

AUDIT REPORT

ON

PUBLIC ACCOUNTABILITY

The overall objective of this audit was to determine:

- Whether City Council and committees of Council are complying with the legislated requirements regarding meetings closed to the public (i.e., Section 94(1) of *The Cities Act*, Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*, and Section 12 and Section 82 of *The Council and Committee Procedure Bylaw*.
- Whether the City is complying with the public accounts disclosure requirements set out in Section 156(2) of *The Cities Act* and Part II of the *Regulations* issued pursuant to *The Act*.
- Whether the boards of Business Improvement Districts are complying with the reporting requirements set out in the Bylaws issued pursuant to Section 25 of *The Cities Act* and whether those reporting requirements are appropriate.
- Benchmark information from other Canadian Municipalities on current public accountability reporting practices.
- Emerging trends in local government public accountability reporting.

September 2006



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Report Highlights

Meetings Closed to the Public

Our audit tests focused on all in camera meetings held in calendar year 2005 by the Executive Committee, Audit Committee, Land Bank Committee, Visual Arts Placement Jury, Administration and Finance Committee, and Budget Committee. The Planning and Operations Committee last met in camera in November 2004. We did not examine the items considered by the Social Services Subcommittee since the City Clerk's Office is not involved in the administration of this Subcommittee (i.e., setting the agenda, recording the minutes).

Regarding each committee, we note the following:

- The Executive Committee met 30 times in 2005. The majority of items considered satisfied the legislated requirements regarding meetings closed to the public (87.5%). The items that did not satisfy the legislated requirements were generally administrative in nature.
- The Audit Committee met 9 times in 2005. Just over half of the items considered satisfied the legislated requirements regarding meetings closed to the public (53%).
- The Land Bank Committee met 5 times during 2005. The vast majority of items considered satisfied the legislated requirements regarding meetings closed to the public (90%).
- The Visual Arts Placement Jury met 9 times during 2005. Few of the items considered satisfied the legislated requirements regarding meetings closed to the public (21%).
- The items considered at the Administration and Finance Committee, Planning and Operations Committee and Budget Committee in camera meetings satisfied the legislated requirements regarding meetings closed to the public.

We are recommending that all Committees of Council be required to hold their meetings in public unless specific legislative provisions allow the consideration of the item(s) in camera.

Public Accounts

For the most part, the City is complying with the public accounts disclosure requirements set out in Section 156(2) of *The Cities Act* and Part II of the *Regulations* issued pursuant to *The Act*. However, the following items are not being disclosed:

- Remuneration paid to employees of other bodies established by council (e.g., Business Improvement Districts).
- Remuneration and other amounts paid to Board members of the Board of Revision, Development Appeals Board and Property Maintenance Appeals Board.
- Services provided in aid of persons and organizations in excess of \$2,000.00 (e.g., temporary signage, set up and removal of traffic barricades, etc.).

The Corporate Services Department plans to incorporate third party payments made by the Mendel Art Gallery, Credit Union Centre and TCU Place in the 2006 Public Accounts. The incorporation of these items in the Public Accounts will result in consistent disclosures for all independent boards and will exceed the legislative requirements.

We are recommending that the Public Accounts be amended to include disclosure of the above items.

Business Improvement Districts

Four Bylaws have been enacted by City Council in relation to Business Improvement Districts – Bylaw No. 6710 Downtown Business Improvement District, Bylaw No. 6731 Broadway Business Improvement District, Bylaw No. 7092 Riversdale Business Improvement District and Bylaw No. 7891 Sutherland Business Improvement District. Each Bylaw requires that the Business Improvement District submit to City Council, by March 1st each year, an annual report for the preceding year that includes audited financial statements.

The boards of Business Improvement Districts are submitting annual reports to City Council that consist solely of audited financial statements. Three of the Business Improvement Districts submitted their 2005 reports after March 1, 2006.

Based upon comparison to other jurisdictions, the reporting requirements contained in the Bylaws are appropriate. However, clarity is required regarding the information that should be included in the annual report of each Business Improvement District, over and above the audited financial statements.

We are recommending that:

- *Controls be strengthened to ensure the Business Improvement Districts submit their annual reports by March 1 each year.*
- *Guidelines be developed regarding the minimum content requirements for annual reports.*

Benchmarking & Emerging Trends

Regarding in camera versus public meetings, the most progressive municipalities in Canada appear to be considering fewer items in camera, publicly disclosing in camera agendas and also disclosing the nature of the items being considered during in camera meetings.

In terms of the Public Accounts, it appears that Saskatchewan has among the most extensive financial disclosure requirements for municipalities in Canada. Only British Columbia requires similar disclosures.

During the course of our research, we also note that it is widely accepted that public accountability reporting includes performance measurement and reporting, and performance based budgeting. We will be bringing forward, through the Administration, a separate report addressing these issues.

We are recommending that:

- *The City Clerk develop a specific list of topic headings for in-camera items which the Administration can choose from to classify all in camera items.*
- *The Public Notice Bylaw be amended to include the requirement to advertise when and where in camera meetings of Council and Committees of Council will be held.*

Chapter 1 Introduction

The corporate audit plan included provision to conduct an assurance compliance audit of Public Accountability practices.

Background

The City of Saskatoon's public accountability requirements are governed, in part, by *The Cities Act* and *Regulations* issued pursuant to *The Act*, *The Local Authority Freedom of Information and Protection of Privacy Act*, the Council and Committee Procedure Bylaw, and the City Administration Bylaw.

