

**TERMS OF REFERENCE
FOR COMPLIANCE AUDIT COMMITTEE**

1. DEFINITIONS

- a. Act - means the Municipal Elections Act, 1996, S.O. 1996, c. 32, as amended from time to time.
- b. Applicant – means an elector as defined under Section 88.33(1) or 88.35(1) of the Act who applies for a compliance audit of a candidate’s or third party advertiser’s election campaign finances.
- c. Application – means an application for a compliance audit accepted by the Clerk pursuant to Section 88.33(2) of the Act.
- d. Auditor - means a person appointed by the Compliance Audit Committee to conduct a compliance audit of the election campaign finances of candidates and registered third parties pursuant to Section 88.33 of the Act.
- e. Auditor's Report - means a report prepared by an auditor regarding the findings of an audit into the election campaign finances of a candidate or registered third party advertiser.
- f. Candidate - means the candidate whose election campaign finances are the subject of an application for a compliance audit.
- g. Clerk – means the Clerk of the Municipality of Thames Centre, or his or her designate.
- h. Committee - means the Compliance Audit Committee established pursuant to Section 88.37 of the Act.
- i. Compliance Audit - means an audit conducted by an auditor, appointed by the Compliance Audit Committee, of a candidate's election campaign finances; contributions to candidates; registered third parties campaign finances, and contributions to registered third parties.
- j. Council – means the Council of The Corporation of the Municipality of Thames Centre.
- k. Municipality – means the Municipality of Thames Centre.
- l. Registered Third Party - means the individual, corporation or trade union whose notice of registration has been certified by the Clerk and whose campaign finances are the subject of an application for a compliance audit.

2. ENABLING LEGISLATION

Section 88.37 of the Act requires that before October 1st in an election year, Council establish a Compliance Audit Committee for the purposes of Sections 88.33, 88.34, 88.35 and 88.36 of the said Act relative to a possible contravention of the Act’s election campaign finance provisions.

3. TERM

The term of office of the committee is the same as the term of office of Council, being December 1, 2018 to November 14, 2022, and shall serve in the instance of any by-election that may take place during that time.

4. **MEETINGS**

The Compliance Audit Committee will meet as needed, with meetings to be scheduled by the Clerk or his/her designate when a compliance audit application is received.

In accordance with the Act, the meetings of the Compliance Audit Committee shall be open to the public, but the committee may deliberate in private.

5. **MANDATE**

The Committee is required to act in accordance with the powers and obligations set out in the Municipal Elections Act, 1996, as amended (MEA). The Committee will be required to:

- consider a compliance audit application received from an elector that a candidate or a registered third party has contravened provisions of the MEA relating to election campaign finances and determine whether it should be granted or rejected;
- if the application is granted, the committee shall appoint an auditor to conduct a compliance audit;
- receive the auditor's report;
- consider the auditor's report and if the report concludes that the candidate or registered third party appear to have contravened a provision of the MEA relating to election campaign finances, the committee may commence legal proceedings against the candidate or third party for the apparent contravention; and
- consider the report(s) of the clerk identifying each contributor to a candidate for office on a council or a registered third party who appears to have contravened any of the contribution limits under section 88.9 or 88.13 of the MEA and decide whether to commence a legal proceeding against a contributor for an apparent contravention.

6. **COMPOSITION**

The Committee shall be composed of three (3) members, with membership drawn from the following stakeholder groups:

- a. accounting and audit – accountants or auditors with experience in preparing or auditing the financial statements of municipal candidates;
- b. academic – college or university professors with expertise in political science or local government administration;
- c. legal profession with experience in municipal law, municipal election law or administrative law;
- d. 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; and
- e. other individuals with knowledge of the campaign financing rules of the Municipal Elections Act, 1996, as amended.

Pursuant to subsection 88.37(2) of the Act, the Committee shall not include:

- a. Members of Council or local board;
- b. Employees or officers of the Municipality or local board; or

- c. Any persons who are candidates in the election for which the Committee is established; or
- d. Any persons who are registered third parties in the Municipality in the election for which the committee is established.

Further, an individual shall be deemed ineligible to be a member of the Committee if they prepare the financial statements of:

- a. any candidate running for office on Municipal Council or local board during the term for which the Committee has been established; or
- b. any registered third party.

In addition, a Committee Member may not be a contributor or provider of any election-related services to a registered candidate or third party advertiser in the 2018 Municipal Election or any subsequent by-election including but not limited to accounting, legal, auditing, marketing or campaign services.

7. APPOINTMENT PROCESS

All applicants will be required to submit a summary outlining their qualifications and experience.

A Nominating Committee consisting of the Clerks from each of the lower tier municipalities in Middlesex County will review and consider all applicants/ applications, and will prepare a proposed Joint Committee membership list for consideration by each of the respective Municipal Councils.

Members will be selected on the basis of the following:

- a. demonstrated knowledge and understanding of municipal election campaign financing rules and knowledge of the MEA and related regulations;
- b. proven analytical and decision-making skills;
- c. experience working on a committee, administrative tribunal, task force or similar setting;
- d. availability and willingness to attend meetings; and
- e. excellent oral and written communication skills.

