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**Report To:** General Government Committee

**Date of Meeting:** January 12, 2026 **Report Number:** LGS-002-26

**Authored By:** John Paul Newman, Deputy Clerk

**Submitted By:** Rob Maciver, Deputy CAO/Solicitor, Legislative Services

**Reviewed By:** Mary-Anne Dempster, CAO

**By-law Number:** 2026-004 **Resolution Number:** GG-010-26

**File Number:**

**Report Subject:** 2026 Municipal Elections – Compliance Audit Committee Terms of Reference

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### Recommendations:

1. That Report LGS-002-26, and any related delegations or communication items, be received;
2. That the By-law attached to Report LGS-002-26, as Attachment 1, to establish a Clarington Municipal Election Compliance Audit Committee for the 2026-2030 term, and the Committee's Terms of Reference, be approved; and
3. That all interested parties listed in Report LGS-002-26, be advised of Council's decision.

## Report Overview

This report recommends the approval of the by-law to establish a 2026 Compliance Audit Committee (CAC) and approve the Committee's Terms of Reference. The current term of Clarington's existing CAC will end October 1, 2026.

## 1. Background

- 1.1 [Section 88.37](#) of the Municipal Elections Act, 1996, as amended, (MEA) requires that every municipality appoint a CAC prior to October 1 of an election year.
- 1.2 The CAC has the full authority provided by Sections 88.33 to 88.37 of the MEA, to address applications requesting an audit of a candidate's or third party advertiser's election campaign finances and to consider reports from the Clerk citing apparent instances of over-contribution to municipal candidates. In accordance with the MEA, this authority includes, but is not limited to, the following:
  - review applications for a compliance audit and grant or reject audit requests within 30 days of receipt;
  - where an audit is granted, appoint an auditor and review the audit report;
  - following the audit, decide whether legal proceedings shall be commenced; and
  - within 30 days after receiving a report from the Clerk, under Sections 88.34 and 88.36 (dealing with apparent campaign contributions in excess of permitted limits), the CAC shall meet to consider the report and decide whether to commence a legal proceeding against a contributor for an apparent contravention, if applicable.
- 1.3 The current Terms of Reference were adopted by [By-law 2022-003](#), arising out of [Report LGS-001-22](#), and conclude on October 1, 2026 or until such time the applicable Committee has disposed of any remaining matters in accordance with the Act, whichever is later. There are no remaining matters.

## 2. 2026-2030 Terms of Reference

### Changes

- 2.1 The new terms of reference template was used, so the format has been updated from the previous version.

- 2.2 The Clerk's Division Staff met with Durham Area Clerk's. As a result, the remuneration paid to the members of the Committee is proposed to be increased. See the Financial Consideration section below for the details.
- 2.3 There are minor wording changes throughout the terms of reference, but nothing that is considered significant.

### **3. Administrative Practices and Procedures**

- 3.1 The Clerk is required to establish administrative practices and procedures for the Committee which are currently under development. Although there may be some changes made, it is anticipated that the majority of the procedure will remain in place.

### **4. Appointment of Next Committee Members**

- 4.1 Following the adoption of the Committee's Terms of Reference, Staff will begin recruitment for the appointment of the next Committee for the 2026 Municipal Elections.
- 4.2 The recruitment criteria are outlined in the Terms of Reference.
- 4.3 At the close of the application period a report to Council recommending appointment of four members will be presented for Council approval.

### **5. Financial Considerations**

- 5.1 The remuneration for the Committee Members is proposed to be a \$400 retainer (same as 2022) that covers the four-year term, and \$400 per meeting, plus an additional \$100 for any additional application or report being considered after the first one, during the same meeting, plus mileage in accordance with the rate normally paid to employees of the Municipality. The per meeting rate is an increase from \$350 per meeting, plus mileage.
- 5.2 The total cost of the Compliance Audit Committee for the 2022-2026 term was \$3,054.40. This is made up of \$1,600 for the retainer, and \$1,454.40 for meeting attendance.
- 5.3 To provide an example, using the new rates for the 2022 term, the difference would have been an additional \$600. This is in no way an indication of the costs that may, or may not, be incurred in the 2026-2030 term, as that is totally dependent on factors outside of the control of Staff. This is just an example of the effect the rate change.