Project Scope and Objectives

The scope of the audit included public vs. in camera meetings, public accounts and accountability reporting requirements of Business Improvement Districts. Specific lines of enquiry included the following:

- Whether City Council and committees of Council are complying with the legislated requirements regarding meetings closed to the public (i.e., Section 94(1) of *The Cities Act*, Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*, and Section 12 and Section 82 of The Council and Committee Procedure Bylaw.
- Whether the City is complying with the public accounts disclosure requirements set out in Section 156(2) of *The Cities Act* and Part II of the *Regulations* issued pursuant to *The Act*.
- Whether the boards of Business Improvement Districts are complying with the reporting requirements set out in the Bylaws issued pursuant to Section 25 of *The Cities Act* and whether those reporting requirements are appropriate.
- Benchmark information from other Canadian Municipalities on current public accountability reporting practices.
- Emerging trends in local government public accountability reporting.

Acknowledgements

Robert Prosser & Associates Inc. wishes to extend special thanks to the City Clerk, City Solicitor General Manager Corporate Services and their staff for accommodating our requests for interviews, information and documents, and reviewing our audit findings.

Chapter 2 Meetings Closed to the Public

One of the objectives of the audit was to determine whether City Council and Committees of Council are complying with the legislated requirements regarding meetings closed to the public (i.e., Section 94(1) of *The Cities Act*, Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*, and Section 12 and Section 82 of The Council and Committee Procedure Bylaw). Excerpts of these documents can be found in Appendices A, B and C.

Our audit tests focused on all in camera meetings held in calendar year 2005 by the Executive Committee, Audit Committee, Land Bank Committee, Visual Arts Placement Jury, Administration and Finance Committee, and Budget Committee. The Planning and Operations Committee last met in camera in November 2004. We did not examine the items considered by the Social Services Subcommittee since the City Clerk's Office is not involved in the administration of this Subcommittee (i.e., setting the agenda, recording the minutes).

Executive Committee

The Executive Committee met 30 times in 2005. The majority of items considered satisfied the legislated requirements regarding meetings closed to the public (87.5%). Those that did not satisfy the legislated requirements (12.5%) were generally administrative in nature, and included such items as:

- SUMA resolutions,
- Departmental business plans,
- Tax abatement and incentive requests, and
- Sporting event applications.

We note that tax abatement and incentive requests and the non-financial portion of sporting event applications are now considered at public meetings of the Executive Committee. These items make up almost half of the exceptions noted above.

Audit Committee

The Audit Committee met 9 times in 2005. Just over half of the items considered satisfied the legislated requirements regarding meetings closed to the public (53%). Those that did not satisfy the legislated requirements (47%) included such items as:

- Terms of reference for individual audits,
- Value for money audit reports,
- Value for money follow-up audit reports, and
- The Corporate audit plan (i.e., approval, updates and status reports).

We note that the Corporate audit plan is now submitted to City Council on an annual basis.

Land Bank Committee

The Land Bank Committee met 5 times during 2005. The vast majority of items considered satisfied the legislated requirements regarding meetings closed to the public (90%). The items that did not satisfy the legislated requirements (10%) consisted of:

- Industry statistics, and
- The Committee's Annual report.

Visual Arts Placement Jury

The Visual Arts Placement Jury met 9 times during 2005. Few of the items considered satisfied the legislated requirements regarding meetings closed to the public (21%). Those that did not satisfy the legislated requirements (79%) included such items as:

- Original placement, and changes to the placement, of artwork,
- Administrative status reports,
- Annual reports,
- Review of the Jury's operating budget, and
- Review of, and changes to, the Temporary Sculpture Placement Program application form.

Administration and Finance Committee

The Administration and Finance Committee met once in camera in 2005. The item considered satisfied the legislated requirements regarding meetings closed to the public.

Planning and Operations Committee

The Planning and Operations Committee last met in camera in November 2004. The item considered satisfied the legislated requirements regarding meetings closed to the public.

Budget Committee

The Budget Committee met once in camera in 2005. The item considered satisfied the legislated requirements regarding meetings closed to the public.

Recommendation:

- 1. That Section 82(4) of The Council and Committee Procedure Bylaw be deleted and that all Committees of Council be required to adhere to Section 82(1) through (3) of The Council and Committee Procedure Bylaw.**

Chapter 3 Public Accounts

One of the objectives of the audit was to determine whether the City is complying with the public accounts disclosure requirements set out in Section 156(2) of *The Cities Act* and Part II of the *Regulations* issued pursuant to *The Act*. Excerpts of these documents can be found in Appendices D and E.

For the most part, the City is complying with the public accounts disclosure requirements set out in Section 156(2) of *The Cities Act* and Part II of the *Regulations* issued pursuant to *The Act*. However, the following items are not being disclosed:

- Remuneration paid to employees of other bodies established by council (e.g., Business Improvement Districts).
- Remuneration and other amounts paid to Board members of the Board of Revision, Development Appeals Board and Property Maintenance Appeals Board.
- Services provided in aid of persons and organizations in excess of \$2,000.00 (e.g., temporary signage, set up and removal of traffic barricades, etc.).

The Corporate Services Department plans to incorporate third party payments made by the Mendel Art Gallery, Credit Union Centre and TCU Place in the 2006 Public Accounts. The incorporation of these items in the Public Accounts will result in consistent disclosures for all independent boards and will exceed the legislative requirements.