The Members will be appointed by each of the respective Municipal Councils.

8. COMPENSATION

Members shall receive an honorarium of \$100.00 for attendance at each meeting, plus mileage at the current rate of the Municipality. Administrative costs for such items as printing and mailing will be absorbed by the Municipality.

9. STAFF SUPPORT

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.

10. APPLICATION BY ELECTOR

- a. Financial Statements of Candidates

All candidates are required to file provincially prescribed financial statements with the Clerk detailing their election campaign financing activities.

An eligible elector who believes on reasonable grounds that a candidate has contravened a provision of the Act, as amended, 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.

The application must be made in writing to the Clerk and include the reasons for the elector's belief that the candidate has contravened the Act. The application must be made within 90 days after the latest of the following dates:

- i. The filing date (last Friday in March following the election).
- ii. The date the candidate filed a financial statement, if the statement was filed within 30 days after the applicable filing date.
- iii. The candidate's supplementary filing date, if any, (last Friday in September in the year following the election).
- iv. The date on which the candidate's extension, if any, expires.

b. Registered Third Parties Financial Statements

All registered third parties are required to file provincially prescribe financial statements with the Clerk reflecting the registered third party's campaign finances in relation to third party advertisements.

An eligible elector who 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 the 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.

The application must be made in writing to the Clerk and include the reasons for the elector's belief that the registered third party has contravened the Act. The application must be made within 90 days after the latest of the following dates:

- i. The filing date (last Friday in March following the election).
- ii. The date the registered third party filed a financial statement, if the statement was filed within thirty (30) days after the applicable filing date.
- iii. The supplementary filing date, if any, for the registered third party (last Friday in September in the year following the election).
- iv. The date on which the registered third party's extension, if any, expires.

11. **ROLES AND RESPONSIBILITIES**

Sections 88.33, 88.34, 88.35 and 88.36 outlines process for Compliance Audits.

a. Compliance Audit of Candidates' Election Campaign Finances

The Compliance Audit Committee will be required to:

- i. within thirty (30) days after the committee has received a compliance audit application, consider the application submitted by an elector and received by the Clerk and decide whether it should be granted or rejected;
- ii. give notice of its decision to grant or reject the application, and brief written reasons for the decision, to the candidate, the clerk with whom the candidate filed his or her nomination, the secretary of the local board, if applicable, and the applicant;

- iii. Appoint an auditor, if the compliance audit application is granted, to conduct a compliance audit of the candidate's election campaign finances;
- iv. within thirty (30) days after receiving the Auditor's Report, consider the report and, if the report concludes that the candidate appears to have contravened a provision of the Act relating to election campaign finances, the committee shall decide whether to commence a legal proceeding against the candidate for the apparent contravention.
- v. give notice of the committee's decision, and brief written reasons for the decision, to the candidate, the clerk with whom the candidate filed his or her nomination, the secretary of the local board, if applicable, and the applicant.

b. Compliance Audit of Contributions to Candidates

The Compliance Audit Committee will be required to:

- i. within thirty (30) days after receiving the Clerk's Report that identifies each contributor to a candidate for office on Council who appears to have contravened contribution limits, consider the report and decide whether to commence a legal proceeding against the candidate for the apparent contravention;
- ii. give notice of the committee's decision, and give brief written reasons for the decision, to the contributor and to the Clerk of the Municipality or secretary of the local board as the case may be.

c. Compliance Audit of Registered Third Parties' Campaign Finances

The Compliance Audit Committee will be required to:

- i. within thirty (30) days after the committee has received a compliance audit application, consider the application submitted by an elector and received by the Clerk and decide whether it should be granted or rejected;
- ii. give notice of its decision to grant or reject the application, and brief written reasons for the decision, to the registered third party, the clerk with whom the registered third party is registered, the secretary of the local board, if applicable, and the applicant;
- iii. Appoint an auditor, if the compliance audit application is granted, to conduct a compliance audit of the campaign finances of the registered third party in relation to third party advertisements that appear during an election in the Municipality;
- iv. within thirty (30) days after receiving the Auditor's Report, consider the report and, if the report concludes that the registered third party appears to have contravened a provision of the Act relating to campaign finances of the registered third party in relation to third party advertisements that appear during an election in the municipality, the committee shall decide whether to commence a legal proceeding against the candidate for the apparent contravention.

- v. give notice of the committee's decision, and brief written reasons for the decision, to the registered third party, the clerk of the municipality in which the registered third party is registered, the secretary of the local board, if applicable, and the applicant.
- d. Compliance Audit of Contributions to Registered Third Parties

The Compliance Audit Committee will be required to:

- i. within 30 days after receiving the Clerk's Report that identifies each contributor to the registered third party who appears to have contravened contributions limits, consider the report and decide whether to commence a legal proceeding against a contributor for an apparent contravention;
- ii. give notice of the committee's decision, and brief written reasons for the decision, to the contributor and to the Clerk of the Municipality.

12. **APPEAL**

The decision of the Compliance Audit Committee may be appealed to the Superior Court of Justice within 15 days after the decision is made and the Court may make any decision the committee could have made.