2010
Date

OVERVIEW OF THE *COUNCILLORS' REPRESENTATION ALLOWANCE FUND POLICY REQUIREMENTS*

The Councillors' Representation Allowance (CRA) provides funds to be used by Councillors to pay for furnishings, office equipment, materials and administrative services required for the functioning of their offices. The funds may also be expended for business expenses that are incurred to execute their duties, communicate with their constituents and represent their wards. The amount of the fund is currently $72,000 per ward (total allocation of $1,080,000).

The *Councillors' Representation Allowance Fund Policy Requirements* (the "Policy"), provides direction on the guiding principles of the policy, general requirements for compliance, and detailed roles and responsibilities.

Councillors are responsible for monitoring their own expenditures to ensure compliance with the requirements and principles of the *Councillors' Representation Allowance Fund Policy Requirements*. The City Clerk's Department is responsible for reviewing and processing Councillors' Representation Allowance (CRA) Fund expenditures on an ongoing basis in accordance with the Policy. In the event they require policy interpretation or guidance on the appropriateness of an expense, the matter is to be referred to the Council Secretariat Committee who determines if the expenditure is appropriate. The Council Secretariat Committee is also authorized to do all things necessary to implement the Policy and from time to time make amendments to the Policy as required.

The *Councillors' Representation Allowance Fund Policy Requirements* is the first level of control over the administration of CRA Fund expenditures. Over the past several years, revisions were made strengthening the Policy's control framework. Further levels of control have been established through the detailed roles and responsibilities of the Councillors, the City Clerk's Department, the Council Secretariat Committee and the Audit Department. Each expenditure, at a point in time, may be reviewed by all four separate parties to ensure the expenditure complies with the intent of the Policy.

OBSERVATIONS AND RECOMMENDATIONS

Our observations and recommendations are based on a comparison of the City of Winnipeg *Councillors' Representation Allowance Fund Policy Requirements* to the *Councillor Expense Policy* for the City of Toronto and the *Councillors' Expense Policy* for the City of Edmonton. We also reviewed the findings and recommendations of *Chapter 4 Members' Allowance* of the Office of the Auditor General of Manitoba's November 2009 report.

We have not brought forward any recommendations regarding the Principles section of the City of Winnipeg *Councillors' Representation Allowance Fund Policy Requirements* because the focus of this report is to strengthen the transparency and the controls embedded in the Policy. However, we found that the City of Toronto *Councillor Expense Policy* provides a good description of the principles that guide the interpretation of the Policy. Council Secretariat Committee may want to consider revising the Principles section of the *Councillors' Representation Allowance Fund Policy Requirements* to incorporate the Integrity of Council and to better define the principles of Accountability, Flexibility and Limits and Transparency.

The observations and recommendations section of the report is divided into four sections. The first section provides suggestions for revised roles and responsibilities. The second section deals with procedures to be followed in the administration of the Policy. The third section deals with public disclosure. The final section suggests revisions to the allowable expense categories to increase clarity of what are allowable expenses under the policy and to incorporate good practices from other jurisdictions.

Roles and Responsibilities

Roles and Responsibilities
We found that most of the existing roles and responsibilities of Councillors, Council Secretariat Committee and City Clerk's are consistent with the City of Toronto *Councillor Expense Policy*. We are proposing that some revisions to the roles and responsibilities be made to Councillors, the Councillor Secretariat Committee, City Clerk's and the Audit Department to clarify responsibilities and to enhance transparency by ensuring that Council Secretariat Committee deliberations are a matter of the public record. Overall, the adoption of the proposed changes will not change the existing fundamental roles and responsibilities. Councillors are responsible for authorizing expenditures in accordance with the Policy. City Clerk retains the responsibility and authority for the administration of the Policy. Council Secretariat Committee would retain authority to recommend revisions to the Policy and to review and provide disposition on unusual items in an open session. The City Auditor would continue to perform compliance audits.

