



REPORT TO

REGULAR BOARD

## TRUSTEE SERVICES AND EXPENDITURES

*“When you walk, they will guide you; when you sleep, they will watch over you;  
when you awake, they will speak to you.”*

Proverbs 6:22

Created, Draft	First Tabling	Review
September 18, 2015	September 24, 2015	<a href="#">Click here to enter a date.</a>
P. De Cock, Comptroller of Business Services & Finance P. Matthews, Legal Counsel		
<b>RECOMMENDATION REPORT</b>		

### Vision:

*At Toronto Catholic we transform the world through witness, faith, innovation and action.*

### Mission:

*The Toronto Catholic District School Board is an inclusive learning community rooted in the love of Christ. We educate students to grow in grace and knowledge and to lead lives of faith, hope and charity.*



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## **A. EXECUTIVE SUMMARY**

This report responds to a Board direction to clarify and validate the practice of disbursing any remaining funds in the Trustee budget and identify the practice at other Boards. The Education Act and various directions issued by the Ministry and Consultants' reports have deemed this practice to be contrary to the statutes and regulations of the Education Act. This report recommends the discontinuation of this practice of allocating remaining funds into a ward priority needs fund and the removal of Regulation I.2 from Board Policy T.17 (Trustee Services and Expenditures).

## **B. PURPOSE**

1. The Board of Trustees at the Regular Board meeting held on August 27<sup>th</sup> 2015 approved the motion that “staff to come back with a report as to the validity and scope of Trustee expense funds and our practice of disbursing any remaining funds in the Trustee budget; and to also include what other Boards are doing.”

## **C. BACKGROUND**

1. On November 30<sup>th</sup> 2006, the Report titled “A Proposed Balanced Budget Action Plan for the Toronto Catholic District School Board” prepared by the Special Assistance Team and submitted to Oliver Carrol, Chair of the TCDSB and The Honourable Kathleen Wynne, Minister of Education identified in the Trustee Services that “funds are spent in a broad variety of areas...some of these areas may be questionable...team members were concerned that some types of expenditures are not provided by Ministry legislation.”
2. On May 6<sup>th</sup> 2008, the Report titled “Enhancing Public Trust and Confidence – Recommendations for Revisions to Policies and Procedures Governing Trustee Expenses at Toronto Catholic District School Board” prepared for the Ministry of Education and Chair and Members of the TCDSB by Norbert Hartmann (Appendix A) found the following:
  - A. The pattern of expenses that trustees claim and the Board services available indicate that trustees exercise powers to allocate funds that are not provided in legislation.

- B. The Education Act in Section 191.2 (3) stipulates that “a Board may establish a policy under which a member of a board may be reimbursed for all or part of his or her out-of-pocket expenses reasonably incurred in connection with carrying out the responsibilities of a board member.
- C. While the Education Act provides few specifics, it offers important guidance; six principles impact the determination of the appropriateness of services provided to Trustees at the TCDSB and expenses for which they may seek reimbursement:
- *The Act is drafted as permissive legislation – school boards only have the power given to them by the Act...if legislation does not give them a specific power, they may not exercise it.*
  - *Expenses incurred must be directly connected with carrying out the responsibilities of a board member*
  - *Expense provisions are structured as reimbursements rather than entitlements*
- D. Expenditures supported by public funds must be appropriate and, equally important, seem to be so. To meet this test, services provided for trustees and expenses trustees are permitted to incur must be:
- Directly related to the role of Trustee
  - Consistent with statutory requirements and Ministry Guidelines
  - Congruent with common values and accepted practices
- E. The expenditure policy permits a Trustee to transfer the available balance in his or her discretionary budget to any Board established trust fund or any school account....such expenditures are beyond the original legislative intent. They do not represent a reimbursement for out-of-pocket expenses reasonably incurred in connection with the responsibilities of a board member. They are a discretionary transfer of funds provided as an entitlement rather than as a reimbursement.

- F. To ensure accountable, appropriate and transparent expenditure and expense policies and practices are in place, it is recommended that:
- Eliminate the annual carry-over of unspent discretionary funds;
  - Remove the provision for transfer of available balances to school accounts and trust funds.
- G. The Ministry of Education's News Release dated May 7<sup>th</sup> 2008 announced, "The Ontario government is giving full support to a report calling for improvements to expense policies and practices for trustees at the Toronto Catholic District School Board. The recommendations were outlined in provincial advisor Norbert Hartmann's report, "Enhancing Public Trust and Confidence". Education Minister Kathleen Wynne appointed Hartmann to review trustee expense policies and practices at the board and to recommend policies and practices that support better accountability and more transparency. Wynne has asked the board and the Ministry of Education to fully implement the report's recommendations.

## **D. EVIDENCE/RESEARCH/ANALYSIS**

### Policies and Practices at Other District School Boards

1. The **Toronto District School Board** has operational procedures concerning Trustee Expenditures in Operational Procedure PR582(b) in which the following guidelines appear:
  - 3.1 All expenses must relate to the role of trustee and the business of the Board.
  - 3.3 Expenses must be incurred directly by the trustee. There will be no amounts paid to third parties.
  - 3.14 Trustees cannot exceed their budget allocation. Amounts remaining at year-end will not be carried forward to the next budget year. Similarly, budget amounts cannot be transferred to other trustees.

2. The **York Catholic District School Board** in their Policy for Trustee Services and Expenditures (Policy #111) in Regulation 3.9 states “A trustee may, on occasion, wish to support a school initiative through the Trustee’s Discretionary Allowance. Examples of approved initiatives include but are not limited to: learning materials, athletic equipment, field trips/excursions, and refreshments/tokens of appreciation for school celebrations/events such as graduations or blessings, religious statues.
3. The **Dufferin-Peel Catholic District School Board** Policy for Trustee Honoraria and Expenses (Policy 7.15) provides some examples of potentially ineligible expenses including donations to schools, community groups or charities.

## **E. STAFF RECOMMENDATION**

That Board approves the discontinuance of the practise of allocating residual discretionary expense funds to their respective Ward Priority Needs Fund and rescind Regulation I.2 from Board Policy T.17 (Trustee Services and Expenditures).