

## Terms of Reference

### Municipal Election Compliance Audit Committee (MECAC)

Refer to Section 88.37 of the *Municipal Elections Act, 1996*

#### 1. Name of Committee

The Participating Municipalities have agreed to create a joint Municipal Election Compliance Audit Committee which is named:

the “Municipal Election Compliance Audit Committee” (“MECAC”)

#### 2. Definitions

“Act” means the “*Municipal Elections Act, 1996*” as amended.

“Clerk” means the Clerk of the municipality or designate.

“Host Municipality” means the municipality where the application for a compliance audit is received. A host municipality can only receive applications for candidates or third parties registered in its municipality.

“Participating Municipalities” means the municipalities who have agreed to participate in a joint MECAC and includes:

The City of Cambridge,  
The City of Guelph  
The City of Kitchener  
The City of Waterloo  
The Township of North Dumfries  
The Township of Wellesley  
The Township of Wilmot  
The Township of Woolwich  
The Region of Waterloo

#### 3. Mandate

The MECAC will operate within the provisions of the Act.

The MECAC will consider an application for a compliance audit of a candidate’s or registered third party’s election campaign finances received under Sections 88.33 or 88.35 of the Act from an elector to determine if the application should be granted or rejected. If granted, the MECAC will appoint an auditor, receive and consider the auditor’s report and decide whether legal proceedings should commence or if there were reasonable grounds for the application. The auditor’s report is also submitted to the host Council and they are entitled to recover the auditor’s costs if there was no apparent contravention and the MECAC finds no reasonable grounds for the application.

MECAC will also receive the Clerk’s report identifying apparent contribution contraventions, prepared under Section 88.34 of the Act. Within 30 days after receiving a Clerk’s report, the MECAC shall consider it and decide whether to commence a legal proceeding against a contributor for an apparent contravention.

#### 4. Advertising, Selection and Eligibility of Members for the MECAC Pool

A pool of ten (10) members for MECAC will be developed and approved by the Clerks of the Participating Municipalities. Advertisements, including postings on the respective municipal websites, will be placed to solicit membership for the MECAC pool. Previous MECAC members may be contacted, along with direct contacts by municipal staff.

The Clerks of the Participating Municipalities will meet to review the applications. Approval of the appointments will be delegated to each of the afore-mentioned Clerks by their respective Councils and the approved names will be put forward to each Council for their information. Appointments to the MECAC pool will be approved by a majority vote of the Clerks.

Criteria used to determine membership in the MECAC pool may include:

- demonstrated knowledge and understanding of municipal election finance rules;
- analytical and decision-making skills;
- availability for meetings during the day or evening;
- previous committee experience, etc.
- expertise in:
  - accounting and audit;
  - academic with expertise in political science or local government;
  - legal;
  - other individuals with knowledge of the campaign finance rules contained in the Act.

Members of the MECAC pool shall not include:

- members of any municipal Council represented;
- employees or officers of the municipalities represented;
- any persons who are candidates in the election for which the committee is established; or
- any persons who are registered third parties in the municipality in the election for which the committee is established.

## **5. Term of Office and Review**

The term of office of the MECAC pool is the same as the term of Council, December 1<sup>st</sup> of an election year to November 14<sup>th</sup> of the subsequent election year.

The establishment of this Committee and its terms of reference will be reviewed prior to the start of the next term of Council in 2022.

## **6. Committee Composition and Membership**

When an application is made to MECAC, the Clerk of the Host Municipality shall determine the composition and membership of the MECAC.

To determine the composition, the MECAC will be composed of not fewer than three and not more than seven (7) members from the MECAC pool. It is at the full discretion of the Clerk of the host municipality to determine the number of members, within this range, that will be required for a MECAC meeting.

To determine membership, the Clerk shall contact members of the pool to form the membership of the Committee to hear the application. It is at the full discretion of the Clerk of the host municipality to determine the order that members from the pool will be contacted.

The Chair of the MECAC will be selected by resolution at the start of the first meeting of each MECAC application by the members present.

## **7. Meetings**

Meetings will be held as required under the provisions of the Act. The time frames for receiving applications and holding meetings shall be as established by the Act.

**8. Agenda and Minute Preparation for the Meeting**

The Clerk of the Host Municipality will be responsible for determining the location of the meeting, scheduling the meeting, preparing the meeting agenda and taking minutes for the meeting. All expenses will be paid by the host municipality. The Clerk of the host municipality is responsible for the administrative duties associated with MECAC but may contact the Clerk of any of the participating municipalities for assistance with minutes or any other matters if required.

**9. Closed Meetings of Committees**

The meetings of MECAC shall be open to the public, but MECAC may deliberate in closed session as needed and will follow the procedures of the host municipality. The Clerk of the host municipality is responsible for conducting the closed meetings but may contact the Clerk of any of the participating municipalities for assistance with minutes or any other matters if required.

**10. Meeting Procedures**

Quorum will be a majority of the members of the MECAC.

