



THE CORPORATION OF THE TOWNSHIP OF KING
Report to Committee of the Whole

Monday, June 27, 2022

Corporate Services Department - Clerks Division
Report Number COR-CLK-2022-006
Appointment of Joint Compliance Audit Committee

RECOMMENDATION(S):

The Director of Corporate Services respectfully submits the following recommendation(s):

1. Report Number COR-CLK-006 be received; and
2. Council enact By-law 2022-049, being a By-law to appoint a Joint Compliance Audit Committee for 2022-2026.

REPORT HIGHLIGHTS:

- The *Municipal Elections Act, 1996*, requires all municipalities to appoint a Compliance Audit Committee.
- In 2014 and 2018, King participated in a "Joint Compliance Audit Committee" in conjunction with other York Region lower-tier municipalities.
- Staff recommends the continued participation in the Joint Compliance Audit Committee model for the 2022-2026 Term of Council.
- A total roster of ten (10) members is being recommended for appointment to the Joint Compliance Audit Committee.

PURPOSE:

The purpose of this report is to appoint the 2022-2026 Joint Compliance Audit Committee for the Township of King and adopt the Joint Compliance Audit Committee's updated Terms of Reference.

BACKGROUND:

The *Municipal Elections Act, 1996*, requires all municipalities to appoint a Compliance Audit Committee.

The powers and functions of the Compliance Audit Committee are set out in Section 88.33 to 88.36 of the *Municipal Elections Act, 1996*. The powers and functions are generally described as:

1. Within 30 days of receipt of an application requesting a compliance audit, the Committee shall consider the compliance audit application and decide whether it should be granted or rejected;
2. If the application is granted, the Committee shall appoint an auditor to conduct a compliance audit of the candidate's election campaign finances;
3. The Committee will review the auditor's report within 30 days of receipt and decide whether legal proceedings should be commenced;

4. 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 Council accordingly; and
5. Within 30 days after receipt of a report from any participating municipality's Clerk of any apparent over-contributions to candidates or third-parties ("report of the Clerk"), the Committee shall consider the report of the Clerk and decide whether legal proceedings should be commenced.

If an eligible elector in King believes on reasonable grounds that a council candidate or registered third party advertiser has contravened the *Municipal Elections Act, 1996*, with respect to municipal campaign finances, the elector may apply to have an audit of the candidate's campaign finances. Council candidates include all candidates who ran for the office of Mayor and Councillor.

Compliance audit requests related to school board trustee candidates are the responsibility of the Compliance Audit Committees appointed by each school board.

In 2014 and 2018, King participated in a "Joint Compliance Audit Committee" in conjunction with other York Region lower-tier municipalities. Staff recommends the continued participation in the Joint Compliance Audit Committee model for the 2022-2026 Term of Council. All nine lower tier municipalities are participating in this collaborative initiative subject to each municipality's formal approval process.

No compliance audits have been required for either the 2014 or 2018 elections for the Township of King.

ANALYSIS:

Recruitment and Selection of JCAC Members

In accordance with the Joint Compliance Audit Committee Terms of Reference, appointed individuals are considered part of a "pool", whereby the Clerk of the respective municipality requiring their services will select at least three (3) members to serve on that municipal Joint Compliance Audit Committee.

Eight (8) members out of nine (9) who served during the last term indicated their interest in returning to the Joint Compliance Audit Committee and maintained their eligibility based on the criteria established in the Terms of Reference. Those eight (8) members are being recommended for re-appointment.

A recruitment effort for the vacancy was undertaken with advertisements being published in Ontario Reports on April 6, 2022 and April 13, 2022, and an application deadline of April 21, 2022.

A Joint Compliance Audit Committee Working Group was established and evaluated the applications received and conducted interviews. Two (2) candidates are being recommended for appointment and will therefore increase the total pool of members by one (1), from nine (9) to ten (10). The additional increase of one (1) individual was seen as favourable by the Working Group to satisfy the potential workloads of compliance audits and complexities around scheduling and demand that typically happens around the same time for all municipalities. The individuals recommended include a blend of backgrounds, specifically within the areas of accounting, finance, legal, mediation, and municipal election administration.

The roster of ten (10) individuals recommended for appointment to the Joint Compliance Audit Committee are as follows:

Terrence James Alderson
Ron Colucci

Jodi Feldman
Robert M. Freedman
Mark Gannage
Kelly Gravelle
Wm. Paul Jones
Reagan Ruslim
Anxhela (Angela) Peco *
Clarence Lui *

* indicates new recruit for the 2022-2026 term

Terms of Reference

The Terms of Reference for the Joint Compliance Audit Committee is attached to this report as Appendix A (and also forms Schedule A to By-law 2022-049).

Kim Mullin from Wood Bull LLP Barristers and Solicitors was retained to review the Committee's Terms of Reference and Rules of Procedure. Minor administrative updates were made to both documents to capture such matters as electronic meetings and procedural clarifications.

FINANCIAL CONSIDERATIONS:

Expenses for the recruitment (advertisements), legal review of the Terms of Reference and Procedural Rules, retainer fees for members, and future training of committee members will be evenly split between all nine participating municipalities. All expenses are funded by the Township's Municipal Elections budget.

Since the submission of financial statements for the 2022 Municipal Election is not until varying dates in 2023, any costs for potential compliance audit requests would be included as part of future budget submissions if required.

