

# COMMITTEE AGENDA



TO **Municipal Election Compliance Audit Committee**

DATE Wednesday May 20, 2015

LOCATION City Hall, Council Chambers

TIME 5 p.m.

---

**1. DISCLOSURE OF PECUNIARY INTEREST**

**2. CONFIRMATION OF MINUTES – May 6, 2015 open meeting minutes**

That the open meeting minutes of the Municipal Election Compliance Audit Committee held on May 6, 2015 be confirmed as recorded.

**3. SELECTION OF AN AUDITOR TO CONDUCT COMPLIANCE AUDIT UNDER THE MUNICIPAL ELECTION ACT (MEA)**

1. That William Molson CPA, CA be selected to conduct a compliance audit under the *Municipal Elections Act* with an upset limit of \$7,500 in addition to costs associated with additional meetings; and ,
2. That the Auditor be present at a subsequent meeting of the Compliance Audit Committee to report the findings.



**The Corporation of the City of Guelph  
Municipal Election Compliance Audit Committee  
Wednesday May 6, 2015 at 5:00 p.m.**

---

**Attendance**

Members: George Gorringe  
Glenn Greer

Absent: Lyndsay Monk

Staff: Mr. S. O'Brien, City Clerk  
Ms. T. Agnello, Deputy Clerk  
Ms. J. Sweeney, Council Committee Coordinator

---

**Call to Order (5:00 p.m.)**

Mr. George Gorringe, Vice-Chair called the meeting to order.

**Disclosure of Pecuniary Interest and General Nature Thereof**

There were no disclosures.

The Chair advised that the purpose of the meeting was to hear an application requesting a compliance audit submitted by Ian Flett on behalf of Susan Watson, under Section 81 of the *Municipal Elections Act*, with respect to the financial statements filed by Glen Tolhurst for the 2014 municipal election.

Mr. Ian Flett, highlighted the application submitted on behalf of Susan Watson, expressing concern with the financial statements filed by Glen Tolhurst.

**Applicant**

1. Moved by Glenn Greer  
Seconded by George Gorringe

That the presentation by Mr. Ian Flett on behalf of Susan Watson, be received.

CARRIED

## Candidate

Mr. David Starr spoke on behalf of Mr. Glen Tolhurst, with respect to the application filed to request a compliance audit of his financial statements.

2. Moved by Glenn Greer  
Seconded by George Gorringe

That the presentation of David Starr on behalf of Glen Tolhurst, be received.

CARRIED

## Delegations

Ms. Karolyne Pickett spoke in support of the application.

3. Moved by Glenn Greer  
Seconded by George Gorringe

That the presentation by Karolyn Pickett, be received.

CARRIED

Dr. Dennis Galon spoke in support of the application.

4. Moved by Glenn Greer  
Seconded by George Gorringe

That the presentation by Dr. Dennis Gallon, be received.

CARRIED

Ms. Laurie Garbutt, was not present.

5. Moved by Glenn Greer  
Seconded by George Gorringe

That the request for a Compliance Audit review of Glen Tolhurst's 2014 Election Finance Statement by Susan Watson, be granted.

CARRIED

6. Moved by Glenn Greer  
Seconded by George Gorringe

That the Election Compliance Audit Committee meet within 2 weeks on the appointment of an Auditor.

CARRIED

**Adjournment** (5:56 p.m.)

7. Moved by Glenn Greer  
Seconded by George Gorringer

That the meeting be adjourned.

CARRIED

---

George Gorringer

---

Glenn Greer

# COMMITTEE REPORT



**TO** Municipal Election Compliance Audit Committee

**SERVICE AREA** Corporate Services  
**DATE** May 20, 2015

**SUBJECT** Selection of an Auditor to conduct Compliance Audit under the *Municipal Elections Act (MEA)*

## SUMMARY

### PURPOSE OF REPORT:

To select an auditor to conduct a compliance audit under the *Municipal Elections Act*.

### KEY FINDINGS

The City Clerk is recommending William Molson as the successful auditor to conduct a Compliance Audit guided by the City's Purchasing By-law and the MEA.