Recommendation 1
We recommend that Council Secretariat Committee consider revising Section E, the Roles and Responsibilities section of the *Councillors' Representation Allowance Fund Policy Requirements* to incorporate the proposed roles and responsibilities as follows:

Councillors
- Authorize expenditures from their Councillors Representation Allowance Fund
- Meet all financial, legal and income tax obligations
- Stay within budget guidelines and expenditure categories outlined in this Policy
- Keep safe and maintain all equipment and furniture provided by the City
- Keep safe and maintain all equipment purchased with City funds
- Ensure that all purchases are appropriate and that invoices are authorized after orders have been received or services rendered
- Comply with purchasing, accounting and financial policies approved for Councillors
- Contact the Deputy City Clerk to seek advice on all aspects on the administration of this Policy

Council Secretariat Committee
- Review amendments to the *Councillors Representation Allowance Fund Policy Requirements* brought forward by the City Clerk
- Recommend amendments to *Councillors Representation Allowance Fund Policy Requirements* to Council
- Review and provide disposition on unusual expenditures, in open session

City Clerk's Department

- Provide accounting and financial support to Councillors by processing expenditures, preparing financial management reports and providing advice on handling difficult or unusual transactions
- Provide purchasing support to Councillors with vendor lists, obtaining quotations, issuing purchasing documents and developing formal agreements
- Provide staffing support to Councillors by preparing payroll documentation
- Advise Councillors of the status of their budgets and expenditures
- Advise Councillors if any item appears to breach the *Councillors' Representation Allowance Fund Policy Requirements* or is inappropriate
- Refer unusual transactions in dispute to the Council Secretariat Committee for review and disposition
- Make sure that supporting documentation is in place and that expenditures conform with Councillor policies
- Deputy City Clerk may suspend processing of expenses if a councillor fails to comply with policy until matter can be heard by Council Secretariat Committee
- Monitor changes in City policies and procedures and review relevance of these changes for the *Councillors' Representation Allowance Fund Policy Requirements* and related procedures
- Provide training and orientation for Councillors and their staff at the beginning of each term and when required or as requested during the term from time to time
- Disclose the Councillors Representation Allowance Fund expenditures on the City's website on a quarterly basis.

Audit Department

- Provide an annual audit of the Councillor Representation Allowance Fund expenditures, to Council through the Council Secretariat Committee

Procedures

Accounting Procedures

The *Councillors' Representation Allowance Fund Policy Requirements* contains accounting procedures in several sections. To facilitate the understanding of the accounting procedures required to be followed, we are suggesting that the accounting procedures be consolidated under one section of the Policy. This is consistent with the City of Toronto *Councillor Expense Policy*.

Recommendation 2

We recommend that Council Secretariat Committee consider including a new section on Accounting Procedures in the *Councillors' Representation Allowance Fund Policy Requirements*. We propose that the following statements be included in the new section:

- Expenses must relate to the business of the City of Winnipeg.
- Councillors or their staff must incur the expenses. Expenses incurred by third parties cannot be claimed.
- Councillors and their staff cannot claim expenses of a personal nature. Where an invoice contains expenses of a personal nature, Councillors or their staff must reimburse the City for those personal expenses when they submit the request for reimbursement or payment of the expense to the Deputy City Clerk.
- Councillors and their staff must provide proper documentation, including detailed original receipts for all expense claims. Credit card receipts or statements alone are not sufficient

and will not be accepted. In the case of any internet on-line purchases, a copy of the confirmation must be attached to the claim.

- Invoices must include a description of the goods purchased or services rendered, the cost, applicable taxes and GST Registration Number.
- Equipment purchased with City funds are considered City property and must be returned to the City at the end of a term or such earlier time as the Councillor leaves office.
- Councillors or their authorized staff must sign off all receipts or invoices with original signatures. Delegation of signing authority to staff must be documented in a formal memo to the Deputy City Clerk with samples of signatures prior to the transaction.
- Expenses must be charged to the year in which they were incurred. Expenses cannot be carried forward to different years.
- Councillors who charge for goods against the current year must have received the goods and/or services from the vendor before December 31 of that year.
- At the end of the year, when expenses have been incurred but invoices are not yet received, Councillors must inform the Deputy City Clerk so that a proper liability can be set up. Invoices from the previous year that have not been set up as liabilities and are received after year end cut-off date established by Corporate Finance, will not be paid or reimbursed from the previous year's budget. Payment may be made against the current year's budget.

Public Disclosure

Disclosure of Councillor Expenses

The *Councillors' Representation Allowance Fund Policy Requirements* does not include a section requiring public disclosure of Councillor Expenses. In our November 2009 report, we recommended that disclosure of Councillor Expenses be done on the City's website each quarter.

