

## Staff Report 2022-0123

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Meeting Date: April 19, 2022

Subject: Municipal Election Compliance Audit Committee

Submitted By: Laura Hall, Director, Corporate Services / Town Clerk

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### RECOMMENDATION

That the Municipal Election Compliance Audit Committee be established in accordance with the *Municipal Elections Act* and the Terms of Reference attached as Schedule A to Staff Report 2022-0123 be approved;

That the Town Clerk be delegated the authority to conduct the recruitment and selection process and bring forward the required by-law listing the selected appointment of members to the Municipal Elections Compliance Audit Committee; and

That staff advise the school boards that should they wish to utilize the services of the Town's Municipal Elections Compliance Audit Committee, they will be subject to the Terms of the Committee, and upon agreement by the Board, will incur all costs.

### REPORT HIGHLIGHTS

- Section 88.33 (1) of the *Municipal Elections Act*, as amended, (the Act) provides that an eligible elector in a municipal election may apply for a compliance audit if they believe on reasonable grounds that a candidate is in contravention of the Act relating to campaign finances.
- Section 88.37 (1) of the Act requires municipalities and school boards to establish a compliance audit committee prior to October 1st in a regular election year to consider requests for compliance audits.
- This report outlines the process for compliance audits, terms of reference for the compliance audit committee, and membership selection.

### DISCUSSION

The purpose of this report is to seek approval for the establishment and selection process of the Town's Municipal Election Compliance Audit Committee (the Committee).

#### Legislative Requirements

Section 88.33 (1) of the *Municipal Elections Act*, as amended, (the Act) provides that an eligible elector in a municipal election may apply for a compliance audit if they believe on reasonable grounds that a candidate is in contravention of the Act relating to campaign finances.

Section 88.37 (1) of the Act requires municipalities and school boards to establish a compliance audit committee prior to October 1 in a regular election year to consider requests for compliance audits. The Act sets out the establishment, composition and the

term of office of the Municipal Election Compliance Audit Committee, as well as the role of the Clerk in administering the Committee.

### **Proposed Terms of Reference**

Attached as Schedule A to this Staff Report is the proposed Terms of Reference for the Committee. Based on the provisions within the Act, staff are proposing that the membership composition includes three members with experience in the following areas:

- Accounting and audit – accountant or auditor with experience in preparing or auditing the financial statements of municipal candidates and/or third-party advertisers;
- Academic – college or university professor with expertise in political science or local government administration;
- Legal; and/or
- Professionals who in the course of their duties are required to adhere to codes or standards of their profession which may be enforced by disciplinary tribunals

The Act indicates that the Committee must be composed of not fewer than three and not more than seven members 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.

The Act also stipulates the term of office of the committee is to be 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.

The Act states that the Clerk 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.

### **Delegated Authority for the Recruitment and Selection Process**

Staff recommend that the Town Clerk be delegated the authority to advertise the Committee appointment opportunity, review applications, conduct interviews and bring forward the necessary appointment By-law for Council approval. This practice was approved in the last three municipal elections and ensures that the process and appointments are conducted in a fair, open and responsible manner. It removes any real or perceived conflict that members of Council may face when appointing members to the Committee in an election year.

**FINANCIAL IMPLICATIONS**

Pursuant to the Act, all costs in relation to the Committee's operation and activities as well as the appointed auditors' costs of performing the audit, are the responsibility of the Town. The Terms of Reference reflects a remuneration for Committee members of \$150.00 per meeting and will be funded from the Corporate Services Operating Budget for Council Committees and Supports.

The costs associated with operating and supporting the Committee depends on the number of audit requests that are received and granted by the Committee. For the past three elections, no compliance audits have been requested. It is therefore difficult to determine budget implications. Any requests for compliance audit for the 2022 municipal election will occur, be expensed and reported to Council in 2023.

**COUNCIL WORK PLAN**

The matter contained in this report is not relative to the Council Work Plan.

**ATTACHMENTS**

Schedule A – Proposed Municipal Election Compliance Audit Committee Terms of Reference