

**THE MUNICIPAL CORPORATION OF THE
TOWNSHIP OF KILLALOE, HAGARTY AND RICHARDS**

BY-LAW NO. 49 - 2026

Being a by-law to appoint a Compliance Audit Committee and to adopt the Terms of Reference of the Joint Compliance Audit Committee.

WHEREAS section 88.37 of the *Municipal Elections Act, 1996, S.O. 1996, c.32*, as amended requires Council to establish a Compliance Audit Committee before October 1 of an election year, for the purposes of this Act.

AND WHEREAS section 88.37(2) states that the Committee shall be composed of not fewer than three (3) and not more than seven (7) members and shall not include employees or officers of the municipality or local board, members of the council or local board or any persons who are candidates in the election for which the Committee is established, and any persons who are registered third parties in the municipality in the election for which the Committee is established;

AND WHEREAS the term of office of the Committee is the same as the term of office of the council or local board that takes office following the next regular election, and the term of office of the members of the Committee is the same as the term of the Committee to which they have been appointed;

AND WHEREAS it is expedient to establish a Compliance Audit Committee regarding campaign finances for the purposes of this Act;

AND WHEREAS it is prudent to adopt the Terms of Reference of this Committee outlining the powers and functions of the Committee as set out in Section 88.33 to 88.36 of the *Municipal Elections Act*.

NOW THEREFORE the Council of the Corporation of the Township of Killaloe, Hagarty and Richards hereby enacts as follows:

1. **THAT** the Township of Killaloe, Hagarty and Richards establishes a Compliance Audit Committee for the period December 1, 2026 to November 15, 2030 composed of five (5) members, and these members shall be appointed by the participating municipalities.
2. **THAT** the following individuals are appointed to the Compliance Audit Committee and can be replaced or changed throughout the term by the participating municipalities by resolution as required: Pat Pilgrim, Sue Sheridan, Jim Etmanski, Roseanne Hudder and Karen Kunospaski. The Committee would have the authority to refer to Sheldon Reiche of Reiche Law for legal advice during a review.
3. **THAT** the Joint Compliance Audit Committee is comprised of representation from the Township of Brudenell, Lyndoch and Raglan, the Township of Killaloe, Hagarty and Richards, the Township of Madawaska Valley, the Township of North Algona Wilberforce and the Township of South Algonquin (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").
4. **THAT** the Compliance Audit Committee shall operate in accordance with the Terms of Reference as set out in Schedule "A" attached hereto and forming part of this By-law, and in compliance with the *Municipal Elections Act, 1996*.
5. **THAT** By-Law No. 46 - 2022 of the Corporation of the Township of Killaloe, Hagarty and Richards is hereby repealed.

6. **THAT** this By-law shall come into force and take effect immediately upon the date of passing thereof.

READ A FIRST, SECOND and THIRD TIME and FINALLY PASSED THIS 1st DAY OF SEPTEMBER 2026.

Mayor – Dave Mayville

CAO/Clerk – Tammy Gorgerat

Schedule "A"

Joint Compliance Audit Committee Terms of Reference (2026-2030)

Establishment

The Joint Compliance Audit Committee is comprised of representatives of the Township of Brudenell, Lyndoch and Raglan; the Township of Killaloe, Hagarty and Richards, the Township of Madawaska Valley, the Township of North Algona Wilberforce and the Township of South Algonquin (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 Sections 88.33 to 88.36 of the *Municipal Elections Act*. The powers and functions are generally described as:

- 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 5.88.33(7);
- If the application is granted, the Committee shall appoint an auditor to conduct a compliance audit of the candidate's election campaign finances 5.88.33(10);
- The Committee will review the auditor's report within 30 days of receipt and decide whether legal proceedings should be commenced 5.88.33(17); and
- 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 Clerk's report and decide whether legal proceedings should be commenced 5.88.34(8).

Composition

The Compliance Audit Committee shall be composed of five(5) members.

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 Committee Members and arrange for a Compliance Audit Committee meeting. The Compliance Audit Committee Members shall be required to participate in all meetings and any other proceedings about the request(s) or report of the Clerk.

The term of the Committee is the same as the terms of office of the Council. (2026-2030).

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 required after the Clerk of a participating municipality submits a request or a report of the inquiry. The relevant Clerk will schedule the meetings in consultation with the selected members.