- 5.4 The Municipality is responsible for any costs resulting from the review of the applications submitted to the Clarington Municipal Election Compliance Audit Committee. These costs include:
- Committee Members' retainer,
  - Committee Members' per meeting rate,
  - Committee Members' mileage,
  - Auditor's costs to perform an audit (if ordered by the Committee),
  - Costs related to the Committee's operations and activities (i.e. copying, postage, etc.),
  - Legal costs related to advice provided to the Committee,
  - Legal costs related to an appeal to the Ontario Court of Justice with respect to a decision of the Committee,
  - Legal costs to undertake legal action against the candidate for violations of the elections finance provisions of the MEA,
  - Staff time to make arrangements for meetings; attend meetings to take minutes; distribute necessary correspondence following a meeting; possible actions related to arrangements of auditor or legal action.
- 5.5 Costs for advertising the vacancies will be included as part of the normal advertisement process.
- 5.6 Any costs incurred for a compliance audit during the Term of Council would be charged to the Municipal Election reserve. These costs are difficult to estimate because they depend entirely on the unforeseen volume of applications/cases.

## **6. Strategic Plan**

N/A

## **7. Climate Change**

Not Applicable.

## **8. Concurrence**

- 8.1 This report has been reviewed by the Municipal Clerk who concurs with the recommendations.

## **9. Conclusion**

- 9.1 It is respectfully recommended that, to fulfill the requirements of the MEA, the by-law to establish the 2026 Municipal Elections Compliance Audit Committee, and to approve the CAC's Terms of Reference, be approved.

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Staff Contact: John Paul Newman, Deputy Clerk, [jnewman@clarington.net](mailto:jnewman@clarington.net).

Attachments:

Attachment 1 – By-law to establish a Compliance Audit Committee and approve their Terms of Reference

Interested Parties:

There are no interested parties to be notified of Council's decision.



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The Corporation of the Municipality of Clarington  
By-law 2026-XXX

Being a By-law to establish a Clarington Municipal Election Compliance Audit Committee for the 2026-2030 term of Council.

Whereas Section 88.37(1) of the Municipal Elections Act, 1996, S.O., 1996, c. 32, as amended, (the Act) requires the Council to establish a Compliance Audit Committee, before October 1 of an election year for the purposes of Section 88.33 to Section 88.37 of the Act; and

Whereas, the Municipal Council has adopted the recommendations contained in Staff Report LGS-002-26; and

Whereas the Municipality of Clarington is committed to ensuring a consistent, open and transparent process for receiving and processing compliance audit applications;

Now therefore the Corporation of the Municipality of Clarington enacts as follows:

1. The Clarington Municipal Election Compliance Audit Committee, consisting of four members, be established, in accordance with the Terms of Reference attached to and forming part of this By-law as Attachment 1.
2. The Clarington Municipal Election Compliance Audit Committee shall carry out its mandate and duties in accordance with the Municipal Elections Act and the Administrative Practices and Procedures established by the Municipal Clerk.
3. By-law 2022-003 is hereby repealed.
4. This by-law shall come into force and effect on November 15, 2026.

Passed in Open Council this XX day of MMMM, YYYY.

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Adrian Foster, Mayor

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June Gallagher, Municipal Clerk

# 2026 Municipal Election Compliance Audit Committee Terms of Reference

## 1. Purpose and Mandate

- 1.1. The CAC is established pursuant to the requirements of Section 88.37 of the Act for the Municipality.

## 2. Scope of Activities

- 2.1. The powers and functions of the CAC are set out in Sections 88.33 to 88.37 of the Act.

