

**Date:** 2025-10-14

**Subject:** **2026-2030 Compliance Audit Committee**

**Contact:** Shawnica Hans, Deputy Clerk, Elections, Accessibility and Lottery Licensing, City Clerk's Office

**Report number:** Legislative Services-2025-576

**RECOMMENDATIONS:**

1. That the report from Shawnica Hans, Deputy Clerk, Elections, Accessibility and Lottery Licensing, City Clerk's Office, to the Committee of Council Meeting of November 26, 2025, re: **2026-2030 Compliance Audit Committee** be received;
2. That the by-law, attached as Attachment 3 to this report, be passed to establish a Compliance Audit Committee for the 2026-2030 term of Council, comprised of a minimum of three and up to seven citizens to be appointed by Council;
3. That a Selection Committee, to include the City Treasurer, the Director of Internal Audit and the City Clerk, or their designates, be established to review applications, conduct interviews and recommend membership to Council for appointment; and,
4. That the Terms of Reference for the 2026-2030 Compliance Audit Committee as detailed in Attachment 1 to this report, be approved.

**OVERVIEW:**

- **An eligible elector in a municipal election may apply for a compliance audit if the elector believes, on reasonable grounds, that a candidate or registered third party advertiser is in contravention of the *Municipal Elections Act (MEA)* relating to campaign finances.**
- **Municipalities are required, prior to October 1 in the year of a regular election, to establish a Compliance Audit Committee to consider requests for compliance audits. A similar committee was established in 2022 for the current term of Council.**
- **To comply with legislation, this report recommends the establishment of a Compliance Audit Committee for the 2026-2030 term of Council.**

- **Funding for Committee support will be assumed from within the City Clerk's Office budget.**
- **Pending Council approval, the recommendations in this report will result in estimated incremental expenses of approximately \$1,000 covering additional administrative costs, operational costs, and honorarium fees. In the event that an audit or legal proceedings are required, additional costs may be incurred. Departmental staff will ensure that sufficient funds are requested through the budget submissions accordingly which will be presented to the Mayor for his consideration.**

## **BACKGROUND:**

### **Legislative Requirements**

Section 88.33 (1) of the *Municipal Elections Act, 1996*, as amended (MEA), provides that:

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 (1) of the MEA provides that:

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.

The MEA requires municipalities to establish a Compliance Audit Committee prior to October 1 in the year of a regular election.

The MEA provides that the Committee be composed of a minimum of three, to a maximum of seven members and prohibits the appointment of employees or officers of the municipality or school boards, registered third parties in the municipality, or candidates for the election for which the Committee is established.

The term of office for the Committee is concurrent with that of the term of Council (i.e. November 15, 2026, to November 14, 2030).

A Committee Audit Committee was established in 2022, by Council resolution and by-law, as required by legislation. No requests were received for compliance audits of candidate campaign financial statements.

### **Clerk's Report on Over-Contributions**

The Clerk is required to review candidate and registered third party financial statements and report any apparent over-contributions to the Compliance Audit Committee. During the current term of Council, the Committee did consider various over-contributions to candidate campaigns, however review by the Committee did not result in commencing any legal proceedings.

### **CURRENT SITUATION:**

The following information provides recommendations for the Committee mandate, member qualifications and appointment process, and discusses possible School Board use of the City of Brampton Committee.

### **Committee Mandate**

The Compliance Audit Committee mandate is established by the MEA (Sections 88.33 to 88.36), as follows:

For a compliance audit request by an elector:

- a) The Members shall consider applications for compliance audits of candidates' or registered third parties' campaign finances and determine whether audits are required. The decision of the Committee, as well as brief written reasons for the decision shall be provided to the candidate or registered third party, the Clerk, the secretary of the school board (if applicable), the applicant and the public.

If the Committee determines an audit is required it shall appoint an Auditor licensed under the *Public Accounting Act, 2004* to conduct the audit.

- b) If the Auditor concludes a candidate or registered third party appears to be in contravention of the MEA, the Committee may decide whether to initiate legal proceedings against the candidate or registered third party.

In keeping with the current and past terms of council, it is recommended that external legal counsel be provided to the Committee, similar to the model used for the Brampton Appeal Tribunal. The legal counsel will be responsible for providing advice and support to the Committee.

In relation to the Clerk's report on over-contributions:

- a) The Members shall consider the report and decide whether to commence a legal proceeding against a contributor for an apparent contravention.
- b) The decision of the Committee and brief written reasons for the decision shall be provided to the contributor and the Clerk, or the secretary of the local board, as the case may be.