The City of Winnipeg does not publish the *Councillors' Representation Allowance Fund Policy Requirements* on the City's website. The City of Toronto *Councillor Expense Policy* is available along with the quarterly reporting of Councillor Expenses on the City of Toronto website. To enhance transparency regarding the allowable expenses and the administration of the Policy, we recommend that the *Councillors' Representation Allowance Fund Policy Requirements* be made available on the City's website, along with the quarterly reporting of the Councillors' expenses.

Recommendation 3

We recommend that the Council Secretariat Committee amend the *Councillors' Representation Allowance Fund Policy* to include a new section to deal with disclosure of Councillors' expenditures on the City's website on a quarterly basis. See Appendix A for examples of proposed disclosure of expenses. The *Councillors' Representation Allowance Fund Policy Requirements* should also be published on the City's website. We propose the new section include the following:

Disclosure of Councillors Expenses

- The City Clerk publish the *Councillors' Representation Allowance Fund Policy Requirements* on the City's website;
- The City Clerk publish the CRA Fund expenses, including year-to-date expenditure details, on the City's website within 60 days of each quarter end; disclosure details should include identification of the vendor, date and amount of each expenditure.

Allowable Expenses

The Auditor General of Manitoba had found that the *Members' Allowances Regulation "had not been rigorously reviewed to ensure that it anticipates all expenditures categories and reflects a contemporary view of public expectations and best practices"*. The Auditor General of Nova Scotia found that *"regulations and guidelines do not clearly outline the purpose of the fund provided; and guidance on how funds should be spent is vague or do not exist"*. Given these findings, we reviewed the description of allowable expenses in the *Councillors' Representation Allowance Fund Policy Requirements* and found that the clarity of the description was vague, in some cases, and may not reflect a contemporary view of public expectations and best practices. We compared the allowable expense categories and descriptions from the City of Toronto *Councillor Expense Policy* to the expense category descriptions in the *Councillors' Representation Allowance Fund Policy Requirements*. We found that the City of Toronto *Councillor Expense Policy* had a more precise list of allowable expense categories which was accompanied by a clear description of the following:

- what is eligible along with the spending limit (if applicable),
- what is ineligible, and
- what conditions and documentation requirements must be met.

In the next part of this report, we have provided our proposed revisions to the accounts and the Allowable Expenses section of the Policy. These revisions provide clear definitions of the allowable expenses under this Policy. The only expense category that does not require significant revision in the current policy is the Councillors' Assistants' Service category. It only requires clarification regarding severance costs. We have also provided an option for Transportation Allowance: a monthly allowance or reimbursement of mileage expenses. In our research we found that the City of Edmonton provides it's Councillors a monthly transportation allowance, while the City of Toronto reimburses Councillors for mileage. For some expense categories, Council Secretariat Committee may want to recommend to Council an annual spending limit. For example, the City of Toronto places an annual limit of $500 for Business meals. For some of these expense categories, we have noted within the description of the eligible expense, where an annual spending limit may be set.

Recommendation 4

a) We recommend that the Council Secretariat Committee consider amending Section D 5, Annual Report of the *Councillors' Representation Allowance Fund Policy* to provide a better description of the type of expenses included in the report. The proposed accounts are listed in the table below.

b) We recommend that the Council Secretariat Committee consider amending the *Councillors' Representation Allowance Fund Policy* to include a section that outlines and defines the allowable expenses that can be charged under the Policy. Each allowable expense category should define what is an eligible expense, what is ineligible, what conditions must be met and what documentation is required.

We have mapped the accounts from Section 5, Annual Report of the *CRA Fund Policy Requirements* to the proposed list of allowable expenses.