Detailed Audit Findings

		2003		2004	
		Public Accounts	Financial Report	Public Accounts	Financial Report
The Cities Act					
Section 156(1)	Presented to City Council on or before September 1	√	√	√	√
Section 156(2)					
(a)	Includes audited financial statements		√		√
(b)(i)	Includes the remuneration paid to each employee	√		√	
(b)(i)	Includes the remuneration paid to each member of council	√		√	
(b)(ii)	Includes the remuneration paid to each employee of any committee or other body established by Council pursuant to clause 55(a)	X Note 1		X Note 1	
(b)(ii)	Includes the remuneration paid to each member of any committee or other body established by Council pursuant to clause 55(a)	X Note 2		X Note 2	
(b)(iii)	Includes the remuneration paid to each employee of any other body established by Council that receives the majority of its funds from the city	n/a		n/a	
(b)(iii)	Includes the remuneration paid to each member of any other body established by Council that receives the majority of its funds from the city	n/a		n/a	

Public Accounts, continued

		2003		2004	
		Public Accounts	Financial Report	Public Accounts	Financial Report
(b)(iv)	Includes the remuneration paid to each employee of a controlled corporation	√		√	
(b)(iv)	Includes the remuneration paid to each board member of a controlled corporation	n/a		n/a	
(b)(v)	Includes expenditures for travel and other expenses incurred by employees described above	√		√	
(b)(v)	Includes expenditures for travel and other expenses incurred by council members described above	√		√	
(b)(v)	Includes expenditures for travel and other expenses incurred by board members described above	X Note 2		X Note 2	
(b)(vi)	Includes expenditures pursuant to any contract	√		√	
(b)(vii)	Includes grants and contributions of goods and services	Grants √ Contributions X Note 3		Grants √ Contributions X Note 3	
The Cities Regulations					
Section 7(1)	Operating expenditures				
(a)	Includes operating expenditures under functional categories, such as				
(a)(i)	General government		√		√
(a)(ii)	Transportation		√		√
(a)(iii)	Protective		√		√
(a)(iv)	Environmental health		√		√
(a)(v)	Public health and welfare		√		√
(a)(vi)	Environmental development		√		√
(a)(vii)	Recreation and culture		√		√
(a)(viii)	Water and sewer utility		√		√
(a)(ix)	Transit utility		√		√
(a)(x)	Other utilities		√		√
(b)	Includes operating expenditures under object categories, such as				
(b)(i)	Personnel services - wages, salaries and benefits for members of council and for city officers and employees		√		√
(b)(ii)	Professional and contractual services		√		√
(b)(iii)	Heat, light, power, water and telephone		√		√
(b)(iv)	Materials and supplies		√		√
(b)(v)	Grants, donations and subsidies		X		√
(b)(vi)	Capital outlay from operations		√		√
(b)(vii)	Amounts to service:				
(b)(vii)(A)	Short term debts		√		√
(b)(vii)(B)	Long term debts		√		√
(b)(viii)	Other categories to be specified by the city in the report		√		√
Section 7(2)	Includes the amount the city has budgeted as operating expenses for each functional category reported		√		√

Public Accounts, continued

		2003		2004	
		Public Accounts	Financial Report	Public Accounts	Financial Report
Section 8	Budgeted and actual operating revenues under headings such as				
(a)	Total taxes levied, less requisitions, compromises, abatements and adjustments		√		√
(b)	Net municipal tax levied		√		√
(c)	Mobile home license fees		√		√
(d)	Grants in lieu of taxes		√		√
(e)	Operating grants and transfers from other governments		√		√
(f)	Charges for city services and local improvements, including				
(f)(i)	User charges and fees		√		√
(f)(ii)	Licenses, levies and permits		√		√
(f)(iii)	Fines and penalties		√		√
(f)(iv)	Development charges		√		√
(f)(v)	Land sales		√		√
(f)(vi)	Utilities, namely				
(f)(vi)(A)	Water		√		√
(f)(vi)(B)	Sewer		√		√
(f)(vi)(C)	Transit and transportation		√		√
(f)(vi)(D)	Others		√		√
(g)	Investment income, interest, dividends, commissions and tax penalties		√		√
(h)	Miscellaneous amounts and other revenues to be specified by the city in the report		√		√
Section 9					
(a)(i)	Includes remuneration of \$20,000 or more paid to any employee of the city or of any board		√		√
(a)(ii)	Remuneration does not include amounts paid by the city or any board regarding benefits, pension benefits or disability benefits		√		√
(a)(iii)	Includes the name and most recent employment title of each employee of the city or of any board who was paid \$20,000 or more		√		√
(b)(i)	Includes contract expenditures of \$10,000 or more		X Note 4		√
(b)(ii)	Includes the names of the persons and organizations				
(b)(ii)(A)	With whom the contracts were made		√		√
(b)(ii)(B)	To whom payments were made		√		√
(c)(i)	Includes grants of \$2,000 or more		√		√
(c)(ii)	Includes the names of the persons and organizations to whom the payments were made		√		√
(d)(i)	Excludes goods and services provided in aid of persons or organizations if value is not readily ascertainable	√		√	
(d)(ii)	Includes goods and services provided in aid of persons or organizations if valued at \$2,000 or more	X Note 3		X Note 3	

Public Accounts, continued

		2003		2004	
		Public Accounts	Financial Report	Public Accounts	Financial Report
(d)(iii)	Includes the names of the persons and organizations	X Note 3		X Note 3	
(e)(i)	Includes travel and other expenses of \$2,000 or more	√		√ Note 5	
(e)(ii)	Does not include regular salary or other compensation	√		√	
(f)(i)	Includes membership in any association, receiving or entertaining of guests, honouring persons who have served the city with honor of \$1,000 or more	n/a		n/a	
(f)(ii)	Includes the name of each person to whom or on whose behalf the expenditure was made	n/a		n/a	
Section 10					
(a)	Includes the remuneration of each member of council or board	Council √ Board X Note 2		Council √ Board X Note 2	
(b)	Includes amounts paid to or on behalf of each council member or board member with respect to business conducted on behalf of the city or board	√		√	
Section 11	Should not include payments that are required to be kept confidential by law	√		√	

Note 1: The Business Improvement Districts are bodies established by council and their functions are defined in bylaw. There are no disclosures regarding remuneration paid to employees of the Business Improvement Districts.

Note 2: Remuneration and other amounts paid to Board members of the Board of Revision, Development Appeals Board and Property Maintenance Appeals Board are not reported in the public accounts.

Note 3: Services provided in aid of persons or organizations (i.e., “in kind” services such as temporary signage, set up and removal of traffic barricades, etc.) in excess of \$2,000.00 are not disclosed in the public accounts.