The recommended Terms of Reference for the Committee, attached hereto as Attachment 1, incorporate the mandate as established by the MEA. The MEA requires that the City Clerk shall establish practices and procedures for the Committee.

Draft procedures are attached for information, attached hereto as Attachment 2, and will be confirmed by the Clerk once the Committee is established. The Committee will have the ability to amend the procedures as it sees fit.

### **Committee Member Qualifications**

In addition to the normal application requirements for citizen applicants to Council Committees, the application process will seek applicants with a background and experience in accounting, auditing, academia and/or law, and/or have knowledge of campaign financing rules of the MEA.

### **Interview and Appointment Process**

It is recommended that a Selection Committee comprised of the City Treasurer, Director, Internal Audit and City Clerk, or their designates, review applications, conduct the interviews and recommend appointments for the Compliance Audit Committee. The interview process will mirror that of the Citizen Appointments Procedure. The Selection Committee recommendations will be forwarded to Council for appointment. The appointment process is expected to begin in Spring 2026.

### **Compliance Audit Committee – School Boards**

The MEA also requires School Boards to establish Compliance Audit Committees.

The Committee terms of reference accommodate the use of the City's Committee members for the respective Board's purposes, and the membership recruitment process will confirm appointments can also serve as members for the Board committees.

The City of Brampton Compliance Audit Committee served as the Peel District School Board and the Dufferin-Peel Catholic District School Board's Committee for the 2022-2026 term of Council, within their respective jurisdiction in Brampton.

Staff are exploring opportunities to partner with the school boards for the next term of Council. The Peel District School Board has confirmed their interest in renewing the partnership for the 2026-2030 term of Council.

## **Costs Associated with the Committee**

The costs to operate and support the Compliance Audit Committee depend on the number of audit requests received and followed through. Committee expenses may include:

- administrative or operational costs, including honorarium fees for Committee members,
- the cost of the audit (i.e. the services of an Auditor),
- the costs for external legal counsel to the Committee,
- the costs of commencing a legal proceeding if the Committee decides it is appropriate to do so, and
- legal costs associated with an appeal of a decision.

Staff are recommending that the appointed Committee members be paid an honorarium of \$225 per meeting, an increase of \$25 per meeting, from the current term.

Brampton has not had any requests for compliance audits for at least the last four elections, as such, there is no history to determine budget implications.

Funding will be provided from the City Clerk's Office 2027 operating budget, or by the respective School Board for any trustee candidate compliance audits.

In the 2022-2026 term of Council, the meeting support costs to date total approximately \$4,000.

For the 2026-2030 term of Council, estimated meeting support costs for member orientation and two committee meetings would be approximately \$5,000. The number of meetings will depend on the number of audit requests received, if any, and the number of Clerk's reports regarding over-contributions.

During the 2018-2022 term, approximately \$24,000 in costs were incurred for external legal counsel to support a Committee decision to commence legal proceedings against a contributor for a contravention from an over-contribution to a campaign.

## **CORPORATE IMPLICATIONS:**

### **Financial Implications**

Pending Council approval, the recommendations in this report will result in estimated incremental expenses of approximately \$1,000 covering additional administrative costs, operational costs, and honorarium fees.

In the event that an audit or legal proceedings are required, additional costs may be incurred.

Departmental staff will ensure that sufficient funds are requested through the budget submissions accordingly which will be presented to the Mayor for his consideration.

### **STRATEGIC FOCUS AREA:**

This report achieves the Strategic Focus Area of Government & Leadership by facilitating a citizen-based oversight committee to enable elector requests for compliance audits of election candidate and registered third party financial statements and activities in compliance with prevailing legislation.

### **CONCLUSION:**

The MEA requires that a Compliance Audit Committee be established by October 1 in an election year. The Committee selection process will commence in Spring 2026. The Selection Committee recommendations for appointment will be presented to Council as soon as possible.