Proposed Accounts and Allowable Expense Categories

Existing Accounts	Proposed Accounts	Allowable Expense Categories
Transportation Allowance	Transportation Allowance	Transportation – Mileage & Parking Transportation –Taxi
Ward Activities	Community Expense	Donations to Community Group Event Tickets
Business Meetings	Business Meetings and Hospitality	Business Meetings and Hospitality
Travel – City Business	Travel – City Business	Travel – City Business
Office Equipment	Office Equipment	Computer Hardware, Software & Accessories Office Equipment Office Furniture
Printing, Binding & Photocopying	Printing, Binding & Photocopying	Printing Services and Photocopying Photographic Supplies and Services
Periodicals & Subscriptions	Periodicals & Subscriptions	Books, Magazines, and Newspaper Subscriptions Cable Television
Telephone	Telephone and Communications	Telephone Internet Services Websites Wireless Products and Services
Advertising	Advertising and Promotion	Advertising and Promotion Newsletters and Flyers
Postage	Postage and Courier	Postage and Courier
Stationary and Office Supplies	Office Supplies	Office Supplies
Casual Services	Professional and Consulting Services	Consulting Expenses Professional and Contracted Services
Councillors' Assistants' Services	Councillors' Assistants' Services	Councillors' Assistants' Services
—	Training	Training

Recommendation 5

We recommend that Council Secretariat Committee consider adopting the description of allowable expenses categories as presented below:

Proposed Account **Transportation Allowance**	**Allowable Expense Categories** **Transportation - Mileage & Parking** **Transportation –Taxi**
Transportation - Mileage & Parking	
Eligible expense: • Each Councillor will receive a monthly transportation allowance (City of Edmonton paid $520 per month in 2006), a parking space in the City Hall Parkade and an annual surface parking card, all to be provided by the City of Winnipeg, Or **Eligible expense:** • For Councillors who opt out of receiving a monthly allowance, use of personal vehicles to travel for business purposes outside of normal daily travel between home and work and on street or private/public parking lot fees, the following conditions will also apply: o Councillors and staff must identify business purpose for the trip. o The rate of reimbursement per mileage will be at the same rate as applied to City employees and adjusted from time to time accordingly. o Councillors are accountable for the accuracy of the mileage claimed. o Councillors must provide original receipts from parking operators indicating date, time and parking location. Credit card receipts will not be accepted. o Reimbursement for kilometres traveled will appear on the Councillor or staff's paycheque. The reimbursement is not a taxable benefit.	**Ineligible expense:** • Traffic and parking fines • Tow and impound fees Or **Ineligible expense:** • Traffic and parking fines • Tow and impound fees • Normal daily travel between home and the normal work location. For Councillors, City Hall is considered their normal work location. • Personal vehicle maintenance and repair costs • Vehicle licensing fees • Car-wash fees
Other information: • Councillors and their staff filing mileage and parking claims must report the date, start and end points, the number of kilometres traveled and the purpose of the trip according to established categories (e.g., business meeting, ward meeting, constituency meeting and special event). • Detailed municipal addresses are not required. Intersection information or building names (e.g., City Hall) are acceptable for security and privacy protection reasons. • Councillors or their staff should submit claims for mileage and parking expense to the Deputy City Clerk at least once a month.	
Transportation – Taxi	
Eligible expense: • Councillor and their staff trips throughout the city of Winnipeg • Tips (If Councillors receive a monthly transportation allowance then this section pertains to staff only.)	**Ineligible expense:** • Rides in cabs or other modes of transportation between home and the normal work location; for Councillors, City Hall is their normal work location

Conditions:

- Councillors and their staff must identify business purpose for the trip according to established categories (e.g., business meeting, ward meeting, constituency meeting, and special events).

Other information:

- Councillors must provide an original receipt with the date and the "to" and "from" destinations. Credit card receipts and statements will not be accepted.
- The City does not require exact municipal address on reimbursement forms. For security and privacy reasons, building names (e.g., City Hall) or intersection details are acceptable.
- Councillors or their staff should submit claims for taxi reimbursement and other transportation fees to the Deputy City Clerk at least once a month.