Note 4: The 2003 report included all contract expenditures of \$2,000 or more.

Note 5: For those employees who incurred less than \$2,000 in travel and other expenses, the public accounts report “0.” Such presentation may not be accurate (i.e., the employee may have incurred any amount less than \$2,000).

Recommendations:

2. That the Public Accounts be amended to include the disclosure of:
 - Remuneration paid to employees of other bodies established by council (e.g., Business Improvement Districts);
 - Remuneration and other amounts paid to Board members of the Board of Revision, Development Appeals Board and Property Maintenance Appeals Board; and
 - Services provided in aid of persons and organizations in excess of \$2,000.00.

3. That the Employee Remuneration section of the Public Accounts be modified to fairly represent travel and reimbursement amounts of less than \$2,000.00 (i.e., indicate “-“ rather than “0”).

Chapter 4 Business Improvement Districts

One of the objectives of the audit was to determine whether the boards of Business Improvement Districts are complying with the reporting requirements set out in the Bylaws issued pursuant to Section 25 of *The Cities Act* and whether those reporting requirements are appropriate.

Four Bylaws have been enacted by City Council in relation to Business Improvement Districts – Bylaw No. 6710 Downtown Business Improvement District, Bylaw No. 6731 Broadway Business Improvement District, Bylaw No. 7092 Riversdale Business Improvement District and Bylaw No. 7891 Sutherland Business Improvement District. Each Bylaw requires that the Business Improvement District submit to City Council, by March 1st each year, an annual report for the preceding year that includes audited financial statements. Audit tests show that three of the Business Improvement Districts did not submit their reports by March 1, 2006.

The boards of Business Improvement Districts are submitting annual reports to City Council that consist solely of audited financial statements. We are recommending that the City establish guidelines on the minimum content requirements for annual reports of Business Improvement Districts to also include a description of its goals and objectives, activities, accomplishments, initiatives, projects, etc. for the past year.

Compliance with Reporting Requirements

Each Business Improvement District's audited financial statements for the year ended December 31, 2005 were submitted to the City Treasurer's Office and considered by City Council at its April 24, 2006 meeting. Three of the Business Improvement Districts did not submit their reports by March 1, 2006.

Appropriateness of Reporting Requirements

Based on a review of the Business Improvement District Bylaws in other jurisdictions, the requirement to submit an annual report (that includes audited financial statements) to the City Council is commonplace.

Table 1: Reporting Requirements of Business Improvement Districts

	Annual Report	Audited Financial Statements
City of Saskatoon	√	√
City of Regina	√	√
City of Edmonton		√
City of Winnipeg	√	√
City of Vancouver		√
City of Toronto	√	√
City of Fredericton		Expenditures (unaudited)
City of St. John's	√	√

It is interesting to note that, in those jurisdictions where an annual report is to be submitted to the City Council, the general requirement is to submit an annual report that *includes* audited financial statements. This suggests that the annual report should not be comprised solely of the audited financial statements.

The boards of Business Improvement Districts are submitting annual reports to City Council that consist *solely* of audited financial statements. In our opinion, the annual report of each Business Improvement District should also include a description of its goals and objectives, activities, accomplishments, initiatives, projects, etc. for the past year. This would encourage accountability on the part of the Business Improvement District to both its members and City Council.

Recommendations:

- 4. That the City strengthen controls to ensure Business Improvement Districts submit their annual reports, including audited financial statements, to City Council by March 1 each year.**
- 5. That the City, in consultation with the Board of Directors of each Business Improvement District, establish guidelines on the minimum content requirements for annual reports (e.g., goals; objectives; summary of activities, achievements, initiatives, projects; etc.).**

Chapter 5 Benchmarking & Emerging Trends

The objectives of the audit included benchmarking information from other Canadian municipalities on current public accountability reporting practices and identification of emerging trends in local government public accountability reporting.

Regarding in camera versus public meetings, the most progressive municipalities in Canada appear to be considering fewer items in camera, publicly disclosing in camera agendas and also disclosing the nature of the items being considered during in camera meetings.

In terms of the Public Accounts, it appears that Saskatchewan has among the most extensive financial disclosure requirements for municipalities in Canada. Only British Columbia requires similar disclosures.

During the course of our research, we also note that it is widely accepted that public accountability reporting includes performance measurement and reporting, and performance based budgeting. Specifically, we note that:

- Many Provincial governments have, or are in process of developing, legislation that requires municipal performance reporting (e.g., British Columbia, Ontario, New Brunswick and Nova Scotia).
- In 2002, the Province of Saskatchewan started implementing a multi-year plan to improve the quality and usefulness of the provincial government's annual reports. The "Government's Accountability Framework" requires the annual publication of:
 - Performance Plans: for each department, detailing the vision, goals, objectives, performance measures, baselines and key actions planned for the coming year, and
 - Annual Reports: for each department, explaining variances in budgeted versus actual revenue and expenses, differences between performance objectives and actual results achieved, and historical trends for each performance measure.
- The Public Sector Accounting Board (PSAB) is proposing to issue a new Statement of Recommended Practice (SORP), *PUBLIC PERFORMANCE REPORTING*, to be included in the Canadian Institute of Chartered Accountants (CICA) Public Sector Accounting Handbook.

The PSAB has authority to set accounting standards for public sector organizations in Canada. The SORP is intended to apply to all governments and government organizations. The SORP exposure draft has been widely distributed by the CICA for comment. Comments are to be received no later than May 12, 2006.

- Certain Canadian municipalities have made significant progress in implementing performance based budgeting, namely Calgary, Edmonton and Toronto.

We will be bringing forward, through the Administration, a separate report addressing the issues of performance measurement and reporting, and performance based budgeting.

