

Compliance Audit Committee

A. Background

This Committee is established by Council Resolution C113-2022 (Recommendation CW171-2022) and By-law 89-2022.

Section 88.33 of the *Municipal Elections Act, 1996*, as amended, states:

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, even if the candidate has not filed a financial statement.

Section 88.35 of the *Act* states:

An elector who is entitled to vote in an election in a municipality and believes on reasonable grounds that a registered third party who is registered in relation to the election in the municipality has contravened a provision of this Act relating to campaign finances may apply for a compliance audit of the campaign finances of the registered third party in relation to third party advertisements, even if the registered third party has not filed a financial statement.

Sections 88.34 and 88.36 of the *Act* require the Clerk to review the contributions reported on the financial statements of candidates and registered third party advertisers to determine whether any contributor appears to have exceeded any of the contribution limits.

As soon as possible, 30 days after the filing date, the Clerk is required to prepare a report of any apparent contraventions to the contribution limits and forward the report to the Compliance Audit Committee.

Under the *Act*, municipalities are required to establish a Compliance Audit Committee prior to October 1 in the year of a regular election.

B. Definitions

Act	<i>Municipal Elections Act, 1996, as amended</i>
Auditor	A person licensed under the <i>Public Accounting Act, 2004</i>
Committee	Compliance Audit Committee
Region	Region of Peel
School Board	A publicly-funded school board operating within the City of Brampton

C. Composition

The Committee shall be comprised of minimum of three and up to seven members of the public. A quorum of a majority of the Members will be required to proceed with any meeting.

The following are not eligible for appointment to the Committee:

- Employees of the City of Brampton
- Employees of the Region of Peel
- Employees of the School Boards
- Members of Brampton City Council
- School Board Trustees
- Candidates and registered third party advertisers for the municipal election campaign for which the compliance audit application is filed

Preference shall be given to applicants with a background in accounting, auditing, academia and/or law and/or who have knowledge of campaign financing rules of the *Act*.

D. Term

The Term of the appointment for Committee members is concurrent with the Term of Council.

E. Mandate

1. The Committee shall operate in accordance with the *Act, Municipal Freedom of Information and Protection of Privacy Act* and the City of Brampton Procedure Bylaw.
2. The Committee shall review the Clerk's report on apparent contraventions to the contribution limits and decide on whether to commence a legal proceeding.
3. The Committee shall review applications submitted by eligible electors for a compliance audit of a candidate's or registered third party's campaign finances and determine whether or not an audit is warranted.
4. If the Committee determines an audit is necessary it shall appoint an Auditor licensed under the *Public Accounting Act, 2004* to conduct the audit (See Section F – Appointment of an Auditor)
5. If the Auditor concludes a candidate or registered third party appears to be in contravention of the *Act*, the Committee shall decide whether or not to initiate legal proceedings against the candidate or registered third party.
6. If the Auditor concludes that the candidate or registered third party does not appear to be in contravention of the *Act* relating to election campaign

finances, the Committee shall make a decision on whether there were reasonable grounds for the application.

7. If the Committee determines there are no reasonable grounds, City Council or the School Board, as the case may be, is entitled to recover the Auditor's costs from the applicant.

F. Appointment of an Auditor

If Committee decides an audit is required, it will select from a roster of auditors to be provided to the Committee by the City Clerk. The City Clerk, in consultation with the Corporate Services Department and Chief Audit Executive, will establish criteria for the appointment of an Auditor.

G. Duties and Power of the Auditor

1. The Auditor shall promptly conduct an audit of the candidate's or registered third party's election campaign finances to determine whether he or she has complied with the provisions of the *Act* relating to election campaign finances.
2. The Auditor shall prepare a report outlining his/her findings (i.e. any apparent contravention of the *Act* by the candidate or registered third party).
3. For the purpose of the audit, the Auditor:
 - a) will be provided access, at all reasonable hours, to all relevant books, papers, documents or things of the candidate and of the municipality or local board; and
 - b) has the powers of a commission under Part II of the *Public Inquiries Act*, which part applies to the audit as if it were an inquiry under the *Act*.

H. Meeting Support

The City Clerk's Office will provide administrative support to the Committee.

The City Clerk's Office will organize and deliver an orientation for the Committee, or any new member, prior to hearing any application for a compliance audit.

I. Committee Remuneration

Each member who participates in a meeting to consider applications for compliance audit shall be paid an honorarium of \$175 per meeting.

J. Meeting Costs

The City of Brampton or School Board, as the case may be, is responsible for the following costs, or proportionate share of costs:

- a) The Committee's operation and activities
- b) The cost of the Auditor for an audit
- c) The cost of external legal counsel for the Committee