Authored by:

Reviewed by:

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Shauna Danton, Coordinator,  
Elections and Special Projects,  
City Clerk's Office

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Genevieve Scharback  
City Clerk

Approved by:

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Laura Johnston  
Commissioner  
Legislative Services

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Marlon Kallideen  
Chief Administrative Officer

### **Attachments:**

- Attachment 1 – Compliance Audit Committee – Terms of Reference
- Attachment 2 – Compliance Audit Committee – Draft Procedures
- Attachment 3 – Draft By-law to Establish the 2026-2030 Compliance Audit Committee

## Attachment 1

### Compliance Audit Committee – Terms of Reference

#### A. Background

Section 88.33 of the *Municipal Elections Act, 1996*, as amended (MEA), 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 MEA require the Clerk to review the contributions reported on the financial statements of candidates and registered third parties 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 MEA, municipalities are required to establish a Compliance Audit Committee prior to October 1 in the year of a regular election.

#### B. Definitions

<b>Auditor</b>	A person licensed under the <i>Public Accounting Act, 2004</i>
<b>Committee</b>	Compliance Audit Committee
<b>MEA</b>	<i>Municipal Elections Act, 1996, as amended</i>
<b>School Board</b>	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 parties 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 MEA.

### **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 MEA, *Municipal Freedom of Information and Protection of Privacy Act, 1990*, and the City of Brampton Procedure By-law.
2. The Committee shall review the Clerk's report on apparent contraventions to the contribution limits and decide whether to commence legal proceedings.
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 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 MEA, the Committee shall decide



whether 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 MEA relating to election campaign finances, the Committee shall make a decision on whether there were reasonable grounds for the application.

#### **F. Appointment of an Auditor**

If the 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 Support Services Department and Director, Internal Audit, 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 they have complied with the provisions of the MEA relating to election campaign finances.
2. The Auditor shall prepare a report outlining their findings (i.e. any apparent contravention of the MEA 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 or registered third party and of the municipality or local board; and
  - b. has the powers of a commission under Part II of the *Public Inquiries Act, 2009*, which part applies to the audit as if it were an inquiry under the MEA.

#### **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 \$225 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

## **Attachment 2**

### **Compliance Audit Committee – Draft Procedures**

#### **A. Meeting Procedures**

The Compliance Audit Committee will generally follow procedures in accordance with the *Municipal Elections Act, 1996*, as amended, (MEA) and the City of Brampton Procedure By-law, but may vary these procedures or may establish other procedures as required.

The meetings of the Committee shall be open to the public, but the Committee may deliberate in private, in accordance with the MEA.

#### **B. Clerk's Report on Apparent Contraventions to the Contribution Limits**

1. As soon as possible, 30 days after the filing date for financial statements, 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.
2. The Clerk will schedule a meeting of the Committee to take place within 30 days of the Committee receiving the report. The procedures set out in Section E shall apply, with necessary modifications, regarding the consideration of the Clerk's report and representations by the contributor, candidate and/or registered third party, as the case may be.
3. At the meeting, the Committee will decide whether to commence legal proceedings against a contributor for an apparent contravention.
4. The decision of the Committee, along with brief written reasons for the decision will be given to the:
  - a) Contributor;
  - b) City Clerk; and,
  - c) Secretary of the local board, if applicable.

#### **C. Filing of an Application for Compliance Audit**

1. An application for a compliance audit must be filed by an elector, in writing, including reasons and any supporting documentation, to the City Clerk's Office or School Board (unless authority is delegated to the City of Brampton), if the elector believes on reasonable grounds that a candidate or registered third party is in contravention of the MEA as it relates to campaign finances.

2. In accordance with the MEA, the application must be filed with the City Clerk within 90 days after the latest of:
  - a) The date the candidate or registered third party files their financial statement under Sections 88.25 (1) and 88.29(1); or
  - b) The date the candidate or registered third party files their supplementary financial statement under Section 88.25 (4) and 88.29 (3); or
  - c) The filing date for the final financial statement under section 88.32 (5) (return of surplus for subsequent expenses); or
  - d) The date on which the candidate's or registered third party's extension granted by the Ontario Court of Justice, if any, under subsection 88.23 (6) and 88.27 (3) expires.

**D. Scheduling a Compliance Audit Committee Meeting for Review of an Application for Compliance Audit**

1. Within 10 days after receiving the application the City Clerk shall:
  - a) Set the time and place for the Committee meeting, ensuring that it is within 30 days of the Committee receiving the application.
  - b) Circulate a copy of the application and meeting agenda to the:
    - i) Committee;
    - ii) Secretary of the local board, if applicable;
    - iii) Candidate or registered third party named on the application; and
    - iv) Elector who filed the application.

