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## STAFF REPORT:



**REPORT TO:** Council  
**MEETING DATE:** October 7, 2013  
**REPORT NO.:** A.13.04  
**SUBJECT:** 2014 Municipal Election – Joint Compliance Audit Committee  
**PREPARED BY:** Corrina Giles, Town Clerk

### A. Recommendations

THAT Council receive Staff Report A.13.04 2014 Municipal Election – Joint Compliance Audit Committee; and

THAT Council direct staff to participate in the Joint Compliance Audit Committee with the municipalities of Owen Sound, Grey Highlands, Meaford, West Grey and Georgian Bluffs;

AND THAT Council direct staff to bring a By-law forward to establish the Joint Compliance Audit Committee.

### B. Background

In preparation for the 2014 Municipal Election, and in accordance with section 81 of the *Municipal Elections Act*, Council is required to establish a Compliance Audit Committee before October 1 of an election year. The Compliance Audit Committee responds to applications made under Section 81 of the *Municipal Elections Act* that an elector who is 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.

The Compliance Audit Committee must be established prior to October 1 of an election year; and shall be composed of not fewer than three and not more than seven members and cannot include:

- a) Employees or officers of the municipality;
- b) Members of Council or local boards;
- c) Any person who is a candidate in the election for which the Committee is established.

In 2010, Council agreed to participate in a Joint Compliance Audit Committee with willing Grey County municipalities. The result was a Joint Compliance Audit Committee involving the municipalities of The Blue Mountains, Owen Sound, Grey Highlands, Meaford, West Grey and Georgian Bluffs. Each municipality appointed one committee member. Attached to this staff report is By-law 2010-65 Being a By-law to establish a Joint Compliance Audit Committee and appoint the committee members.

The structure that the Joint Compliance Audit Committee adopted was that, upon receipt of an application for a compliance audit, that three members of the Joint Compliance Audit Committee closest to the municipality where the application was made will conduct the compliance audit with administrative assistance from the Clerk of the municipality where the application is made. No member of the Joint Compliance Audit Committee receives remuneration unless they are called upon to undertake a compliance audit. Each member involved in a compliance audit is entitled to remuneration at \$150 per day plus mileage.

No compliance audits have been filed in The Blue Mountains or any of the other five participating municipalities during the current term of Council so our appointed member has not been called upon to provide service as a member of the Joint Compliance Audit Committee.

The Clerks of Grey County have recently met on this issue and are in support of continuing the Joint Compliance Audit Committee for the term of Council following the 2014 election. The Clerks would like to establish the Joint Compliance Audit Committee as soon as possible in an effort to complete election administrative tasks early in the process. The structure being proposed is the same as that of 2010.

#### **C. The Blue Mountains' Strategic Plan**

Providing a strong, well-managed municipal government.

#### **D. Environmental Impacts**

None

#### **E. Financial Impact**

There will be a budget impact should The Blue Mountains receive an application for a compliance audit. Remuneration and compensation outlined in the Terms of Reference for the position indicate \$150 per diem per member (3) plus mileage. The Blue Mountains is not responsible for payment of the per diem or expenses if another participating municipality receives an application for audit.

#### **F. In Consultation With**

1. Grey County Clerks
2. CAO Troy Speck

**G. Attached**

1. By-Law 2010-65 Being a By-law to Establish a Joint Compliance Audit Committee and Appoint the Committee Members

Respectfully submitted,

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**THE CORPORATION OF THE TOWN OF  
THE BLUE MOUNTAINS**

**BY-LAW NO. 2010- 65**

Being a By-law to establish a Joint Compliance Audit Committee  
and appoint the committee members.

**WHEREAS** Section 81.1 of the Municipal Elections Act, S.O. 1996 states that a council or local board shall, before October 1 of an election year, establish a compliance audit committee for the purposes of section 81;

**AND WHEREAS** the committee shall be composed of not fewer than three and not more than seven members and shall not include,

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

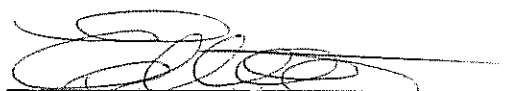
**AND WHEREAS** the term of office of the committee is the same as the term of office of the council or local board that takes office following the next regular election, and the term of office of the members of the committee is the same as the term of the committee to which they have been appointed;


**AND WHEREAS** the Councils of the Municipality of Grey Highlands, the Town of The Blue Mountains, the Municipality of Meaford, the City of Owen Sound, the Municipality of West Grey and the Township of Georgian Bluffs have agreed to establish a joint compliance audit committee in compliance with Section 81.1 of the Municipal Elections Act 1996;

**NOW THEREFORE** the Council of the Town of The Blue Mountains enacts as follows:

1. THAT a Joint Compliance Audit Committee made up of one member from each of the Municipality of Grey Highlands, the Town of The Blue Mountains, the Municipality of Meaford, the City of Owen Sound, the Municipality of West Grey and the Township of Georgian Bluffs is hereby established.
2. THAT the members appointed to the Joint Compliance Audit Committee, shall be those members as indicated on Schedule "A" attached hereto and forming a part of this By-law.
3. THAT the Terms of Reference for the Joint Compliance Audit Committee shall be attached hereto as Schedule "B" to this By-law.
4. THAT this By-law shall take effect on the final passing hereof.

