



14 July 2010

City Council Committee Report

To: Mayor & Council

Fr: Joanne L. McMillin, City Clerk

**Re: Establishment of legislatively required Compliance Audit Committee
for the 2010 Municipal Election – 4 Year Term**

Recommendation:

That as recommended by the City Clerk in accordance with the Municipal Elections Act, 1996, as amended, the Council of the Corporation of the City of Kenora hereby approves the following actions as they relate to the legislative requirement of appointing a Compliance Audit Committee for the 2010 Municipal Election, with a term to expire November 30, 2014:

1. The City Clerk work with other interested area municipalities to recruit applicants for a Joint Compliance Audit Committee;
2. The City Clerk prepare a Terms of Reference in conjunction with those area municipalities that will participate in the Joint Compliance Audit Committee, following which same shall be adopted by by-law prior to October 1, 2010, together with a resolution appointing the Members of the Joint Committee;
3. Should a Joint Compliance Audit Committee not come to fruition amongst the area municipalities, the City Clerk be authorized to proceed on the basis of establishing a Compliance Audit Committee for the City of Kenora.

Background:

Under the Municipal Elections Act, a Compliance Audit Committee shall be appointed for the 2010 municipal election for a four year term, prior to October 1.

All candidates in the municipal election on a forward basis shall be required to complete a detailed financial statement even if total expenses incurred are equal to or less than \$10,000. In past elections, a simplified one page financial statement was only required to be filed with the Clerk.

A group of retired CAO's and Clerks from the area have indicated an interest in acting in this capacity. The mandate of the Committee under the Act is:-

1. Consider requests for a compliance audit and determine whether the request should be granted or rejected;
2. If the request is granted, appoint an auditor;
3. Review the auditor's report and determine whether legal action should be taken; and
4. If the auditor's report indicates there were no apparent contraventions and if there appears there were no reasonable grounds for the application, Council be so advised.

Page 2

Nothing in the legislation precludes municipalities from sharing a Compliance Audit Committee for purposes outlined above. Requests for compliance audits are usually rare occurrences and as a result, a shared Committee should be able to handle the potential workload. It is expected that a 'pool' of members would be called upon for purposes of the Committee, based on geographic location. For example, a former CAO from Thunder Bay would likely not travel to Kenora for a meeting while one in Fort Frances area would participate.

Several area Clerks have had some discussions regarding a Joint Compliance Audit Committee, and if the decision is made to create a Joint Committee, staff within the participating municipalities will begin the recruitment process which will likely be by direct invitation. Paul Heayn, our Closed Meeting Investigator is assisting Clerks to coordinate the Committee and assist with the Terms of Reference.

It is expected the Committee will consist of three (3) members, depending on the number of participating municipalities, however it cannot exceed seven (7) members. The Committee cannot include any employees or officers of the municipality, Members of Council, or candidates in the election.

Each participating municipality would select one individual from the list of names willing to participate. As mentioned, the number of participating municipalities would dictate the number of Committee Members within the 'pool'. When a participating municipality receives a request for a compliance audit, the applicable Clerk would contact the Committee Members and establish a minimum of three who would sit as the Compliance Audit Committee, based for the most part on those in closest proximity to the municipality in question.

A Joint Compliance Audit Committee offers the greatest potential to reach the broadest spectrum of interested applicants and would also be most cost effective.

Remuneration/Budget Impacts:

There should be ample funds in the Election Budget to cover this expenditure, depending upon potential complexities associated with any application. Remuneration and other costs is unknown at this time, however factors involved in determining Committee costs would include: the number of compliance audit applications that might be received, the number of meetings that are required to be held and the complexity of the audits that may need to be conducted. I suspect there will be very few if any requests, but regardless of this observation, we are legislated to have a Committee appointed and some indication what will be paid. Similar to Council's per diem, I believe \$125 per member would be reasonable and perhaps this could include mileage but not other travel expenses that might be required such as hotel and meals. The final fee would have to be accepted and approved across the Board by all participating municipalities.

Communication Plan/Notice By-law Requirements:

N/A