In Camera vs. Public Meetings

Provincial Legislation

Each province has legislation that governs how municipalities within their boundaries are to conduct their business (e.g., *The Cities Act*, *The Municipalities Act*, *Community Charter*, etc.). Each piece of legislation requires that Council and Committee of Council meetings be conducted in public, with certain exceptions, most commonly:

- Items that fall within an exception to each Province’s freedom of information and protection of privacy legislation,
- Security of property,
- Labour relations or employee relations,
- Law enforcement,
- Land issues (e.g., acquisition, disposition, expropriation, leases, etc.),
- Negotiations, and
- Solicitor-client privilege.

The legislation of British Columbia, Manitoba, Ontario, New Brunswick, Nova Scotia and the Northwest Territories, require that when all or part of a meeting is to be closed to the public,

- a public motion must be made to consider the item(s) in camera,
- the public motion must state the fact that the meeting will be, in whole or in part, in camera, and
- the public motion must state the reason why an in camera meeting is justified.

British Columbia requires a specific legislative provision to be stated in the motion (e.g., Section x(1)(x) of *The Legislation*). The other provinces listed above require the “general nature” of the issue to be stated in the motion (e.g., labour relations matter).

The legislation governing other provinces, including Saskatchewan, does not specify the administrative procedures regarding in camera items. The City of Saskatoon has adopted the practice of disclosing when and where Council and Committees of Council are holding meetings in camera in lieu of public motions.

Municipal Bylaws

Many municipalities have a local Council and Committee Procedures Bylaw that is consistent with, or exceeds (in the cases of Calgary and Edmonton), the Provincial legislation. These Bylaws require that Council and Committees of Council meet in public, unless legislation or a bylaw allows for the consideration of an item in camera.

Many cities hold all Council and Committee of Council meetings in public unless a public motion is made to hold the meeting, in whole or in part, in camera. Some cities require the specific legislative justification to be noted in the motion (e.g., Vancouver, Victoria, Calgary, Edmonton, Toronto, Halifax), while others only require the general nature of the justification to be noted in the motion (e.g., Winnipeg, York Region, Yellowknife). These cities also disclose in a public agenda the fact that an in camera meeting or portion of a meeting is scheduled and list the nature of the items to be addressed during that portion.

The City of Saskatoon requires an in camera motion to consider in camera items for the Executive Committee, Administration and Finance Committee, Planning and Operations Committee and Budget Committee. Per Section 82(4) of The Council and Committee Procedure Bylaw, all meetings of the Audit Committee, Land Bank Committee, Social Services Subcommittee and Visual Arts Placement Jury are considered in camera, and a motion is not required.

Agendas and the nature of the items to be considered during an in camera meeting are not disclosed to the public. Rather, the public is notified of the fact that an in camera meeting is to be held. We agree with the City Solicitor that the requirement to publicly advertise this information should be included in the Public Notice Bylaw to ensure continuity of practice.

Public Accounts

Provincial Legislation

Each Province has legislation that specifies financial information that must be disclosed publicly (e.g., *The Cities Act*, *The Municipalities Act*, *Community Charter*, etc.). Most commonly, municipalities must publish annual audited financial statements.

British Columbia requires disclosure similar to that in Saskatchewan, namely the salaries and expenses of employees who earn more than \$75,000 per year, payments to suppliers over \$25,000 and all grants. Only two other provinces require the salaries of key senior management positions to be disclosed.

In some provinces, Councillor and/or Committee of Council member remuneration, expenses and other payments must be disclosed. In three provinces, disclosure regarding municipal performance measures is required by legislation.

Additional Municipal Disclosures

Many cities have established independent agencies, subsidiaries or non-profit organizations to provide services to citizens (e.g., utilities, transit systems, sports/entertainment facilities, convention centres, etc.). In many cases, we found that these organizations publish annual reports. These annual reports typically include the achievements, objectives, performance, corporate governance structure, Board of Directors, senior management and financial statements (in most cases, audited) of the organization and are readily accessible to the public. Examples include:

- Enmax Corporation, the City of Calgary's energy distribution, supply and service utility.
- Telus Convention Centre, the City of Calgary's 132,000 square foot convention centre.
- EPCOR Utilities Inc., the City of Edmonton's electricity and water utility.
- Edmonton Economic Development Corporation.
- Toronto Hydro Corporation, the City of Toronto's electricity utility.
- Hydro Ottawa Holdings Inc., the City of Ottawa's electricity and broadband data utilities.
- Trade Centre Limited, the City of Halifax's exhibition, trade and convention centres.

In previous audit reports on the City of Saskatoon’s boards and commissions (e.g., Credit Union Centre (2004), TCU Place (2006) and Mendel Art Gallery (2004)), we have recommended the disclosure of similar information to City Council and the public on an annual basis.

Table 2: Public Disclosures - Other Provinces

	Audited Financial Statements	Councillor and/or Committee of Council Member Remuneration, Expenses and Other Payments	Senior Management Remuneration	Employee Remuneration	Payments to Suppliers	Grants	Municipal Performance Measures
British Columbia	√		√	√ (>\$75,000)	√ (>\$25,000)	√	√
Vancouver *	√	√ (And contracts with current and former Councillors)	√	√ (>\$75,000)	√ (>\$25,000)	√	√
Alberta	√	√	√ (Chief Administrative Officer and Designated Officers)				
Saskatchewan	√	√		√ (>\$20,000)	√ (>\$10,000)	√ (>\$2,000)	
Manitoba	√	√					
Ontario	√						√
New Brunswick	√						
Nova Scotia	√	√	√ (Chief Administrative Officer)				√ (published by the Provincial Government)
Prince Edward Island	√						
Newfoundland and Labrador	√						
Northwest Territories	√	√					
Yukon	√						
Nunavut	√						

* The City of Vancouver’s disclosures are governed by provincial legislation (i.e., *Vancouver Charter*).

