

Town of Whitby

Staff Report

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Report Title: Compliance Audit Committee and Terms of Reference - 2026 Municipal Election

Report to: Committee of the Whole

Date of meeting: April 13, 2026

Report Number: CLK 01-26

Department(s) Responsible:

Office of the Town Clerk

Submitted by:

C. Harris, Town Clerk

Acknowledged by M. Gaskell, Chief Administrative Officer

For additional information, contact:

K. Narraway, Sr. Manager, Legislative Services/Deputy Clerk

1. Recommendation:

1. That the draft Compliance Audit Committee Terms of Reference as shown in Attachment 1 to Report CLK 01-26 be approved; and,
2. That the Clerk be authorized to bring forward a by-law to appoint a roster of individuals for the 2026 Municipal Election Compliance Audit Committee as per the draft Terms of Reference; and,
3. That, at such time as the above by-law is enacted by Council, that the 2026 Municipal Election Compliance Audit Committee be deemed to be established in accordance with the Municipal Elections Act.

2. Highlights:

- Section 88.37 of the Municipal Elections Act (MEA) requires the establishment of a Compliance Audit Committee (CAC) before October 1st of an election year.
- The CAC shall have the same four (4) year term as council, commencing on November 15, 2026, and concluding on November 14, 2030, or until such time that the CAC has disposed of any remaining matters in accordance with the MEA.

- Four local Durham Region municipalities (Ajax, Pickering, Oshawa, and Whitby), the Regional Municipality of Durham, and the Durham District School Board have partnered to coordinate resources for the selection and recruitment of a roster of individuals who would be eligible to serve on a CAC for each participating municipality/board.

3. Background:

In accordance with the MEA, candidates and third-party advertisers are bound by election campaign finance rules and must file provincially prescribed financial statements with the Clerk outlining their financial activities. The role of the CAC is to consider applications from electors who are entitled to vote and who believe on reasonable grounds that a candidate or registered third party has contravened a provision of the MEA relating to election campaign finances. The Committee will either grant or reject an elector's application, and if granted, appoint an auditor licensed under the Public Accounting Act to conduct an audit. If the audit identifies an apparent contravention, the CAC shall decide whether to commence a legal proceeding against the candidate or third-party advertiser.

The MEA also requires the Clerk to prepare reports identifying apparent campaign contributions in excess of the permitted limits. Should the Clerk determine that a contributor has exceeded the limits, the Clerk must prepare a report and forward it to the CAC. The CAC will consider the Clerk's report and decide whether to commence legal proceedings against a contributor for an apparent contravention.

4. Discussion:

By working together, the four local municipalities, the Regional Municipality of Durham, and the Durham District School Board will streamline the administrative processes involved with the recruitment and training of CAC members. The joint recruitment effort will also provide a wider pool of qualified applicants to choose from.

A selection committee comprised of the Clerk, or designate, from each of the participating municipalities and a representative from the school board will identify qualified candidates to form the roster of individuals eligible to serve on the Committee. The following criteria will be assessed:

- Demonstrated knowledge and understanding of municipal election campaign finance rules;
- Proven analytical and decision-making skills;
- Experience working on committees, boards, adjudicative bodies, task forces, or similar settings;
- Demonstrated knowledge of quasi-judicial proceedings; and,

- Excellent oral and written communication skills.

Preference will be given to individuals with experience in accounting, law, law enforcement, municipal elections, and academics from related fields. Applicants will be required to complete an application form outlining their qualifications and experience. Upon identification of the successful applicants, each municipality/board will bring forward a by-law to their respective Council to approve the roster of individuals who will be eligible to serve on the Committee. The roster will be comprised of no more than seven members, of whom a municipality's actual Committee will be comprised of three members selected from that roster by the Clerk. The particular three members selected by the Clerk may vary between applications or matters before the Committee, depending on multiple factors such as the availability of roster members and their specialization or expertise.

The Clerk will establish administrative practices and procedures for the Compliance Audit Committee, making best efforts to maintain consistency with those established by the partner municipalities and board.

5. Financial Considerations:

The Region will pay the costs for recruitment advertising.

The partner municipalities and board will share the costs for retainers for eligible Committee members and for training. It is proposed that the retainer for members be \$400. The retainer fee will cover attendance at a mandatory training session and review of periodic updates or information supplied by the Clerk of any of the partner municipalities and board. The retainer fee will also cover any conversations which occur outside of a formal meeting of the CAC, for example virtual meetings with the Clerk. The stipend amount will be \$400 per meeting, plus an additional \$100 for any additional applications or reports being considered at the same meeting beyond the first one.

The MEA requires the municipality to pay all costs related to the operation and activities of the CAC, including an auditor's costs of performing a compliance audit, and the cost of any external legal counsel for the Committee. It is not possible to determine with certainty what the costs could be if a compliance audit is conducted.

6. Communication and Public Engagement:

The recruitment of members to the CAC will be done collectively by the participating municipalities and board with the central intake of applications being through the Region. Each municipality will post a similar advertisement on their respective websites and social media channels. In addition, the advertisement will also be placed in Workopolis, the Society of Adjudicators and Regulators, and Ontario Reports. These have been selected to target candidates with financial and legal backgrounds.

7. Input from Departments/Sources:

Not applicable.

8. Strategic Priorities:

Not applicable.

9. Attachments:

Attachment 1 - 2026 Joint Compliance Audit Committee Terms of Reference