Proposed Account **Community Expense**	**Allowable Expense Categories** **Community Expense – Donations to Community Groups, Community Expense – Event Tickets**
Community Expense – Donations to Community Groups	
Eligible expense: • Donations to community groups • Limit of $2,500 per group per year (Council could consider establishing an annual limit for all donations)	**Ineligible expense:** • Donation to an individual or a group of individuals or trust fund • Gifts for Council staff or other employees of the City, agencies, boards, commissions and special purpose bodies
Conditions: • Donations must be accompanied by a request from the organization with details about the group and the purpose of the donation. • Donations should be made via City of Winnipeg cheques to the community group. Personal cheques should not be used. • Donation receipts should be addressed to the City of Winnipeg. • Receipts received by Councillors must be forwarded to the City Clerk's Office.	
Community Expense – Event Tickets	
Eligible expense: • Two tickets per charitable event within ward or City-wide event or function • Two participant fees for charitable or fund-raising events such as golf tournaments, walkathons organized by non-profit organizations, etc.	**Ineligible expense:** • Entertainment events such as theatre shows, musical performances or other concerts and sporting events • Raffle tickets, silent auctions, table prize tickets at events, unless tickets winnings are donated back to the community organization
Conditions: • For charitable events or dinners, event organizers must make out charitable receipts to the City of Winnipeg, where applicable. • Councillors must identify attendees.	

Proposed Account Business Meeting and Hospitality	Allowable Expense Categories Business Meeting and Hospitality
Business Meeting and Hospitality	
Eligible expense: • Councillors' expenses for food and beverage (including alcohol), facility rental, venue set-up, audio visual for receptions with constituents, business contacts, representatives of other levels of government, international delegations or visitors • Meals expenses related to o Meetings with City employees, Councillors' staff, other Members of Council or employees of a City agency, board, commission or special purpose body; o Meals consumed by Councillors prior to attending evening functions or events; and o In-town conference/seminar at which meals are not provided and where no per diem may be claimed. (Council could consider establishing an annual spending limit)	**Ineligible expense:** • Entertainment expenses (such as sporting events and concerts)
Conditions: • Councillors must identify business purpose for the expense. • Councillors must identify reason why meeting cannot be accommodated during normal office hours. Other information: • Councillors must provide o Original itemized receipt showing items consumed; o Full name of all participants attending meeting; and o Date and purpose of meeting.	

Proposed Account Travel - City Business	Allowable Expense Category Travel – City Business
Travel – City Business	
Eligible expense: • Conference registration • Transportation (air, train or bus) or kilometrage (if driving) • Ground transportation (between home and the terminal and between the terminal and a hotel or conference facility) • Hotel • Per diem • Taxi expenses related conference/business related functions or meetings • Hospitality expenses • Business telephone calls • Vehicle rental	**Ineligible expense:** • Personal expenses • Sightseeing expenses

Conditions: • Must be related to the business of the City of Winnipeg • Economy class for airfare or train • Per Diem as set by the City of Winnipeg • Councillors can request cash advances for hotel and per diem costs

Proposed Account Office Equipment	Allowable Expense Categories Computer Hardware, Software & Accessories, Office Equipment, Office Furniture
Computer Hardware, Software & Accessories	
Eligible expense: • Corporate standard computer hardware, software and peripherals that have been approved by Corporate Support Services • Encrypted USB keys approved by Corporate Support Services	**Ineligible expense:** • Non-corporate standard hardware or software
Conditions: • All hardware, software and peripherals must comply with corporate standards. • Councillors' Office check with Corporate Support Services before purchasing IT equipment to ensure that proposed purchases of hardware, software and accessories comply with corporate standards. • All computer hardware, software and peripherals that Councillors or their staff buy with City funds becomes City of Winnipeg property and must be returned at the end of the term. • All computer hardware, software and peripherals purchased will be recorded in the asset inventory. • Councillors must sign off on this inventory annually.	
Office Equipment	
Eligible expense: • Fax machines, shredders, audio-visual equipment, cameras, video cameras and small appliances • Maintenance contracts for equipment • Carrying case for equipment • Peripherals for equipment	
Conditions: • Councillors must identify the business requirement for equipment for City Hall office. • All equipment purchased with City funds becomes property of the City and Councillors must return all equipment to the City at the end of the term. • Any lease agreement to acquire office equipment shall not extend beyond the date that the term for office ends. If a Councillor exercises a "buy-out" option in which CRA Funds have been used for all or part of the payments, that office equipment becomes City of Winnipeg property and must be returned at the end of the term. • All equipment purchased will be inventoried and Councillors are required to sign off on the inventory annually.	
Office Furniture	
Eligible expense: • Standard office furniture, including chairs, desks, work stations, file cabinets, book shelves, sofas, conference tables, side tables, stands • Moving costs for City furniture at other storage locations • Transportation costs from vendor • Costs for refurbishing or repairing furniture	**Ineligible expense:** • Furniture not required for an office environment, such as a bed

• One-time cost to move personal furniture from home to City Hall	

Conditions:
- All furniture purchased with City funds is considered City property and are inventoried.
- The Deputy City Clerk is responsible for coordinating the disposing of furniture and updating the furniture inventory accordingly.
- The Councillor must sign off on his/her furniture inventory annually.
- Councillors can bring personal furniture to the office.
- Councillors must return all items on the furniture inventory to the City at the end of the term.