Dated the 27<sup>th</sup> day of September, 2010

  
Ellen Anderson, Mayor

  
Corrina Giles, Town Clerk

**SCHEDULE "A"**  
**ATTACHED TO BY-LAW NO. 2010 - 65**

**APPOINTED JOINT COMPLIANCE AUDIT COMMITTEE MEMBERS**

1. City of Owen Sound - Ray McKelvie, 2555 3<sup>rd</sup> Avenue East, Owen Sound, Ont. N4K 6T8
2. Municipality of West Grey - Boyde Colwell, 523627 Conc. 12, RR 6 Markdale, Ont. N0C 1H0
3. Township of Georgian Bluffs - Don King, RR 2 Owen Sound, Ont. N4K 5N4
4. Town of The Blue Mountains - Robert (Bob) Holden, 113 Rankin's Crescent, RR 1, Thornbury, Ont. N0H 2P0
5. Municipality of Grey Highlands – Allan Coleclough, RR 7 Markdale, Ont. N0C 1H0
6. Municipality of Meaford – Phil Cant, 597416 Grey County Road 29, RR 1 Bognor, Ont. N0H 1E0

**SCHEDULE "B"**  
**ATTACHED TO BY-LAW NO. 2010- 65**

**JOINT COMPLIANCE AUDIT COMMITTEE**  
**TERMS OF REFERENCE**  
**2010 MUNICIPAL ELECTION**

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**1. NAME**

1.1 The Joint Compliance Audit Committee has the full delegation of authority of the *Municipal Elections Act, 1996 as amended* to address applications requesting an audit of a candidate's election campaign finances for the 2010 Municipal Election. This authority includes, but is not limited to the following:

1.1.1 Review applications and grant or reject audit requests

1.1.2 Where an audit is granted, to appoint an auditor and review the audit report

1.1.3 Where indicated, decide whether legal proceedings shall be commenced.

**2. BACKGROUND**

2.1 Section 81 of the Municipal Elections Act, 1996 as amended provides that Municipalities and School Boards shall appoint a compliance audit committee before October 1<sup>st</sup>, 2010. The powers and functions of the Committee are set out in subsections 81 (3), (4), (7), (10) and (11) of the Municipal Elections Act, 1996.

2.2 The Municipal Councils of The Municipality of Grey Highlands; Town of The Blue Mountains; Municipality of Meaford; City of Owen Sound; Municipality of West Grey; and Township of Georgian Bluffs have agreed to form a Joint Compliance Audit Committee (hereinafter referred to as "the Committee") to serve for the 2010 Municipal Election Term, namely commencing December 1, 2010 through November 30, 2014.

**3. OBJECTIVES**

3.1 To ensure that the provisions of the *Municipal Elections Act, 1996, Section 81* are not contravened and to follow the necessary steps to ensure compliance as noted in Section 81.

**4. COMPOSITION**

4.1 The Committee shall be comprised of six members of the public, one each from The Municipality of Grey Highlands; Town of the Blue Mountains; Municipality of Meaford; City of Owen Sound; Municipality of West Grey; and Township of Georgian Bluffs.

4.2 Members must possess an in-depth knowledge of the campaign financing rules of the *Municipal Elections Act, 1996, as amended*. Therefore, membership from the following stakeholder groups is encouraged to apply:

4.2.1 Accounting and audit – accountants or auditors with experience in preparing or auditing the financial statements of a municipal candidates; and/or

4.2.2 Academic – college or university professors with expertise in political science or local government administration; and/or

- 4.2.3 Legal; and/or
- 4.2.4 Other individuals with knowledge of the campaign financing rules of the *Municipal Elections Act, 1996*, as amended.
- 4.3 Committee members will be appointed by their respective Municipal Councils.
- 4.4 When an application has been filed under Section 81 of the Municipal Elections Act, only three of the six members of the Joint Compliance Audit Committee shall comprise the audit committee for the purpose of reviewing the application.
  - 4.4.1 The three members will be made up of one being from the host municipality where an application to conduct a compliance audit has been filed and the other members being the closest municipalities geographically to the respective municipality where the application was filed. Should the two closest members be unable to attend, then the next closest member(s) will attend.
  - 4.4.2 The Clerk of the host municipality will make the determination as to which municipalities are the closest to the host municipality.
- 4.5 To avoid possible conflicts of interest, an auditor or accountant appointed to the Committee must agree in writing to not undertake the audits or preparation of the financial statements of any candidates seeking election to Council. Failure to adhere to this requirement will result in the individual being removed from the committee.
- 4.6 The Chair of the committee shall be the committee member from the host municipality where the application is being heard.
- 4.7 The Clerk or designate of the host municipality where an application is being heard shall act as Secretary to the Committee.
- 4.8 Members of Council, Municipal Election Candidates or Employees of the municipality are prohibited from being appointed to the Committee.
- 5. TERM**
  - 5.1 The term of office for committee members is from December 1<sup>st</sup>, 2010 to November 30<sup>th</sup>, 2014.
- 6. RESOURCES**
  - 6.1 The Clerks Department from each respective municipality where an application is filed will provide support in the form of advice and day-to-day liaison with the Committee.
- 7. PROCEDURES AND TIMEFRAMES**
  - 7.1 Requirements**
    - 7.1.1 An application for a compliance audit shall be made to the Clerk of the municipality or the secretary of the local board for which the candidate was nominated for office. The application must be in writing and shall set out the reasons for the elector's belief.
  - 7.2 Deadline**
    - 7.2.1 The application must be made within 90 days after the latest of:

- 7.2.1.1 the filing date under Section 78,
- 7.2.1.2 the candidate's supplementary filing date, if any, under section 78,
- 7.2.1.3 the filing date for the final financial statement under Section 79.1, or
- 7.2.1.4 the date on which the candidate's extension, if any, under Subsection 80(3) expires.

### **7.3 Procedures**

- 7.3.1 **Application** to be forwarded to Committee – within 10 days after receiving the application, the Clerk of the municipality or the secretary of the local board, as the case may be, shall forward the application to the Committee and provide a copy of the application to the Council or local board.
- 7.3.2 **Decision** – Within 30 days after receiving the application, the Committee shall consider the application and decide whether it should be granted or rejected.
- 7.3.3 **Appeal** – The decision of the Committee may be appealed to the Ontario Court of Justice within 15 days after the decision is made and the court may make any decision the committee could have made.

### **7.4 Meetings**

- 7.4.1 The first meeting of the Committee shall be called by the Clerk of the respective municipality where an application to conduct a compliance audit has been filed. The date and time of the meeting shall be determined by the Clerk and communicated directly to Committee members. Subsequent meetings shall be held at the call of the Committee Chair. All time frames established in the *Municipal Elections Act, 1996*, as amended, and regulations thereto, shall be adhered to.
- 7.4.2 The Chair shall cause notice of the meetings, including the agenda for the meetings, to be provided to members of the Committee a minimum of three (3) business days prior to the date of each meeting. A quorum for meetings shall consist of a majority of the members of the Committee.
- 7.4.3 Minutes of each meeting shall outline the general deliberations and specific actions and recommendations that result.
- 7.4.4 Meetings of the Committee shall be governed by the Municipalities Procedural By-law.
- 7.4.5 Meetings shall be conducted in the respective municipality where the application was filed.
- 7.4.6 The Clerk of the respective municipality where the application was filed shall be responsible for the notice, agenda and minutes.

### **7.5 Attendance**

- 7.5.1 Any member of the Committee, who is absent from three consecutive meetings, without being excused by the Committee, may be removed from the Committee. The Committee shall make recommendations, by a report to Council, for the removal of a member.

### **7.6 Location**

- 7.6.1 The location of the meetings shall be set by the Clerk of the municipality where the application has jurisdiction over.



**7.7 Purchasing**

7.7.1 Purchasing responsibilities of the respective municipalities shall be followed.

**7.8 Costs**

7.8.1 The Council of the respective municipality where the application was filed shall pay all costs in relation to the committee's operation and activities.

**7.9 Remuneration**

7.9.1 Members of the Committee shall be paid a per diem for the time of the meeting at a rate of \$150 per day plus mileage expenses at the current mileage rate established by the County of Grey. The Clerk of the respective municipality shall ensure and verify the validity of the meeting.

**7.10 Closed Meetings**

7.10.1 The Committee may, upon affirmative vote of the majority of its members present at a meeting, determine to hold any meeting or part of a meeting as a closed session in order to discuss sensitive personal issues or legal matters. If the Committee elects to hold a closed session, all persons not entitled to vote (with the exception of the staff liaison(s), if any, and all persons excepted by the members) shall vacate the premises where the meeting is taking place. Closed meeting shall only be held in accordance with Section 239 of the *Municipal Act*.

**7.11 Conflicts**

7.11.1 Members shall abide by the rules outlined within the *Municipal Conflict of Interest Act* and shall disclose a pecuniary interest to the Secretary and absent himself or herself from meetings for the duration of the discussion and voting (if any) with respect to the matter.

**7.12 Errors/Omissions**

7.12.1 The accidental omission to give notice of any meeting of the Committee to its members, or the non-receipt of any notice by any member, or any error in any notice that does not affect its substance, does not invalidate any resolution passed or any proceedings taken at the meeting. Any members of the Committee may at any time waive notice of any meeting.

**7.13 Expulsion**

7.13.1 This Committee and/or Clerk may recommend to the respective Council where the application was filed for the expulsion of a member for reasons as listed, but not limited to:

7.13.1.1 The member being in contravention of the *Municipal Act*, the *Municipal Freedom of Information and Protection of Privacy Act*, the *Provincial Offences Act*, the *Municipal Conflict of Interest Act* and the *Municipal Elections Act*;

7.13.1.2 Disrupting the work of the Committee; or

7.13.1.3 Other legal issues.