

Committee of the Whole (2) Report

DATE: Tuesday, June 21, 2022

WARD(S): ALL

TITLE: 2022-2026 JOINT COMPLIANCE AUDIT COMMITTEE

FROM:

Wendy Law, Deputy City Manager, Legal and Administrative Services & City Solicitor

ACTION: DECISION

Purpose

To facilitate the recruitment of a Joint Compliance Audit Committee with other interested York Region municipalities, to support the City's obligations under the *Municipal Elections Act, 1996*, to establish a compliance audit committee for the 2022-2026 Term of Council.

Report Highlights

- The Compliance Audit Committee is a statutory requirement set out in Section 88.37 of the *Municipal Elections Act, 1996*.
- Staff have worked with the other York Region municipalities to prepare a shared roster of appointees.
- The Joint Compliance Audit Committee reduces difficulties recruiting experienced and qualified members, shares the burden of cost for recruitment and training, and ensures consistent procedure and process for candidates across the Region.

Recommendations

1. That Council approve participating in a Joint Compliance Audit Committee with the other municipalities in York Region and the establishment of a roster of committee members for the 2022-2026 Term of Council; and
2. That the City Clerk be delegated the authority to develop and implement terms of reference in coordination with the Clerks of the participating municipalities; and

3. That once the Joint Compliance Audit Committee roster is appointed by Council, the City Clerk be delegated the authority to establish, in response to any compliance audit applications or Clerk's reports received, panels of three persons from the roster of the Joint Compliance Audit Committee to serve as the City of Vaughan Compliance Audit Committee;
4. That all necessary bylaws be enacted.

Background

All municipalities and school boards in Ontario are required by section 88.37 of the *Municipal Elections Act, 1996* ("the MEA") to establish a compliance audit committee prior to October 1 in an election year. For the purposes of the 2018-2022 Term of Council, the City of Vaughan established a Joint Compliance Audit Committee with the Cities of Markham and Richmond Hill, the Towns of East Gwillimbury, Georgina, Newmarket, Aurora, Whitchurch-Stouffville and the Township of King. The joint compliance audit committee successfully recruited a roster of qualified individuals to serve the term, with the financial costs associated with the recruitment and training of the committee shared by the participating municipalities.

Taking into consideration the steep competition for qualified applicants, establishing a Joint Compliance Audit Committee roster increases the City's ability to attract the broadest range of qualified applicants and to administer the compliance audit process in a cost-effective manner. Staff are therefore working to once again establish a Joint Compliance Audit Committee with the other eight municipalities in York Region.

Previous Reports/Authority

[Joint Compliance Audit Committee for the 2018-2022 Term of Council](#)

Analysis and Options

The MEA lays out the process for conducting a compliance audit and the City's obligation to appoint a Compliance Audit Committee in an election year, to serve through the subsequent Term of Council. The MEA requires the appointment of a compliance audit committee prior to October 1, 2022.

Role of the Compliance Audit Committee

The mandate of the compliance audit committee is:

- a) To receive and consider requests for a compliance audit submitted by an eligible elector who believes a candidate or third party advertiser may have contravened the campaign finance provisions of the MEA. If the request is granted, the Compliance Audit Committee appoints an auditor to conduct an audit of the candidate or third party advertiser's campaign finances for any apparent

contraventions. Upon receiving the auditor's report, the Compliance Audit Committee must determine whether or not to commence legal proceedings against the candidate or third party for apparent contraventions.

- b) Receive reports of campaign contributions from the City Clerk detailing any apparent contraventions of campaign contribution limits as set out in the MEA. Upon receiving the report of the City Clerk, the Compliance Audit Committee must consider whether to commence legal proceedings against contributors to candidates or third party advertisers for an apparent contravention of the MEA.

Recruitment and Appointment of the Joint Compliance Audit Committee

The Clerks from the participating municipalities are responsible for reviewing applications from candidates and making recommendations as to a list of preferred candidates for consideration by the various Councils. The following selection criteria has been developed to identify and assess candidates for the Committee roster:

- a) Demonstrated knowledge and understanding of municipal election campaign financing rules;
- b) Proven analytical and decision-making skills;
- c) Experience working on committees, task forces or similar settings;
- d) Demonstrated knowledge of quasi-judicial proceedings;
- e) Availability and willingness to attend meetings; and
- f) Excellent oral and written communication skills.

Staff have solicited interested candidates from the professional bodies governing or representing auditors, accountants, lawyers, engineers and such other professions that impose professional standards on their members, breach of which can lead to discipline. Anyone who has participated as candidates in the municipal election for a participating municipality, or who has conducted audits or provided financial advice in respect of such campaigns, will be disqualified.

The costs associated with advertising, selection, and the retainer and training fees for the Joint Committee is divided by the participating municipalities. The Terms of Reference and Rules of Procedure for the Joint Compliance Audit Committee is developed by the Clerks of the nine participating municipalities, to ensure consistent operation of the Joint Compliance Audit Committee across York Region.

A compliance audit committee must consist of between 3 and 7 members and cannot include any employees or officers of the municipality, or any Members of Council, or any candidate or registered third party in the election for which the Committee is

established. The term of office is the same as that of Council. The Clerk will be authorized to constitute a panel from the approved roster once an application is received, with the panel serving as the compliance audit committee for that municipality for that purpose. The Clerk in constituting the panel will take into consideration the availability of members as well as the desirability of continuity of panel membership.

Financial Impact

The costs associated with the administration of the City of Vaughan Compliance Audit Committee are funded by the Election Reserve. Members of the Joint Compliance Audit Committee are paid a retainer, along with a per diem for attendance at training that is shared by all participating municipalities, and a per diem for each Compliance Audit Committee meeting attended, paid for by the municipality to which the meeting is convened.

Broader Regional Impacts/Considerations

The Compliance Audit Committee roster is developed in cooperation with the Clerks of all constituent lower-tier municipalities in York Region. The recruitment and appointment of committee members and the costs associated with training of members is borne by all participating municipalities.

Conclusion

The establishment of a Joint Compliance Audit Committee roster with the other eight participating municipalities in York Region supports Council's statutory obligation to establish a compliance audit committee for the 2022-2026 Term of Council and follows the successful establishment and operation of a joint committee during the 2014-2018 and 2018-2022 Terms of Council. The Joint Compliance Audit Committee consists of all nine York Region municipalities and ensures the best possible pool of qualified committee members and the sharing of resources and costs amongst all participating municipalities.

Establishing a joint committee with York Region municipalities will also help to ensure that candidates throughout the Region are treated consistently and equitably, and that reporting obligations by municipal Clerks are carried out in a consistent manner across the Region.

For more information, please contact: Evan Read, Manager, Elections and Special Projects, ext.8241.

Attachments

1. N/A

Prepared by

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