Recommendations:

- 6. That the City Clerk develop, based on *The Local Authority Freedom of Information and Protection of Privacy Act*, a specific list of topic headings for in camera items which the Administration can choose from to classify all in camera items.**
- 7. That the City of Saskatoon update the Public Notice Bylaw to include the requirement to advertise when and where in camera meetings of Council and Committees of Council will be held.**

Appendix A Sections 94 and 55 of *The Cities Act*

Meetings to be in public, exceptions

94(1) Subject to subsections (2), (3) and (4), councils and council committees are required to conduct their meetings in public.

(2) Councils and council committees may close all or part of their meetings to the public if the matter to be discussed is within one of the exemptions in Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*.

(3) Any committee or other body that is established by council pursuant to clause 55(a) solely for the purpose of hearing appeals may deliberate and make its decisions in meetings closed to the public.

(4) Every council may meet in meetings closed to the public for the purpose of long-range or strategic planning, but no business may be transacted at that meeting.

(5) When a meeting is closed to the public, no bylaws may be passed at the meeting.

Council committees and bodies

55 A council may:

(a) establish council committees and other bodies and define their functions;
and

(b) establish:

(i) the procedure and conduct of council, council committees and other bodies established by the council; and

(ii) rules for the conduct of councillors, of members of council committees and of members of other bodies established by council.

Appendix B Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*

PART III Exemptions

Records from other governments

13(1) A head shall refuse to give access to information contained in a record that was obtained in confidence, implicitly or explicitly, from:

- (a) the Government of Canada or its agencies, Crown corporations or other institutions;
- (b) the Government of Saskatchewan or a government institution;
- (c) the government of another province or territory of Canada, or its agencies, Crown corporations or other institutions;
- (d) the government of a foreign jurisdiction or its institutions; or
- (e) an international organization of states or its institutions;

unless the government or institution from which the information was obtained consents to the disclosure or makes the information public.

(2) A head may refuse to give access to information contained in a record that was obtained in confidence, implicitly or explicitly, from another local authority or a similar body in another province or territory of Canada.

Law enforcement and investigations

14(1) A head may refuse to give access to a record, the release of which could:

- (a) prejudice, interfere with or adversely affect the detection, investigation, prevention or prosecution of an offence or the security of a centre of lawful detention;
- (a.1) prejudice, interfere with or adversely affect the detection, investigation or prevention of an act or omission that might constitute a terrorist activity as defined in the *Criminal Code*;
- (b) be injurious to the enforcement of:
 - (i) an Act or a regulation;
 - (ii) an Act of the Parliament of Canada or a regulation made pursuant to an Act of the Parliament of Canada; or
 - (iii) a resolution or bylaw;

- (c) interfere with a lawful investigation or disclose information with respect to a lawful investigation;
 - (d) be injurious to the local authority in the conduct of existing or anticipated legal proceedings;
 - (e) reveal investigative techniques or procedures currently in use or likely to be used;
 - (f) disclose the identity of a confidential source of information or disclose information furnished by that source with respect to a lawful investigation or a law enforcement matter;
 - (g) deprive a person of a fair trial or impartial adjudication;
 - (h) facilitate the escape from custody of an individual who is under lawful detention;
 - (i) reveal law enforcement intelligence information;
 - (j) facilitate the commission of an offence or tend to impede the detection of an offence;
 - (k) interfere with a law enforcement matter or disclose information respecting a law enforcement matter;
 - (l) reveal technical information relating to weapons or potential weapons; or
 - (m) reveal the security arrangements of particular vehicles, buildings or other structures or systems, including computer or communication systems, or methods employed to protect those vehicles, buildings, structures or systems.
- (2) Subsection (1) does not apply to a record that:
- (a) provides a general outline of the structure or programs of a law enforcement agency; or
 - (b) reports, by means of statistical analysis or otherwise, on the degree of success achieved in a law enforcement program.

1990-91, c.L-27.1, s.14; 2003, c.29, s.33.

Documents of a local authority

- 15(1) A head may refuse to give access to a record that:
- (a) contains a draft of a resolution or bylaw; or
 - (b) discloses agendas or the substance of deliberations of meetings of a local authority if:
 - (i) an Act authorizes holding the meetings in the absence of the public; or
 - (ii) the matters discussed at the meetings are of such a nature that access to the records could be refused pursuant to this Part or Part IV.
- (2) Subject to section 29, a head shall not refuse to give access pursuant to subsection (1) to a record where the record has been in existence for more than 25 years.

Advice from officials

16(1) Subject to subsection (2), a head may refuse to give access to a record that could reasonably be expected to disclose:

- (a) advice, proposals, recommendations, analyses or policy options developed by or for the local authority;
- (b) consultations or deliberations involving officers or employees of the local authority;
- (c) positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the local authority, or considerations that relate to those negotiations;
- (d) plans that relate to the management of personnel or the administration of the local authority and that have not yet been implemented; or
- (e) information, including the proposed plans, policies or projects of the local authority, the disclosure of which could reasonably be expected to result in disclosure of a pending policy or budgetary decision.

(2) This section does not apply to a record that:

- (a) has been in existence for more than 25 years;
- (b) is an official record that contains a statement of the reasons for a decision that is made in the exercise of a discretionary power or an adjudicative function;
- (c) is the result of product or environmental testing carried out by or for a local authority, unless the testing was conducted:
 - (i) as a service to a person, a group of persons or an organization other than the local authority, and for a fee; or
 - (ii) as preliminary or experimental tests for the purpose of:
 - (A) developing methods of testing; or
 - (B) testing products for possible purchase;
- (d) is a statistical survey;
- (e) is the result of background research of a scientific or technical nature undertaken in connection with the formulation of a policy proposal; or
- (f) is:
 - (i) an instruction or guide-line issued to the officers or employees of a local authority; or
 - (ii) a substantive rule or statement of policy that has been adopted by a local authority for the purpose of interpreting an Act, regulation, resolution or bylaw or administering a program or activity of the local authority.

