

THE CORPORATION OF THE CITY OF DRYDEN

BY-LAW NUMBER 2026-63

BEING A BY-LAW TO ESTABLISH A JOINT COMPLIANCE AUDIT COMMITTEE FOR THE CORPORATION OF THE CITY OF DRYDEN.

WHEREAS Section 88.37 of the *Municipal Elections Act, 1996, as amended* (the Act), requires municipalities to appoint a Compliance Audit Committee, which deals with compliance audit applications regarding election campaign finances for the upcoming term of Council; and,

WHEREAS the Council of The Corporation of The City of Dryden deems it necessary and expedient to establish a Compliance Audit Committee for this purpose;

NOW THEREFORE The Council of The Corporation of The City of Dryden enacts as follows:

1. That a Joint Compliance Audit Committee comprised of the Cities of Dryden and Kenora, the Municipalities of Machin, Red Lake and Sioux Lookout and the Townships of Ear Falls, Ignace and Pickle Lake is hereby established;
2. That the Joint Compliance Audit Committee shall consist of five (5) individuals to be appointed by the Clerks of the above-noted municipalities, and any combination of at least three (3) shall be selected and shall constitute the Committee for the purposes of reviewing compliance audit requests in accordance with the Terms of Reference attached to and forming part of this By-law as Schedule "A";
3. That this By-law shall come into force and take effect on the final passage hereof.

Enacted and passed this 28th day of September 2026 as witnessed by the Seal of the Corporation and the hands of its proper Officers duly authorized in that behalf.

THE CORPORATION OF THE CITY OF DRYDEN

Mayor

Clerk

Joint Compliance Audit Committee

Terms of Reference

2026-2030 Term of Council for the Cities of Dryden and Kenora; the Municipalities of Machin, Red Lake and Sioux Lookout; and the Townships of Ear Falls, Ignace and Pickle Lake

Definitions

"Act" means the *Municipal Elections Act, 1996*, S.O. 1996, c. 32, as amended from time to time.

"Applicant" means the individual who submitted the application requesting a Compliance Audit.

"Application" means a request received by the Clerk of a Participating Community pursuant to Section 88.33 or 88.35 of the Act.

"Auditor" means a person appointed by the Committee, licensed under the *Public Accounting Act, 2004*, to conduct a Compliance Audit of a Candidate's or Registered Third Party's election campaign finances pursuant to Section 88.33(10) of the Act.

"Auditor's Report" means a report prepared by an auditor for the Committee pursuant to Section 88.33(12) of the Act.

"Candidate" means the candidate whose election campaign finances are the subject of an application for a Compliance Audit.

"Clerk" means, as the context provides, the Clerk of any of the Participating Communities or his or her designate.

"Clerk's Report" means a report from a Clerk of any Participating Community on any apparent over-contributions to Candidates or Registered Third Party pursuant to Sections 88.34 or 88.36 of the Act

"Committee" means the Joint Compliance Audit Committee established pursuant to Section 88.37(1) of the Act.

"Committee Member" means any member jointly appointed to the Joint Compliance Audit Committee by the municipal Clerks.

"Compliance Audit" means an audit of a Candidate's election campaign finances conducted by an Auditor appointed by the Committee.

"Council" means, as the context provides, the Council of any of the Participating Communities.

"Meeting" means a meeting of the Committee.

"Municipal Conflict of Interest Act" means the *Municipal Conflict of Interest Act*, R.S.O. 1990, c. M.50, as amended from time to time.

"Municipality" means a Participating Community.

"Participating Communities" means all or some of the following municipalities participating in the joint compliance audit committee process: The Cities of Dryden and Kenora; the Municipalities of Machin, Red Lake and Sioux Lookout; and the Townships of Ear Falls, Ignace and Pickle Lake.

"Pecuniary Interest" means a direct or indirect pecuniary interest within the meaning of the Municipal Conflict of Interest Act.

"Selection Committee" means the committee, composed of the Clerks of the Participating Communities, that will choose the members of the Committee and have delegated authority by their respective Council's to make such appointment.

"Registered Third Party" means an individual resident in Ontario, a corporation carrying on business in Ontario or trade union who has filed with the Clerk of the Municipality responsible for conducting an election a notice of registration to be a registered third party for the election pursuant to Section 88.6 of the Act.

Establishment

The Joint Compliance Audit Committee (the "Committee") is established by the Cities of Dryden and Kenora; the Municipalities of Machin, Red Lake and Sioux Lookout; and the Townships of Ear Falls, Ignace, and Pickle Lake (collectively, the "Participating Communities"), pursuant to the requirements of section 88.37 of the Act.