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 costs.

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 procedure that are established jointly by the Clerks of the participating municipalities.

Remuneration

\$150 - Per Meeting rate, plus mileage at \$0.73 per km. (after 5,000 km) The rate is \$0.67 per km. \$175 (includes mileage) for attendance at a mandatory training session, split between participating municipalities.

Membership Selection

All Committee members will be selected by the Selection Committee, consisting of the Clerk or his/her designate, from each participating municipality. The Selection Committee may advertise jointly or individually through their social media or newspapers. They may contact previous potential Committee members to ask if they are interested in a position on the Committee.

Selection Committee:

The Clerks of participating municipalities shall select members that meet the member selection criteria and present a By – Law for approval. The By – Law shall include the names of the Committee Members, the terms of reference, the remuneration, and the length of the term.

The participating municipalities will agree on a law firm that the Committee can contact for advice when required. The firm shall be named in the By – Law.

Membership Selection Criteria

Although not limited to the list below, the following skills and experience will be used by the Selection Committee to determine suitability for appointment to the Committee:

- Knowledge and understanding of municipal election campaign financing rules;
- Analytical and decision-making skills;
- Experience working on Committees, task forces, or similar settings;
- Availability and willingness to attend meetings; and
- Excellent oral and written communication skills.

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

- Employees of any of the participating municipalities;
- Members of Council or Members of Local Boards of any of the participating municipalities;
- Council candidates for the 2026 Municipal Election and any by-election(s) held during the 2026-2030 Council term of office; and/or
- Persons who are Registered Third Parties in the participating municipalities.

Compliance Audit Committee - Process to consider compliance audit applications

The Compliance Audit Committee (the "Committee") is responsible for reviewing compliance audit applications submitted by eligible electors who reasonably believe that a candidate or third party advertiser has contravened the *Municipal Elections Act, 1996* (MEA) during a municipal election. When an application is submitted, the Committee must follow the steps in this flow chart to consider applications and determine whether to commence legal proceedings.

1. Applicant submits application and the clerk forwards it to the Committee

The clerk of the municipality forwards the compliance audit application to the Committee within 10 days of receiving it (s. 88.33 (4)).

2. Committee considers application

The Committee considers a compliance audit application within 30 days of receiving it. The decision of the Committee and brief written reasons for the decision shall be given to the candidate or third party advertiser, the clerk and the applicant (ss. 88.33 (7), (8)).

4. Appeal period

The decision of the 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 (s. 88.33 (9)). If no appeal is made, the Committee's decision stands.

3. Committee makes their decision

The compliance audit application is granted or rejected by the Committee.

5. Decision on compliance audit application

The compliance audit application is rejected. No further action is required.

The compliance audit application is granted. The Committee shall follow the steps on page 2.

6. Auditor appointed by the Committee

The Committee appoints an auditor licensed under the *Public Accounting Act, 2004*. The auditor must promptly conduct an audit and shall prepare a report outlining any apparent contravention by the candidate or third party advertiser (ss. 88.33 (10), (11), (12)).

7. Auditor submits report

The auditor submits the report to the candidate or third party advertiser, the clerk and to the applicant (s. 88.33(13)).

9. Committee considers the auditor's report

The Committee considers the report within 30 days after receiving it and, if the report concludes that the candidate appears to have contravened a provision of the Act relating to election campaign finances, the Committee decides whether to commence a legal proceeding against the candidate or third party advertiser. The decision of the Committee and brief written reasons for the decision shall be given to the candidate or third party advertiser, the clerk and the applicant (ss. 88.33 (17), (18)).

8. Clerk forwards report to the Committee

The clerk of the municipality forwards the auditor's report to the Committee within 10 days of receiving it (s. 88.33 (14)).

10. Decision

The Committee decides not to commence legal proceedings. No further action is required.

The Committee decides to commence legal proceedings.

11. Clerk implements the Committee's decision

The clerk will carry out the required steps to implement the Committee's decision. (ss. 88.37 (6)). Clerk to retain and refer the matter to an independent prosecutor and the clerk may provide updates to the Committee on the status and/or conclusion of the legal proceedings.

Additional information about the process to consider compliance audit applications can be found in Section 16.3 – "Audit of Candidates' and Third Party Advertisers' Campaign Finances" of the AMCTO 2026 Municipal Elections Training Guide.