Proposed Account Print, Binding & Photocopying	Allowable Expense Categories Printing Services and Photocopying, Photographic Supplies and Services
Printing and Photocopying	
Eligible expense: • Stationery including envelopes, letterheads, business cards • Photocopying charges	
Photographic Supplies and Services	
Eligible expense: • Professional photographer fees • Processing and digital print fees • Frames, CDs, and other output devices • Film or other storage mechanisms	

Conditions:
- Councillors cannot use photographs or materials that were taken by the City photographers for election-related purposes.

Proposed Account Periodicals & Subscriptions	Allowable Expense Categories Books, Magazines, and Newspaper Subscriptions Cable Television
Books, Magazines and Newspaper Subscriptions	
Eligible expense: • Books, magazines and periodicals that are related to the business of the City • Annual subscriptions to daily, weekly and monthly newspapers, news, trade and business magazines, ethnic publications and other periodicals	**Ineligible expense:** • Lifestyle / entertainment magazines

Conditions:
- Name of book or magazine must be included on the invoice.

Cable Television	
Eligible expense: • Monthly fee for basic cable and news channels for Councillor's Office • Installation charge for cable connection at Councillor's Office • Cable equipment purchase or rental for Councillor's Office	**Ineligible expense:** • Movie/entertainment channel programming. • Cable fees for Home Office

Proposed Account Telephone and Communications	Allowable Expense Categories Telephone Internet Services Websites Wireless products and services
Telephone	
Eligible expense: • Monthly fees, including fees for specialty features such as call display, call waiting, messaging • Fees for conference calls • Business-related long-distance charges • Basic telephone equipment • Fax machine • Peripherals such as headsets, etc.	**Ineligible expense:** • Personal long-distance calls • 1-900 calls • Novelty phones
Conditions: • If a Councillor is claiming the cost of a telephone line in a Home Office, that telephone line must be dedicated for City business only. • Councillors must reimburse the City for any personal long-distance calls at the same time as they submit the monthly bill for reimbursement or payment to the vendor directly.	
Internet Services	
Eligible expense: • High-speed internet connection for Home Office • Installation costs • Modem rental fees	
Provided by Corporate Support Services: • Internet access through the City's network at City Hall, civic centres and other City buildings Conditions: • Councillors may order directly from any internet supplier. • If a Councillor chooses to install a high-speed internet connection at his or her Home Office with City funds, it must be dedicated primarily for City business usage.	
Websites	
Eligible expense: • Design, web development, writing, domain name registration, web-hosting fees • Database creation and management fees	
Provided by Corporate Support Services: • A page on the City's internet site Conditions: • The personal website of each Councillor hosted outside of the City's internet URL address is entirely the responsibility of the Councillor. • City staff cannot provide any advice related to these external sites, including wording for disclaimers. • The City recommends that Councillors choose a web-hosting company operating from Canada to reduce the risk of breaching the privacy of constituents under the United States Patriots Act requirements. • The Councillors' own internet site cannot advocate for a political party, other levels of government, for-profit organizations or individuals not related to the business of the City, or candidates in any election campaign. • Councillors can link their personal sites to the City's internet site.	

Wireless Products and Services	
Eligible expense: • Cost of equipment, such as blackberries, cell phones or other Personal Digital Assistants (PDAs)	**Ineligible expense:** • Personal long-distance calls • 1-900 calls • Personal messaging / downloads
Conditions: • Councillors are recommended to use the corporate vendor and corporate contract for better rates. They can choose from various phone types and monthly plans from the corporate vendor. • Councillors can choose a vendor other than the corporate vendor based on his/her coverage / service needs. • Councillors must reimburse the City for any personal long-distance calls at the same time as when they submit a monthly bill for the City to reimburse the Councillor or pay the vendor directly. • Councillors must provide only the front pages of the monthly bill itemizing the services and charges. Back-up pages containing a detailed list of telephone calls is not required and will be returned if submitted.	