Governance and Guidance

The Committee shall be governed by:

- These Terms of Reference
- The Municipal Elections Act, 1996, as amended
- The Municipal Act, 2001, as amended
- The Municipal Conflict of Interest Act
- The Municipal Freedom of Information & Protection of Privacy Act
- The Municipal Purchasing and Procurement Bylaw, if applicable
- The Administrative Practices and Procedures established by the Clerk of each Participating Community, from time to time
- Any other applicable legislation
- Any other applicable bylaws or policies of the Participating Communities

Mandate

The powers and functions of the Committee are set out in Section 88.33 through 88.37 of the Act. The Committee will perform the functions relating to the compliance audit application process as outlined in the Act. These functions are generally described as:

1. 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, with brief written reasons for the decision;
2. If the application is granted, the Committee shall appoint an auditor, or provide direction to the Clerk for the appointment of an auditor, who will conduct a compliance audit of the Candidate's or Registered Third Party's election campaign finances;
3. The Committee will review the Auditor's Report within 30 days of receipt and decide whether legal proceedings should be commenced, with brief written reasons for the decision; and
4. Within 30 days after receipt of a Clerk's Report, the Committee shall consider the Clerk's Report and decide whether legal proceedings should be commenced, with brief written reasons for the decision.

Term

Committee Members shall be appointed for a term of four (4) years, commencing November 15, 2026 to November 14, 2030 to deal with matters arising from the 2026 Municipal Election and any by-elections during the 2026-2030 Council term. For greater clarity, the Committee shall be deemed to be a continuing body, and the Committee shall have the authority to continue any matter started by a previous Committee.

Municipal Support

In accordance with subsection 88.37(6) of the Act, the Clerk shall establish Administrative Practices and Procedures for the Committee and shall carry out any other duties required under the Act to implement the Committee's decisions.

The Clerk, or designate, of the Participating Community, will act as the secretary to the

Committee.

Remuneration

Remuneration for Committee Members will include an annual \$500 retainer for each year of the four (4) year term. Attendance at meetings will be remunerated at a rate of \$50.00 per hour, per Committee Member per meeting. All Participating Communities shall jointly share in the cost of the annual retainer fees. For each required meeting of the Committee, the Participating Community which requires the services of the Committee shall be responsible for reimbursing the Committee Members participating in that Community's application(s) for a Compliance Audit.

Composition

For the 2026-2030 term of Council, the Committee shall be comprised of five (5) members, who will be selected by consensus of the Participating Communities, with the Clerks of the Participating Communities having the delegated authority to approve the joint appointments. Any combination of at least three (3) members shall be selected by the Participating Community and shall constitute the Committee for the purposes of exercising the powers and duties of the Committee. The Participating Community has the discretion to use all five (5) Committee Members, should they so choose.

In the event of a vacancy on the Committee resulting from a disqualification, resignation, or other reason where the remaining Members are insufficient to form a quorum of the Committee, the Clerks of the Participating Communities shall approve an additional appointment to the Committee.

Membership Selection Criteria

Membership will be drawn from the following groups:

- A. Accounting and audit – accountants and auditors with experience in preparing auditing the financial statements of municipal candidates;
- B. Legal professionals with experience in municipal law, municipal election law, or administrative law;
- C. College or university professors with expertise in political science or local government administration;
- D. Professionals who in the courses of their duties are required to adhere to codes or standards of their profession which may be enforced by disciplinary tribunals; and/or
- E. Other individuals with knowledge of the campaign financing rules of the Act.

Members will be selected based on the following:

1. Demonstrated knowledge and understanding of municipal election campaign financing rules;
2. Proven analytical and decision-making skills;
3. Experience working in a committee, task force or similar setting;
4. Availability and willingness to attend meetings; and
5. Excellent oral and written communication skills.

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

1. Employees of any of the Participating Communities;
2. Members of Council of any of the Participating Communities;
3. Council candidates for the 2026 Municipal Election and any by-election(s) held during the 2026-2030 Council term of office; or
4. Any persons who are Registered Third Parties in the Participating Communities.

Should an appointed Committee Member cease to be qualified as required by the Act, their appointment shall be deemed to have been revoked.

Members will be required to participate in an orientation and training session as a condition of appointment.

Member Guarantee

A Committee Member must agree in writing, as a condition of their appointment to the Committee, that s/he will not work for (professionally or as a volunteer) or provide advice to any candidate running for municipal office in any of the Participating Communities or any

Registered Third Party.