ALIGNMENT TO STRATEGIC PLAN:

The 2019-2022 Corporate Strategic Plan was formally adopted by Council on September 21, 2020 which emphasizes all of the ICSP Pillars (Financial, Economic, Socio-Cultural and Environmental) and is also aligned with the long-term vision defined in the Official Plan. The 2019-2022 Corporate Strategic Plan aims to ensure staff initiatives focus on current Term of Council priorities in support of the Township's long-term vision to 2031.

This report is in alignment with the CSP's Priority Area(s), associated Objective(s) and/or Key Action(s):



**Service Delivery
Excellence and
Innovation**

Improving Organizational Performance

- Leverage and Strengthen Partnerships and Advocacy

This recommendation aligns with improving organizational performance and specifically leveraging and strengthening partnerships and advocacy. King's partnership with other York Region lower-tier municipalities on the Joint Compliance Audit Committee has afforded the Township savings in both time, energy and staff resources by working together to meet this legislative requirement and fulfill its commitment to accountability and transparency.

CONCLUSION:

Staff are recommending that the Township of King continue its participation in the Joint Compliance Audit Committee in partnership with the other lower-tier York Region municipalities and appoint the individuals as recommended.

ATTACHMENTS:

[COR-CLK-006 - Appendix A - JCAC Terms of Reference](#)

Prepared By:

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Manager of Legislative Services & Deputy
Clerk

Recommended By:

Kathryn Moyle

Director of Corporate Services

Approved for Submission By:

Daniel Kostopoulos

Chief Administrative Officer

Joint Compliance Audit Committee Terms of Reference (2022-2026)

Establishment

The Joint Compliance Audit Committee is established by the Cities of Markham, Richmond Hill, and Vaughan; the Towns of Aurora, East Gwillimbury, Georgina, Newmarket, and Whitchurch-Stouffville; and the Township of King (collectively the “participating municipalities”), pursuant to the requirements of section 88.37 of the *Municipal Elections Act, 1996*, S.O. 1996, c.32, as amended, (“the “Municipal Elections Act”)

Mandate

The powers and functions of the Committee are set out in Section 88.33 to 88.36 of the Municipal Elections Act. The powers and functions are generally described as:

1. Within 30 days of receipt of an application requesting a compliance audit, the Committee shall consider the compliance audit application and decide whether it should be granted or rejected;
2. If the application is granted, the Committee shall appoint an auditor to conduct a compliance audit of the candidate’s election campaign finances;
3. The Committee will review the auditor’s report within 30 days of receipt and decide whether legal proceedings should be commenced;
4. 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 Council accordingly; and
5. Within 30 days after receipt of a report from any participating municipality’s Clerk of any apparent over-contributions to candidates or third-parties (“report of the Clerk”), the Committee shall consider the report of the Clerk and decide whether legal proceedings should be commenced.

Composition

Collectively a total roster of ten committee members shall be appointed by the participating municipalities.

When a participating municipality receives either a compliance audit request or a report of the Clerk, the Clerk of the applicable municipality shall, within 10 days, contact the roster of committee members and arrange for a minimum of three, and not more than seven, committee members to sit as the Compliance Audit Committee for the purpose of considering the compliance audit request or report of the Clerk. The selected Members sitting as a Compliance Audit Committee shall be required to participate in all meetings and any other proceedings pertaining to the request(s) or report of the Clerk.

Term

The term of the Committee is the same as the terms of office of Council.

Chair

The committee members sitting as the Committee for a particular compliance audit request or report of the Clerk shall select one of its Members to act as a Chair at the first meeting.

Proposed Meeting Schedule

The Committee shall meet, as needed, with meetings to be scheduled by the relevant Clerk, in consultation with the selected members, when a compliance audit application or report of the Clerk is received.

Staffing and Funding

Staff from the applicable participating municipality shall provide administrative support to the Committee. The participating municipality requiring the services of the Committee shall be responsible for all associated expenses.

Records

The records of Committee meetings shall be retained and preserved by the participating municipality requesting the service of the Committee in accordance with that municipality's Records Retention rules.

Meetings

Meetings of the Committee shall be conducted in accordance with the rules of procedures that are established jointly by the Clerks of the participating municipalities. Meetings may be held in person, electronically, or by a combination of in person and electronic participation.

Remuneration

\$400 - Retainer fee (includes compensation for review of any background materials).

\$350 - Per Diem rate, plus mileage at \$0.55 per kilometer (when in-person attendance is required).

\$350 (includes mileage) - attendance at a mandatory training session

Membership Selection

All Committee applicants will be required to complete an application form outlining their qualifications and experience.

The Clerk, or his/her designate, from each participating municipality will serve on the Selection Committee. The Selection Committee shall meet to review all applications based upon the approved selection criteria. The Selection Committee shall prepare a roster for appointment according to the process approved by the Councils of the participating municipalities.

Membership Selection Criteria

The following skills and experience will be used Selection Committee to determine suitability for appointment to the Committee:

1. Demonstrated knowledge and understanding of municipal election campaign financing rules;
2. Proven analytical and decision-making skills;
3. Experience working on committees, task forces or similar settings;
4. Demonstrated knowledge of quasi-judicial proceedings;
5. Availability and willingness to attend meetings; and
6. Excellent oral and written communication skills.

The following persons are not eligible for appointment or to serve on the Committee:

1. Employees of any of the participating municipalities;
2. Members of Council or Members of Local Boards of any of the participating municipalities;
3. Council candidates for the 2022 Municipal Election and any by-election(s) held during the 2022-2026 Council term of office; or
4. Any persons who are Registered Third Parties in any of the participating municipalities.