



The Corporation of the Municipality of Arran-Elderslie

Staff Report

Council Meeting Date: 2021-09-27

Subject: SRFIN.21.34 Payables Voucher

Report from: Tracey Neifer, Treasurer

Appendices: None

Recommendation

Be It Resolved that Council hereby,

1. Supports continuing with the Quarterly Financial Reporting, and
2. That the Payables Voucher be made available monthly at the Municipal Office for information purposes.

Report Summary

A notice of motion was presented on August 9th, 2021, to consider bringing back the Payables Voucher as part of the Council Agenda. After Council discussion, the motion was tabled, and staff were asked to prepare a report for September 27th to address the concerns noted.

Background

On August 9th, 2021 the following was presented as a notice of motion, 20-313-2021:

Moved by: Deputy Mayor Davis

Seconded by: Councillor Dudgeon

WHEREAS earlier in this term, Council was asked by staff to receive Agendas for Council meetings excluding the Payables Voucher;
AND WHEREAS Council agreed to give this a try and see how it worked out;
AND WHEREAS the elimination of this important information from the Agenda has, in the opinion of some Councillors, made it more difficult to keep current with the costs of goods and services which fosters better decision-making, to monitor that our tax dollars are spent locally if appropriate and feasible, and to track machinery breakage and damage costs;
AND WHEREAS the Agenda is a public document and this information should be available to foster transparency to our taxpayers;
THEREFORE, Be It Resolved, that beginning at the first meeting of Council in September 2021, the Payables Voucher be returned to the Agenda package for regular Council meetings

The motion was tabled to allow staff the opportunity to prepare a report to be presented on September 27th.

Analysis

The Payables Voucher is a detailed listing of the invoices being paid in the batch, including the following information:

- GL Account/Description
- Vendor Name
- Invoice Number
- Date
- Description of the invoice
- Tax Code
- Type
- Amount

As the listing is comprehensive, it provides information about the current cost of goods and services, what vendors are being used, whether the vendors are local, and invoice descriptions to explain the purpose of the expense. The listing would include any vendor that is currently set up within our accounting software, including Councilors, Staff, Consultants, Government Remittances and Suppliers. Consideration would need to be given to the invoice descriptions being entered, to ensure no information is being shared that would be in violation of MFIPPA standards as the material would be available in a public document.

In preparation of the report, staff reviewed what other municipalities in Grey and Bruce County were doing regarding their payables voucher and Council review and/or approval. Responses ranged from:

- It's not included on the agenda
- It was removed for legal reasons

- A redacted version of the list is provided, requiring staff to review to ensure in compliance with MFIPPA and AODA compliance
- A list is provided for information, but accounts are paid in advance of the meeting
- Monthly financial report is provided to Council (moving to Quarterly), a payables list is excluded

In addition, staff consulted with the municipal insurance provider to determine if there were any identified risks associated with the publication of the payables voucher. A concern over cyber security was raised. There are several different cyber-attacks noted in the news, one example being Phishing Scams.

Phishing is a type of online scam that targets consumers by sending them an email that appears to be from a well-known source, asking the consumer to provide personal identifying information. Then the information is used to open new accounts or invade the consumer's existing accounts. The City of Burlington was noted in the news in 2019 with the loss of \$503,000 from a complex phishing email. In this case, an e-transfer was made to a fake bank account that was believed to belong to a vendor.

From an insurance perspective, cyber insurance is getting much more difficult to place and renew, and pricing is increasing due to the claims experience industry wide. It is a possibility, that the payables vouchers will expose the municipality, as all of the vendor names would be presented. The added exposure could impact cybercrime insurance renewals in January.

Staff understand the need to provide Council with information that enables informed decision making. The following options are being presented for Council consideration:

- 1) Remain status quo with the quarterly financial reports.
- 2) Remain status quo with the quarterly financial reports and a Payables Voucher
- 3) Reformat the quarterly financial report to provide a more segmented approach, including salaries and benefits, interest, materials and supplies, contracted services, other transfers, rents and financial expenses. A section could be included to address significant repairs and machinery breakage, for example.
- 4) On a monthly basis print and file the Payables Voucher in a binder for Council's review/information.
- 5) Complete a review of Committees of Council with the adoption of a Committee, whereby detailed financial reports are presented to each respective Committee. If this is of interest to Council, a more thorough discussion and review is required.

The procurement policy is currently under review and is planned for presentation to Council late October, early November. To address Council's concerns about shopping locally, as an example, the policy could include the requirement to shop locally where the price differential is within 10%. A more fulsome review of this would be addressed in the procurement policy update.

Link to Strategic/Master Plan

Not applicable.

Financial Impacts/Source of Funding

The inclusion of the Payables Voucher on the Council Agenda each month will require additional staff time to review/edit the document to ensure AODA and MFIPPA compliance. The process would be a collaborative effort between the Finance and Administration Department.

Approved By: Sylvia Kirkwood, CAO