Chair

The Committee Members will select a Chair from amongst themselves at the first Meeting of the Committee, who shall subsequently act as the Chair for the remainder of the Term of the Committee. When the Chair is absent at any meeting, the Committee shall appoint another member as Acting Chair and while presiding, the Acting Chair shall have all the powers of the Chair.

Duties of the Chair

The Chair shall:

1. Call the Meeting to order when there is Quorum, preside over Committee discussion, facilitate Committee business, follow meeting procedures, identify the order of proceedings and speakers and rule in points of order;
2. Participate as an active member, including by voting;
3. Encourage participation by all Committee Members;
4. Act as a liaison between the Committee Members and the Clerks of the Participating Communities on matters of policy and process; and
5. Enforce the observance of order and decorum among the Committee Members and the public at all meetings.

Meetings

The Committee shall meet as required in order to perform the duties under the Act, in accordance with the timeframes set out by the Act and the Administrative Practices and Procedures.

The Clerk shall call a Meeting when he/she receives an application for a Compliance Audit and where he/she prepared a Clerk's Report.

Meeting dates, start times and locations shall be set by the Clerk. The agenda and minutes shall be maintained by the Clerk.

Meetings under sections 88.33, 88.34, 88.35 or 88.36 will be open to the public but the Committee may deliberate in private in accordance with subsection 88.33(5.1) of the Act. The Committee shall render its decisions in public. Notwithstanding the above, the Committee may hold a meeting privately for training and education, in order to receive legal advice, or in order to receive an update on a matter.

Once the Committee has the information and advice it requires, the Chair and the Clerk shall decide upon a date and time for the meeting at which a decision on the application will be made.

The Clerk shall provide notice of the meeting, in accordance with the Administrative Practices and Procedures. Notice shall be provided to the Committee, the Applicant, the Candidate, and the Auditor, if applicable.

All meetings of the Committee shall be held in a location determined by the Clerk of the Participating Community.

It is expected that the Members will arrive at the meeting having read all supporting material which has been provided before the meeting and be prepared to deliberate and discuss the matters at issue.

The Applicant, the Candidate and, where applicable, the Auditor may be given an opportunity to address the Committee, in accordance with the Administrative Practices and Procedures.

Meeting Attendance

Any member of the Committee who misses three (3) consecutive meetings without being excused by the Committee or the Clerk, may be removed from the Committee.

Quorum

Quorum for meetings shall consist of a majority of the Members of the Committee, which in all cases shall be no less than three (3) Members. If no quorum is present fifteen (15) minutes after the time appointed for a meeting, the Clerk shall record the names of the members present at the meeting and the meeting shall stand adjourned until the date of the next meeting. Members are required to report their absence to the Clerk prior to the meeting date.

Records

The records of Committee meetings shall be retained and preserved by the Participating Community's Clerk in accordance with that community's Records Retention policy.

Motions & Voting

- a) All decisions of the Committee shall be made by motion.
- b) A motion shall need to be formally moved and seconded before the Chair can put the question or a motion can be recorded in the minutes.
- c) A motion shall be reduced to writing and shall be signed by the Chair and Secretary.
- d) In the case of a tie vote, the motion shall be considered to have been lost.
- e) The manner of determining the vote on a motion shall be by show of hands.
- f) The Chair shall announce the result of every vote.

Declaration of Pecuniary Interest and Disqualifying Bias

Legislated requirements as set out in the *Municipal Conflict of Interest Act* shall apply to all Committee Members. It is the responsibility of each Member to disclose any pecuniary interest or disqualifying bias prior to discussion of a particular matter. Members are encouraged to seek independent legal advice if they are unsure of whether or not they have a pecuniary interest or disqualifying bias in a matter. Staff from the Participating Communities shall not provide advice or interpretation related to declarations of pecuniary interest.

Member Conflict of Interest

To avoid conflict of interest, applicants with accounting or auditing backgrounds must agree in writing they will not offer their services to any municipal election candidates or Registered Third Parties.

Selection of an Auditor

Committee members will participate in the selection of an Auditor in response to a request for proposal prepared by staff. The Auditor will be appointed by resolution of the Committee, or, at the discretion of the Committee, by the Clerk pursuant to a resolution of the Committee. The engagement letter will indicate that the Auditor has been engaged by the Committee and will be prepared and executed by the Clerk, or other officer of the municipality as may be designated, on behalf of the municipality. All appointed Auditors shall be appointed by name, and not by name of the firm for which they are employed.