(3) A head may refuse to give access to any report, statement, memorandum, recommendation, document, information, data or record, within the meaning of section 35.1 of *The Saskatchewan Evidence Act*, that, pursuant to that section, is not admissible as evidence in any legal proceeding.

Economic and other interests

17(1) Subject to subsection (3), a head may refuse to give access to a record that could reasonably be expected to disclose:

- (a) trade secrets;
- (b) financial, commercial, scientific, technical or other information:
 - (i) in which the local authority has a proprietary interest or a right of use; and
 - (ii) that has monetary value or is reasonably likely to have monetary value;
- (c) scientific or technical information obtained through research by an employee of the local authority, the disclosure of which could reasonably be expected to deprive the employee of priority of publication;
- (d) information, the disclosure of which could reasonably be expected to interfere with contractual or other negotiations of the local authority;
- (e) positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the local authority, or considerations that relate to those negotiations;
- (f) information, the disclosure of which could reasonably be expected to prejudice the economic interest of the local authority; or
- (g) information, the disclosure of which could reasonably be expected to result in an undue benefit or loss to a person.

(2) A head shall not refuse, pursuant to subsection (1), to give access to a record that contains the results of product or environmental testing carried out by or for the local authority, unless the testing was conducted:

- (a) as a service to a person, a group of persons or an organization other than the local authority, and for a fee; or
- (b) as preliminary or experimental tests for the purpose of:
 - (i) developing methods of testing; or
 - (ii) testing products for possible purchase.

Third party information

18(1) Subject to Part V and this section, a head shall refuse to give access to a record that contains:

- (a) trade secrets of a third party;
- (b) financial, commercial, scientific, technical or labour relations information that is supplied in confidence, implicitly or explicitly, to the local authority by a third party;
- (c) information, the disclosure of which could reasonably be expected to:
 - (i) result in financial loss or gain to;
 - (ii) prejudice the competitive position of; or
 - (iii) interfere with the contractual or other negotiations of;a third party; or
- (d) a statement of a financial account relating to a third party with respect to the provision of routine services from a local authority.

(2) A head may give access to a record that contains information described in subsection (1) with the written consent of the third party to whom the information relates.

(3) Subject to Part V, a head may give access to a record that contains information described in clauses (1)(b) to (d) if:

(a) disclosure of that information could reasonably be expected to be in the public interest as it relates to public health, public safety or protection of the environment; and

(b) the public interest in disclosure could reasonably be expected to clearly outweigh in importance any:

- (i) financial loss or gain to;
- (ii) prejudice to the competitive position of; or
- (iii) interference with contractual or other negotiations of;

a third party.

Testing procedures, tests and audits

19 A head may refuse to give access to a record that contains information relating to:

- (a) testing or auditing procedures or techniques; or
- (b) details of specific tests to be given or audits to be conducted;

if disclosure could reasonably be expected to prejudice the use or results of particular tests or audits.

Danger to health or safety

20 A head may refuse to give access to a record if the disclosure could threaten the safety or the physical or mental health of an individual.

Solicitor-client privilege

21 A head may refuse to give access to a record that:

- (a) contains information that is subject to solicitor-client privilege;
- (b) was prepared by or for legal counsel for the local authority in relation to a matter involving the provision of advice or other services by legal counsel; or
- (c) contains correspondence between legal counsel for the local authority and any other person in relation to a matter involving the provision of advice or other services by legal counsel.

Confidentiality provisions in other enactments

22(1) Where a provision of:

- (a) any other Act;
- (b) a regulation made pursuant to any other Act; or
- (c) a resolution or bylaw;

that restricts or prohibits access by any person to a record or information in the possession or under the control of a local authority conflicts with this Act or the regulations made pursuant to it, the provisions of this Act and the regulations made pursuant to it shall prevail.

Appendix C Sections 12 and 82 of The Council and Committee Procedure Bylaw

Meeting to be in Public

12. (1) Subject to subsection (2), Council is required to conduct its meetings in public.
- (2) Council may close all or part of its meeting to the public if the matter to be discussed is within one of the exemptions in Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*.
- (3) Council may meet in meetings closed to the public for the purpose of long-range or strategic planning, but no business may be transacted at those meetings.

Meeting to be in Public

82. (1) Subject to subsection (2), all committees shall conduct their meetings in public.
- (2) Committees may close all or any part of their meetings to the public if the matter to be discussed is within one of the exemptions in Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*.
- (3) If a committee, while meeting *in camera*, is of the opinion that a particular agenda item should not to be considered *in camera*, the committee shall not consider or deal with that item but shall:
 - (a) direct that it be placed on the public agenda of the next meeting of the committee; or
 - (b) refer it directly to Council; or
 - (c) permit the City Manager to withdraw the matter.
- (4) All meetings of the following committees shall be closed to the public:
 - (a) the Audit Committee;
 - (b) the Land Bank Committee;
 - (c) the Social Services Subcommittee; and
 - (d) the Visual Arts Placement Jury.

Appendix D Section 156(2) of *The Cities Act*

Public accounts

156(1) On or before September 1 in each year, a city shall cause to be prepared and presented to the council the city's public accounts for the preceding financial year.

(2) Subject to the regulations, the public accounts prepared pursuant to subsection (1) must:

- (a) incorporate the audited financial statement of the city; and
- (b) show clearly and fully:
 - (i) the remuneration paid to each employee and member of council;
 - (ii) the remuneration paid to each employee and member of any committee or other body established by council pursuant to clause 55(a);
 - (iii) the remuneration paid to each employee and member of any other body established by council that receives the majority of its funds from the city;
 - (iv) the remuneration paid to each employee and board member of a controlled corporation;
 - (v) expenditures for travel and other expenses incurred by the employees, council members and board members described in subclauses (i) to (iv);
 - (vi) expenditures pursuant to any contract; and
 - (vii) grants and contributions of goods and services.