Proposed Account **Advertising and Promotion**	**Allowable Expense Categories** **Advertising & Promotion** **Newsletters & Flyers**
Advertising and Promotion	
Eligible expense: • Paid advertising that is related to the business of the City and the office of the Councillor in all types of media; Advertising examples include Seasons Greetings and Councillor's office location and contact numbers • Advertising that supplements advertisements that City Departments place to promote specific programs, or specific events, such as a park opening • Design and production costs for the advertising • Promotional items such as fridge magnets, souvenir T-shirts, promotional chocolates, pens, etc.	**Ineligible expense:** • Advertising that a Councillor places after the cut-off date during an election year • Advertising that promotes for-profit organizations, third parties, other levels of government, political parties, or candidates in any election campaigns
Conditions: • City election policies limit Councillors in placing advertising during an election year. Councillors cannot place advertising after the cut-off date that City Council determines. • In order to be reimbursed, the Councillor must provide the itemized original invoice from the media organization stating the name of the publication, the date that the print ad appeared or that a television or radio ad aired.	
Newsletters & Flyers	
Eligible expense: • Design, writing, copy-editing, printing costs • Distribution costs, either through Canada Post Ad-mail or by private distribution firms • Translation fees • Clip art or stock photo fees	**Ineligible expense:** • Printing and distributing newsletters after cut-off date during an election year

Proposed Account Postage & Courier Services	Allowable Expense Category Postage & Courier Services
Postage & Courier Services	
Eligible expense: • Canada Post regular and premium mail services • Courier delivery costs • Stamps	

Proposed Account Office Supplies	Allowable Expense Category Office Supplies
Office Supplies	
Eligible expense: • Pens, pencils, post-it notes, writing pads, folders, toners, labels, paper and general office supplies	
Conditions: • Councillors can buy from the City's vendor or directly from other vendors.	

Proposed Account Professional & Consulting Services	Allowable Expense Categories Consulting Expenses Professional and Contracted Services
Consulting Expenses	
Eligible expense: • Consulting Services may be contracted for the purpose of research related to City business	
Conditions: • An individual holding elected public office (i.e., federal, provincial, municipal or school board) is not eligible to be engaged to provide consulting services. • A Councillor may not engage a relative as a consultant. A relative is defined as: a spouse, child, parent, brother, sister, parent-in-law, brother-in-law, sister-in-law, son-in law, daughter-in-law, nephew and niece. • A Councillor may not engage an employee of the City of Winnipeg as a consultant. • Councillors must sign a contract or formal agreement with the consultant which sets out the terms and conditions in detail. • For consultants that Councillors engage on a long-term basis, a blanket contract will be set up. • The consultant's monthly invoice must identify the hours worked and the deliverables.	
Professional and Contracted Services	
Eligible expense: • Firms or individuals whom Councillors or their staff retain for specific business purposes with clear deliverables, fee structures and timelines	
Conditions: • An individual holding elected public office (i.e., federal, provincial, municipal or school board) is not eligible to provide professional and/or contracted services. • A Councillor may not contract with a relative as a consultant. A relative is defined as: a spouse, child, parent, brother, sister, parent-in-law, brother-in-law, sister-in-law, son-in law, daughter-in-law, nephew and niece to provide professional services.	

• A Councillor may not contract with an employee of the City of Winnipeg to provide professional services. • Councillors must provide an original itemized invoice from the contractor, stating the number of hours worked, the work performed and the outcomes the contractor delivered.

Proposed Account Training	Allowable Expense Section Training
Training	
Eligible expense: • Training for Councillors or their staff that meets specific business requirements • Tuition reimbursement for college or university programs or courses related to City business	Ineligible expense: • Training unrelated to City business • Physical fitness, sports, arts programs
Conditions: • Training must meet business requirements. • To be reimbursed for tuition fees, Councillors and their staff must provide proof that they have completed the course or program, and submit an original fee receipt from the college/university.	

Recommendation 6

We recommend amending the Councillors' Assistants' Services section to include the provision of a standard severance package.

