



City of  
**Peterborough**

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**To:** **Members of the General Committee**

**From:** **John Kennedy, City Clerk**

**Meeting Date:** **August 20, 2018**

**Subject:** **Report CLSCLK18-012**  
**Establishment of a Compliance Audit Committee**

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## **Purpose**

A report to recommend the establishment of a Compliance Audit Committee (CAC) as required under the **Municipal Elections Act, 1996**.

## **Recommendation**

That Council approve the recommendation outlined in Report CLSCLK18-012, dated August 20, 2018, of the City Clerk as follows:

That a by-law be passed to establish a Compliance Audit Committee for the period from December 1, 2018 to November 15, 2022 and be comprised of the following individuals:

Steven Brickell  
Mauro DiCarlo  
Bob Fisher  
Brian Horton  
Dave McFadden  
Sylvia Sutherland

## Budget and Financial Implications

All costs associated with the Compliance Audit Committee are the responsibility of the municipality and will be paid from the election budget. Committee members are compensated \$100 per meeting. In the event a compliance audit request is made and the Committee determines an audit be undertaken, a licensed accountant must be hired. Costs are dependant on the audits undertaken, however in the period from 2014-2018 no audits were required.

## Background

Bill 68, **Modernizing Ontario's Municipal Legislation Act, 2017** brought about a number of changes to the **Municipal Elections Act, 1996** (the Act). These include changes to election finance regulations as well as changes to the Compliance Audit Committee ("Compliance Audit Committee"). The **Municipal Elections Act, 1996** requires the establishment of a CAC prior to October 1, 2018 and that registered third parties will be subject to review by the CAC.

Under Section 88.33(1) "An elector entitled to vote in an election and believes on reasonable grounds that a candidate has contravened a provision of this Act relating to election campaign finances may apply for a compliance audit of the candidate's election campaign finances..." Notice of a meeting being held by the CAC regarding such an application will be provided to the candidate, the applicant and the public. The CAC is not a local board and while the meeting is held in public, deliberations may be held in private.

Decisions by the CAC to grant or reject an application will be provided to the candidate, the Clerk, and the applicant (the parties) along with brief reasons for the decision. If anyone does not agree with the decision of the CAC, they may appeal to the Superior Court of Justice. In the event the CAC grants the application, they will proceed to appoint a licensed accountant to undertake the necessary review. The completed report is provided to the parties. If the report concludes the individual contravened a section of the Act, the CAC will determine whether to commence legal proceedings against the candidate.

## Committee Structure

The Act requires that the CAC be comprised of between 3 and 6 members, of various backgrounds, and shall **not** include:

- employees or officers of the municipality or local board;
- members of the Council or local board;

- any persons who are candidates in the election for which the Committee is established; or,
- any persons who are registered third parties in the municipality in the election for which the committee is established.

Staff placed ads in both the Peterborough Examiner and Peterborough This Week on May 11/12, 2018 seeking members for the CAC. Applications were due by June 11, 2018 from individuals with experience in areas such as accounting and audit; legal; professionals who in the course of their duties are, or have been, required to adhere to codes or standard of their profession which may be enforced by disciplinary tribunals; and other individuals with knowledge of the campaign financing rules of the Act. The individuals being recommended for appointment have considerable experience in these areas.

In accordance with the Act, the Clerk shall establish administrative practices and procedures for the committee and shall carry out any other duties required under the Act to implement the committee's decisions.

## Summary

If the recommendations that are included in this report are adopted, the requirements of the **Municipal Elections Act, 1996** will be satisfied.

Submitted by,

John Kennedy, City Clerk

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