Appendix E Part II of *The Cities Regulations*

PART II Public Accounts

Report of expenditures

7(1) Commencing with the 2003 financial year and for every subsequent financial year, every city shall report its operating expenditures in its public accounts:

(a) under functional categories such as:

- (i) general government;
- (ii) transportation;
- (iii) protective;
- (iv) environmental health;
- (v) public health and welfare;
- (vi) environmental development;
- (vii) recreation and culture;
- (viii) water and sewer utility;
- (ix) transit utility; and
- (x) other utilities; and

(b) under object categories such as:

- (i) personnel services – wages, salaries and benefits for members of council and for city officers and employees;
- (ii) professional and contractual services;
- (iii) heat, light, power, water and telephone;
- (iv) materials and supplies;
- (v) grants, donations and subsidies;
- (vi) capital outlay from operations;
- (vii) amounts to service:
 - (A) short-term debts; and
 - (B) long-term debts; and
- (viii) other categories to be specified by the city in the report.

(2) Every city shall set out in its public accounts the amount the city has budgeted as operating expenses for each functional category reported pursuant to this section.

Report of revenues

8 Commencing with the 2003 financial year and for every subsequent financial year, every city shall report its budgeted and actual operating revenues in its public accounts under headings such as:

- (a) total taxes levied, less requisitions, compromises, abatements and adjustments;
- (b) net municipal tax levied;
- (c) mobile home licence fees;
- (d) grants in lieu of taxes;
- (e) operating grants and transfers from other governments;
- (f) charges for city services and local improvements, including:
 - (i) user charges and fees;
 - (ii) licences, levies and permits;
 - (iii) fines and penalties;
 - (iv) development charges;
 - (v) land sales;
 - (vi) utilities, namely:
 - (A) water;
 - (B) sewer;
 - (C) transit and transportation; and
 - (D) others;
- (g) investment income, interest, dividends, commissions and tax penalties; and
- (h) miscellaneous amounts and other revenues to be specified by the city in the report.

Limitations and requirements of report

9 The report in a city's public accounts of:

- (a) remuneration paid by the city and by any board:
 - (i) must include remuneration of \$20,000 or more paid to any employee of the city or of any board for the year with respect to which the report is prepared;
 - (ii) must not include any amounts paid by the city or any board with respect to any benefits, pension benefits or disability benefits to or on behalf of any employee of the city or of any board; and
 - (iii) must contain the name and most recent employment title of each employee of the city or of any board who was paid \$20,000 or more for the year with respect to which the report is prepared;

- (b) expenditures made by the city and by any board pursuant to contracts:
 - (i) must include expenditures pursuant to contracts for any goods or services if the aggregate of the expenditures pursuant to the contracts for any of those goods or services is \$10,000 or more;
 - (ii) with respect to the contracts mentioned in subclause (i), must contain the names of the persons and organizations:
 - (A) with whom the contracts were made; and
 - (B) to whom payments were made;
- (c) grants by the city or by any board to persons or organizations:
 - (i) must include grants of \$2,000 or more; and
 - (ii) must contain the names of the persons and organizations to whom they were made;
- (d) goods and services provided by the city and by any board in aid of persons or organizations:
 - (i) if the value of any goods or services is not readily ascertainable, must not include the value of those goods or services;
 - (ii) if the aggregate value of all grants of goods or services to any persons or organizations is \$2,000 or more, must include those grants of goods or services to those persons or organizations; and
 - (iii) if grants of goods or services to any persons or organizations mentioned in subclause (ii) were made, must contain the names of the persons and organizations;
- (e) expenditures for travel and other expenses incurred by any employees of the city or of any board related to the business of the city or of any board or related to attendance at conventions or meetings relating to any city or board matter:
 - (i) must include any expenditures, the aggregate of which is \$2,000 or more; and
 - (ii) must not include the regular salary or other compensation for services of the employees; and
- (f) expenditures for membership in any association, for the receiving or entertaining of guests, or for honouring persons who, in the council's opinion, have served the city with honour or who have brought honour to the city:
 - (i) must include any expenditures of \$1,000 or more; and
 - (ii) must contain the name of each person to whom or on whose behalf an expenditure of \$1,000 or more was made.

Remuneration and expenses of members of councils

10 Every city shall report in its public accounts, in full:

- (a) the remuneration of each member of council or board; and
- (b) the amounts paid to or on behalf of each member of council or board with respect to business conducted on behalf of the city or board.

Confidentiality

11 If the receipt of a payment by a person is to be kept confidential by law, the payment shall not be reported in the city's public accounts in any manner that will or might disclose the identity of the recipient of the payment.

Appendix F Section 25 of *The Cities Act*

DIVISION 3 Business Improvement Districts

Establishment

- 25(1) A council may, by bylaw, establish a business improvement district.
- (2) In a bylaw enacted pursuant to subsection (1), the council shall address all of the following matters:
- (a) the purposes for which the business improvement district is created;
 - (b) the area within the city that is to be encompassed by the business improvement district;
 - (c) the appointment of a board to govern the business improvement district;
 - (d) the manner in which the board will be required to develop and submit its estimates of expenditures to the council;
 - (e) the reporting requirements of the board to the council;
 - (f) any limitations on the powers of the board, including limitations on its power to incur debt obligations;
 - (g) the process and consequences of disestablishment of the business improvement district;
 - (h) any other matter that the council considers necessary.
- (3) The board of a business improvement district is a corporation.
- (4) **Repealed.** 2003, c.18, s.9.
- (5) Before passing a bylaw establishing a business improvement district, a council shall give any person affected by the operation of the proposed bylaw, or that person's agent, an opportunity to be heard by the council.