

3 August 2018

REPORT TO: Administration & Finance Executive Committee

FROM: Elizabeth (Lisa) Slomke, Clerk

SUBJECT: Compliance Audit Committee

Amendments to the *Municipal Elections Act*, 1996 now requires that all councils establish a Compliance Audit Committee before October 1.

PURPOSE

The purpose of the Compliance Audit Committee is to consider applications received by the Clerk for a compliance audit of a candidate's financial statements. Any elector who is entitled to vote in a municipal election and believes that a candidate has contravened a provision of the *Municipal Elections Act* pertaining to campaign expenses, may apply in writing to the Clerk, for a compliance audit of the candidate's election campaign finances.

The Committee is to be composed of not fewer than three and not more than seven members and shall **not** include,

- (a) employees or officers of the municipality;
- (b) members of council; or
- (c) any persons who are candidates in the election for which the committee is established.

The term of office of the Committee is the same as the term of office of the Council that takes office following the next regular election, and the term of office of the members of the Committee is the same as the term of the Committee to which they have been appointed.

ROLE OF THE COMMITTEE

The powers and functions of the Committee are set out in the *Municipal Elections Act*, 1996.

The Committee will be required to:

- (a) within 30 days after receiving an application from the Clerk, consider the application and decide whether it should be granted or rejected;
- (b) if the application is granted, appoint an auditor to conduct a compliance audit of the candidate's election campaign finances;
- (c) receive and consider the auditor's report within 30 days after receiving it and decide whether legal proceedings should be commenced;
- (d) if the auditor's report indicates that there were no apparent contraventions and if there appears there were no reasonable grounds for the application, the Committee shall advise accordingly.

ROLE OF THE CLERK

The Clerk of the municipality shall establish administrative practices and procedures for the Committee and shall carry out any other duties required under this *Act* to implement the Committee's decisions.

Applications for a compliance audit must be made in writing to the Clerk of the municipality for which the candidate was nominated for office and shall include the reasons for the elector's belief that the candidate has contravened the *Act*.

The application must be made within 90 days after the filing date for the financial statements of candidates.

Within 10 days after receiving an application for a compliance audit, the Clerk shall forward the application to the Compliance Audit Committee.

ROLE OF AUDITOR

The auditor shall promptly conduct an audit of the candidate's election campaign finances to determine whether he or she has complied with the provisions of this Act relating to election campaign finances and shall prepare a report outlining any apparent contravention by the candidate.

The auditor shall submit the report to the candidate, Council, the Clerk, and the applicant.

RECOMMENDATION

In 2010 and 2014, Terms of Reference similar to the attached was approved by Councils of the participating Municipalities. In 2018, the Clerk recommends that Council pass appropriate By-law to establish a Compliance Audit Committee for the 2018 Municipal Elections as per the Terms of Reference attached to this report.