### FINANCIAL IMPLICATIONS

As per the MEA the costs of the audit will be borne by the Municipality and paid from the elections reserve account.

### ACTION REQUIRED

To recommend that Committee appoint an auditor to conduct a compliance audit pursuant to the MEA and the city's purchasing policies.

## RECOMMENDATION

1. That William Molson CPA, CA be selected to conduct a compliance audit under the *Municipal Elections Act* with an upset limit of \$7,500 in addition to costs associated with additional meetings; and ,
2. That the Auditor be present at a subsequent meeting of the Compliance Audit Committee to report the findings.

## BACKGROUND

Section 81(1) of The *Municipal Elections Act* provides that an elector may apply for a compliance audit where they believe a candidate has contravened the provisions

of the Act relating to election campaign finances. On May 6, the City of Guelph Municipal Compliance Audit Committee considered an application from Ian Flett, on behalf of Susan Watson, and granted the request for a compliance audit regarding the election campaign finances of Glen Tolhust, candidate for ward 6 councillor in the 2014 municipal election. The Committee determined that it would appoint an auditor within two weeks of that meeting. In choosing the compliance audit the City is governed by the MEA and guided by City's Purchasing by-law (2014)19771. The MEA states that auditor must be licensed under the *Public Accounting Act (PAA)*.

## REPORT

In keeping with good procurement principles in the City's Purchasing By-law, where the monetary value of the competitive bidding procurement is \$20,000 or less a request for quotes may be obtained by the Service Area staff, which in this case is the Office of the City Clerk who is the Returning Officer of the Municipal election. The Purchasing By-law also states that the selection and recommendation of the successful bid is also determined by Service Area staff.

Five companies known to conduct Municipal compliance audits were forwarded the request for quote. Of the five, one company replied that it would not be sending a quote.

The Purchasing By-law states that the lowest compliant bid shall be selected and recommended as the successful bid. Staff is therefore recommending that William Molson CPA, CA be retained to conduct the compliance audit. Information received in the quotes is included in the following spread sheet:

<b>Name of Company</b>	<b>Experience-Municipal Compliance Audit</b>	<b>If yes, which municipality</b>	<b>Auditor licenced under the PAA</b>	<b>Total cost not Incl. HST (upset limit)</b>	<b>Cost of attendance for additional meetings</b>
Deloitte LLP	Yes	Mississauga Niagara Falls	Yes	\$19,750	\$2,000/ meeting
Froese Forensic partners Ltd.	Yes	Hamilton (2003) Vaughan(2006) Bluewater (2010) Perth South (2010) Toronto(2010) Fort Erie (2010) Vaughan(2010) Markham(2010)	Yes	\$16,000	\$1,000/ Meeting Estimate based on 420\$ per hour plus 50cents per km from Toronto
KPMG	Yes	Thunder Bay (2001) Guelph (2005)	Yes	\$15,750	\$350/ hour
William Molson, CPA, CA	Yes	Pickering (2011)	Yes	\$7,500	\$500/ meeting

---

The appointment of an auditor to conduct a compliance audit will be subject to the disposition of any potential appeals of the committee's decision to grant the audit.

**CORPORATE STRATEGIC PLAN**

- Organizational Excellence: 1.3 Build robust systems, structures and frameworks aligned to strategy
- Innovation in Local Government: 2.3 Ensure accountability, transparency and engagement

**DEPARTMENTAL CONSULTATION**

Staff of the Procurement section in Finance, Corporate Services, was consulted to ensure that the quotation process was in keeping with the City's purchasing By-law.

**COMMUNICATIONS**

Agenda for this meeting have been posted to [guelph.ca](http://guelph.ca)

**Prepared By:**

Tina Agnello  
Deputy City Clerk



---

**Reviewed and Recommended By**

Stephen O'Brien  
City Clerk/Returning Officer  
Corporate Services  
[stephen.obrien@guelph.ca](mailto:stephen.obrien@guelph.ca)  
519 822-1260 X 5644