**E. Committee Meeting – Review of Application for Compliance Audit**

1. A quorum of a majority of the Members is required to proceed with the meeting.
2. At the first meeting, the Committee will appoint a Chair.
3. External Counsel will be available to the Committee during the meeting and after to provide advice as required.
4. Committee Members are subject to the *Municipal Conflict of Interest Act* in regard to hearing of an application.

5. The applicant and candidate or registered third party or their representative will be given the opportunity to address the Committee for a maximum of 5 minutes each, unless the Committee decides otherwise. The applicant will be given the opportunity to speak first.
6. The Committee Members will have the opportunity to then ask questions of the applicant and candidate or registered third party.
7. Once the Committee has determined that no further questions or discussion with the applicant and candidate or registered third party is required, the Committee will decide whether to grant the application. If the Committee decides to grant the application, it shall appoint an Auditor to conduct a compliance audit of the candidate's or registered third party's election campaign finances.
8. The decision of the Committee, along with brief written reasons for the decision will be given to the:
  - a) City Clerk;
  - b) Secretary of the local board, if applicable;
  - c) Candidate or registered third party named on the application;
  - d) Elector who filed the application; and
  - e) External Legal Counsel for the Committee.

#### **F. Appeal Compliance Audit Committee's Decision**

The decision of the Committee to require a compliance audit may be appealed to the Ontario Court of Justice within 15 days after the decision is made and the Court may make any decision the Committee could have made.

#### **G. Auditor's Report**

If an Auditor's report is requested, the Auditor will be provided access, at all reasonable hours, to all relevant books, papers, documents or things of the candidate or registered third party and of the municipality or School Board, as the case may be, to assist in the conduct of the audit.

#### **H. Committee Meeting – Review of Auditor's Report**

1. The Auditor shall submit a copy of the report to the:
  - a) City Clerk;
  - b) Secretary of the local board, if applicable;
  - c) Candidate or registered third party named on the application; and
  - d) Elector who filed the application.

2. Within 10 days after receiving the Auditor's report, the City Clerk's Office shall:
  - a) Set the time and place of the meeting within 30 days of the Committee receiving the report; and
  - b) Circulate a copy of the report and meeting agenda to the Compliance Audit Committee.
3. External Counsel will be available to the Committee during the meeting and after to provide advice as required.
4. Committee Members are subject to the *Municipal Conflict of Interest Act* in regard to hearing of an application.
5. The applicant and candidate or registered third party, or their representative, will be given the opportunity to address the Committee and ask questions of the auditor for a maximum of 5 minutes each, unless the Committee decides otherwise. The applicant will be given the opportunity to speak first.
6. The Committee Members will have the opportunity to then ask questions of the Auditor, applicant and candidate or registered third party.
7. The Committee shall make a finding and decision to reflect the following:
  - a) If the report concludes that the candidate or registered third party appears to have contravened provisions of the MEA relating to election campaign finances, the Committee may decide whether to commence a legal proceeding against the candidate or registered third party for the contravention;

**or**

  - b) If the report concludes that the candidate or registered third party does not appear to have contravened provisions of the MEA relating to election campaign finances.
8. The decision of the Committee, along with brief written reasons for the decision will be given to the:
  - a) City Clerk;
  - b) Secretary of the local board, if applicable;
  - c) Candidate or registered third party named on the application; and
  - d) Elector who filed the application.

Attachment 3



THE CORPORATION OF THE CITY OF BRAMPTON

BY-LAW

Number \_\_\_\_\_ - 2025

To 2026-2030 Compliance Audit Committee

WHEREAS Section 88.37 of the *Municipal Elections Act, 1996*, requires the council of a municipality to establish a compliance audit committee to consider and decide matters as provided for under the *Municipal Elections Act, 1996*;

NOW THEREFORE the Council of The Corporation of the City of Brampton ENACTS as follows:

1. The City of Brampton Compliance Audit Committee is established.
2. The Compliance Audit Committee shall be composed of not fewer than three (3) and not more than seven (7) persons, appointed by the City Council.
3. Each Compliance Audit Committee member shall be paid an honorarium of \$225 per meeting attended.
4. The term of the Compliance Audit Committee shall be November 15, 2026, to November 14, 2030.
5. The mandate of the Compliance Audit Committee shall be as required by the *Municipal Elections Act, 1996*.

ENACTED and PASSED this 3rd day of December, 2025.

Approved as to form. 20__ /month/day [insert name]
Approved as to content. 2025/10/14 S. Danton

\_\_\_\_\_  
Patrick Brown, Mayor

\_\_\_\_\_  
Genevieve Scharback, City Clerk