## 3. Definitions

- 3.1. **CAC** means the Clarington 2026 Municipal Election Compliance Audit Committee.
- 3.2. **Clerk** means the Municipal Clerk of the Municipality, or their designate.
- 3.3. **Municipality** means the Corporation of the Municipality of Clarington.

## 4. CAC Members

### Composition

- 4.1. Council shall appoint three members and one alternate member.
- 4.2. When a compliance audit application from an elector, or a report from the Clerk regarding election campaign finances is received, the CAC comprised of three members shall meet and consider the application and/or report in accordance with the Act. The alternate member shall also attend all meetings but shall not be a voting member unless another member is unable to fulfill their duties.

### Qualifications / Selection

- 4.3. The recruitment of CAC Members shall be conducted by the Clerk.
- 4.4. All applicants will be required to complete an application.



- 4.5. Applicants must have the ability to understand, and apply, the election campaign finance provisions of the Act and must remain impartial to fulfill their responsibilities.
- 4.6. Preference will be given to candidates that have experience related to compliance audit activities or investigative or adjudicative processes.
- 4.7. The following criteria will be considered when appointing members:
  - 4.7.1. Demonstrated knowledge and understanding of municipal election campaign financing rules;
  - 4.7.2. Proven analytical and decision-making skills;
  - 4.7.3. Experience working on committees, boards, adjudicative bodies, task forces or similar settings;
  - 4.7.4. Experience in accounting and audit, law, law enforcement, academics, or municipal administration from related fields;
  - 4.7.5. Demonstrated knowledge of quasi-judicial proceedings;
  - 4.7.6. Availability and willingness to attend meetings; and,
  - 4.7.7. Excellent oral and written communication skills.
- 4.8. The following persons are ineligible for appointment:
  - 4.8.1. Employees or officers of the Municipality;
  - 4.8.2. A member of council or of a local board of the Municipality;
  - 4.8.3. Any persons who are candidates in an election of the Municipality or local board for which the CAC is established; or,
  - 4.8.4. Any persons who are registered third parties in an election of the Municipality or local board for which the CAC is established.
- 4.9. Should an appointed CAC Member accept employment with the Municipality or register as a candidate or a third party advertiser with the Municipality, they will have been deemed to have resigned.
- 4.10. All CAC Members shall agree, in writing, that they will not work or volunteer for, or contribute to, any candidate or registered third party advertiser in any capacity in an election of a lower-tier municipality in the Region of Durham, the Regional Municipality of Durham, or a School Board having jurisdiction in the Region of Durham.



- 4.11. If a Member of the CAC is identified as having participated in, or contributed to, a candidate's or registered third party advertiser's campaign, they will have been deemed to have resigned.

## **Length of Term**

- 4.12. The term of appointment for the CAC shall be concurrent with the term of office of the council or local board elected in 2026 and shall therefore serve for four years commencing on November 15, 2026, and concluding on November 14, 2030, or until such time the applicable CAC has disposed of any remaining matters in accordance with the Act, whichever is later.

## **Conduct**

- 4.13. Members of the CAC shall comply and conduct themselves in accordance with Clarington's Compliance Audit Committee Administrative Practices and Procedures.
- 4.14. Members shall not use their position on the CAC for any personal or political gain.

## **Remuneration**

- 4.15. \$400 retainer fee. The retainer fee shall cover attendance at a mandatory training session and review of periodic updates or information supplied by the Clerk. 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. Payment of the retainer fee covers the four-year term.
- 4.16. \$400 per meeting attended, plus an additional \$100 for any additional application or report being considered after the first one, during the same meeting, plus mileage in accordance with the rate normally paid to employees of the Municipality. The per meeting rate shall cover review of background or agenda materials as required, in preparation for a meeting.

## **5. Role of the Clerk**

- 5.1. The Clerk shall act as the main contact between the CAC, compliance audit applicant, candidate and registered third party advertiser, as the case may be.

## **6. Meetings**

- 6.1. Meetings will occur, as needed, and shall be conducted in accordance with Clarington's Compliance Audit Committee Administrative Practices and Procedures.