Proposed Account Councillors' Assistants' Services	Allowable Expense Category Councillors' Assistants' Services
Revise Section 14, Councillors' Assistants' Services (f) 2. to include a regulated severance package plan for Councillors' Assistants. For example, a severance allowance equivalent to one week's pay per year of continuous service, up to a maximum of eight weeks' pay, may be paid to an employee with at least one year of service who has been dismissed without cause.	

APPENDIX A

Sample of potential disclosure reports

Screen View 1

COUNCILLOR EXPENSE REPORTING

As per the CRA Fund Policy Requirements, the Councillors' Representation Allowance provides funds to be used by City of Winnipeg Councillors to pay for

· furnishings, office equipment, materials and administrative services that are required for the functioning of their offices, and
· business expenses that are incurred in order to execute their duties, communicate with their constituents, and represent and support their wards.

The amount of the Councillors' Representation Allowance for 20xx is $72,000 and is authorized by City Council.

Councillors' Representation Allowance (CRA) Fund - Policy Requirements (link to policy)

Select Year to view details: 2010
2009
2008

Screen View 2

COUNCILLOR EXPENSE REPORTING

Select Details link at right of Ward/Councillor.

	WARD	COUNCILLOR	Expenditures as at Mar 31, 20XX	
1	Fort Rouge - East Fort Garry	Name	$14,500.00	Details
2	River Heights - Fort Garry	Name	$12,324.00	Details
3	Daniel McIntyre	Name	$11,584.00	Details
4	St. James - Brooklands	Name	$13,546.00	Details
5	Charleswood - Tuxedo	Name	$18,765.00	Details
6	St. Charles	Name	$8,912.00	Details
7	Point Douglas	Name	$12,546.00	Details
8	Old Kildonan	Name	$12,123.00	Details
9	Mynarski	Name	$16,154.00	Details
10	North Kildonan	Name	$4,845.00	Details
11	Elmwood - East Kildonan	Name	$15,645.00	Details
12	Transcona	Name	$8,451.00	Details
13	St. Boniface	Name	$3,246.00	Details
14	St. Vital	Name	$4,484.00	Details
15	St. Norbert	Name	$6,541.00	Details

Screen View 3

COUNCILLOR EXPENSE REPORTING

Selection: Year 20XX
City of Winnipeg Ward XXXXXX Councillor XXXXXXXX

Select Details link at right of month.

Month	Amount	
January	$5,000.00	Details
February	$4,800.00	Details
March	$4,700.00	Details

Screen View 4

20XX Current Budget - $70,000
Councillor Expenses
Monthly Transactions

City of Winnipeg Ward XXXXXXXX
Councillor XXXXXXXX

JANUARY
20XX

			Category												
Date	Vendor	Description	Professional & Consulting Services	Transportation Allowance	Printing and Photocopy	Telephone & Communications	Advertising & Promotion	Postage & Courier	Travel - City Business	Business Meetings & Hospitality	Office Supplies	Periodicals & Subscriptions	Office Equipment	Community Expense	Civic Assistant Services
1-Jan	MTS Communications	Communication charges				97.37									
1-Jan	MTS Mobility	Mobility charges				70.25									
4-Jan	Assistant Services	PPP													1,295.22
7-Jan	Manulife Benefits	Assistant - January													295.22
9-Jan	Internal Printing Services	Photocopies			140.25										
13-Jan	Petty Cash Reimbursement	Office supplies									153.10				
16-Jan	Catholic Women's League	Donation - Special Event												290.00	
17-Jan	Shaw Cable	Cable Service										56.45			
19-Jan	OutWords Inc.	Advertising					98.50								
20-Jan	Trident Press	Advertising					1,500.00								
21-Jan	Internet Courier	Courier charges						175.00							
24-Jan	Petty Cash Reimbursement	Business meeting								45.50					
24-Jan	Corporate Express	Office supplies									489.83				
25-Jan	Rock Salon	Donation - Special Event												95.45	
25-Jan	Golden Terrace	Lunch Meeting								45.00					
27-Jan	Councillor	Car allowance		420.00											
Monthly Totals			0.00	420.00	140.25	167.62	1,598.50	175.00	0.00	90.50	642.73	56.45	0.00	295.45	1,410.44
														Monthly Expenditure	5,006.94