Voting by consensus will be used for decisions of the Committee or a majority vote by members, usually performed by the show of hands. The Chair is also entitled to a vote on MECAC.

Meetings will be governed by the Procedural By-law of the host municipality and Roberts Rules of Order as required.

**11. Remuneration**

Members of the MECAC shall be paid a rate of \$175 per meeting plus the applicable mileage rate from the host municipality. Expenses will be paid by the host municipality.

**12. Conflict of Interest Policy**

Members of the MECAC will conform to the conflict of interest policy, attached as Schedule "A" to these terms of reference.

**13. Removal of Members**

The current MECAC may recommend to the host Clerk for the removal of a member for reasons as listed, but not limited to:

- the member being in contravention of the *Municipal Act, 2001*, the *Municipal Freedom of Information and Protection of Privacy Act*, the *Provincial Offences Act*, the *Municipal Conflict of Interest Act* and/or the *Municipal Elections Act, 2001*;
- the member being in contravention of the code of conduct and/or Procedural By-law of the host municipality; or
- other legal issues

The Clerk of the host municipality may select another person from the MECAC pool if necessary.

**14. Errors/Omissions**

The accidental omission to give notice of any meeting of the MECAC to its members, or the non-receipt of any notice by any of the members, or any error in any notice that does not affect its substance, does not invalidate any resolution passed or any proceedings taken at the meeting. Any members of the MECAC may at any time waive notice of the meeting.

# Municipal Elections Compliance Audit Committee (MECAC)

## Conflict of Interest Policy

### Policy Application

This policy applies to the Municipal Elections Act Compliance Audit Committee (MECAC) for the municipalities of the Region of Waterloo, Cities of Cambridge, Guelph, Kitchener, Waterloo, Townships of North Dumfries, Wellesley, Wilmot and Woolwich.

### Operating Principles:

Members of the MECAC have a duty to conduct themselves in an impartial and objective manner. It is recognized that appointees have a broad range of interests and, from time to time, actual or potential conflicts of pecuniary interest or the appearance of such conflicts may arise. The purpose of this policy is to enable the MECAC to deal with such conflicts in as open and appropriate a way as possible.

It is understood that members of MECAC will perform their duties in such a way as to promote public confidence and trust in the integrity, objectivity and impartiality of the Committee. No member shall directly or indirectly receive any profit from his/her position, provided that an honorarium, as established in the Terms of Reference and reasonable expenses may be paid in the performance of their duties.

### Definitions

*“Affected Party”* means any individual, partnership, corporation, organization or other legal entity which has an interest in property, objects or other assets which are the subject matter of consideration by the Committee;

*“Business associate”* means an individual in a formal partnership or in a shared ownership of a company or enterprise with a Member;

*“Committee”* is the Municipal Elections Act Compliance Audit Committee (MECAC);

*“Immediate family”* means a parent, child, spouse or common-law spouse of a Member;

*“Member”* is an individual formally appointed to the MECAC in accordance with the Terms of Reference.

### Conflicts

Conflicts of pecuniary interest arise when Members may financially benefit, directly or indirectly, from their membership on a Committee. Such involvements include, but are not limited to, the following:

- Members being the Affected Party or employed by or doing business with the Affected Party
- Members' immediate family being the Affected Party or employed by or doing business with the Affected Party
- Members' business associates being the Affected Party or employed by or doing business with the Affected Party

A conflict of interest may be actual, potential or apparent. The same duty to disclose applies to each. The pecuniary interests of a Member's immediate family or business associate are considered to also be the pecuniary interests of the Member. Full disclosure in itself does not remove a conflict of interest.

### Principles and procedures

It is important that Members be sensitive to appearance and perception and err on the side of transparency. In case of conflicts, whether actual, potential or apparent, Members are expected to fully disclose the conflict as soon as it arises and before the Committee makes any decisions in the matter where the conflict exists.

Once such a disclosure has been made, the Member involved shall abstain from voting and shall not participate in the discussion of the matter which gave rise to the conflict. The affected Member must not in any way, whether before during or after the meeting,

attempt to influence the outcome of any discussion or voting on the matter. If the meeting at which the matter is discussed is not open to the public, in addition to the above, the Member must leave the meeting room for the duration of any discussion and voting on the matter.

In cases where one or more of the Committee's Members has abstained from voting as a result of conflict, such Members shall be identified in the minutes of the meeting.

Individual Members are encouraged to seek independent advice on conflicts or potential conflicts.

### **Quorum**

Where the number of Members who, by reason of conflict, are disabled from participating in a meeting such that the remaining Members no longer constitute a quorum as set out in the Committee's Terms of Reference, then remaining Members shall be deemed to constitute a quorum provided there are not less than two Members present.

### **Solicitation**

No Member may in any way, either overtly or otherwise, use the fact of their membership on the Committee to solicit business for their own benefit or the benefit of their immediate family or business associates.