



Compliance Audit of Mr. William (Bill) Leduc's 2022 Election Campaign Finances

Election Compliance Audit Committee Meeting

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July 3, 2024

Restrictions

KPMG provided a report, ‘Compliance Audit of Mr. William (Bill) Leduc’s 2022 Election Campaign Finances’, (the “KPMG Report”) dated May 24, 2024. This PowerPoint deck (the “Presentation Deck”) has been prepared solely to support KPMG’s presentation of our ‘Summary of Findings’ from the KPMG Report for the City of Greater Sudbury’s Election Compliance Audit Committee meeting on July 3, 2024.

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Background

Introduction

- **KPMG LLP ("KPMG") was engaged by the City of Greater Sudbury (the "City" or "Greater Sudbury") to conduct a compliance audit of Mr. William (Bill) Leduc, Ward 11 Councillor's campaign finances, with respect to the 2022 Greater Sudbury municipal election, pursuant to section 88.33 of the Municipal Elections Act, 1996 (the "MEA").**
- **Oscar Poloni, CPA, CA, LPA, Partner was responsible for the work and the engagement field work was lead by Kas Rehman, CPA, CA, CFE, CFF, Partner-Forensic.**

Duty of Auditor

- Our duty as auditor is outlined in subsection 88.33(12) of the MEA, *Duty of Auditor*:

“The auditor shall promptly conduct an audit of the candidate's election campaign finances to determine whether he or she has complied with the provisions of this Act relating to election campaign finances and shall prepare a report outlining any apparent contravention by the candidate. 2016, c. 15, s, 63.”

- This engagement was an audit pursuant to the MEA and does not constitute an audit in accordance with Canadian generally accepted auditing standards.

Scope of Review

- **Our comments, calculations and analysis contained in this Presentation Deck are based on our review of the information listed in ‘Appendix A – Scope of Review’ of the KPMG Report.**
- **We also held discussions with the following individuals:**
 - Mr. Leduc
 - Mr. Richard Charette, Chair, Minnow Lake Community Action Network (“Minnow Lake CAN”)
 - Mr. Dean Eyre, former Chair, Minnow Lake CAN
 - Mr. Connor LaRocque, Chief Executive Officer, SocialRise Inc.

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**Summary of
Apparent
Contraventions of
the MEA**

Cash contribution exceeding \$25

- It appears that during the Election Campaign Period, Mr. Leduc accepted a \$1,000 contribution from Mr. Norm Bouffard. The contribution was comprised of a \$500 cheque and \$500 in cash.
- It therefore appears that the contribution from Mr. Bouffard was \$475 in excess of the cash contribution limit of \$25, pursuant to subsection 88.8(8) of the MEA.
- We discussed this finding in detail in section 5.1.1 of the KPMG Report.

Payments for contributions apparently from a single payor

- It appears that during the election campaign period, Mr. Leduc accepted \$3,000 of contributions comprised of bank drafts purchased by Ms. Anna Maria Villano. The contributions consisted of three (3) \$1,000 bank drafts, with the memo lines of those drafts including the names of Anna Villano, Mike Villano and Frank Villano, respectively.
- It appears that the contributions did not associate the contributor's name and account with the payment, pursuant to subsection 88.8(8) of the MEA. Therefore, it appears that the bank drafts provided by Ms. Anna Maria Villano may comprise a contribution \$1,800 in excess of the \$1,200 contribution allowed from a single contributor, pursuant to subsection 88.9(1) of the MEA.
- We discussed this finding in detail in section 5.1.2 of the KPMG Report.

Campaign expenses apparently not paid from campaign bank account

- Pursuant to subsection 88.22(1) of the MEA, all payments for election campaign expenses should have been paid from Mr. Leduc's campaign bank account.
- However, it appears that during the election campaign period, Mr. Leduc incurred approximately \$307 of campaign expenses which were recorded as campaign expenses on Mr. Leduc's candidate financial statements, but were not paid from Mr. Leduc's campaign bank account.
- We discussed this finding in detail in section 5.1.3 of the KPMG Report.

Grandparent's Day 2022

- **The April 27, 2023, written decision by the Election Compliance Audit Committee stated that the evidence reviewed demonstrated that Mr. Leduc's election campaign was to some extent promoted at a September 11, 2022, event hosted by Mr. Leduc (“Grandparent’s Day 2022”).**
- **Pursuant to subsection 88.19(1) of the MEA, expenses incurred, "partly for use in an election campaign," are election campaign expenses and we understand should therefore be recorded in full. As a result, and pursuant to subsections 88.19(1) and 88.19(3) of the MEA, all expenses of Grandparent's Day 2022 may be determined to be expenses in relation to Mr. Leduc's election campaign.**
- **KPMG identified five expenses which apparently should have been included as election campaign expenses, in relation to Grandparent’s Day 2022.**

Grandparent's Day 2022 (continued)

- **The five expenses incurred by Mr. Leduc or the Minnow Lake CAN for Grandparent's Day 2022, which apparently should have been included as election campaign expenses are outlined below:**
 - Pizza from Topper's Pizza, \$548.20
 - Chicken wings from the Hilton Garden Grille, \$467.82
 - Horse and buggy rides from Wagon Wheel Ranch, \$932.25
 - Live music by Rod Bazinet, \$300
 - Prizes and giveaways purchased by Mr. Leduc from Nathalie's Online Deals, \$750
- **Therefore, there are apparent additional election campaign expenses of \$2,998.27 relating to Grandparent's Day 2022.**
- **Mr. Leduc reported election campaign expenses subject to the General Spending Limit of \$14,017.10**

Grandparent's Day 2022 (continued)

- **The General Spending Limit for Mr. Leduc's 2022 election campaign was \$14,159.60. Therefore, additional expenses subject to the General Spending Limit totaling greater than \$142.50 (i.e., \$14,159.60 - \$14,017.10) would result in Mr. Leduc's expenses subject to the General Spending Limit being in excess of the amount allowed.**
- **The prizes and giveaways at Grandparent's Day purchased by Mr. Leduc from Nathalie's Online Deals for \$750 also appears to comprise a contribution in goods and services from candidate and spouse, pursuant to subsection 88.15(1) of the MEA.**
- **We discussed these findings in detail in section 5.2 of the KPMG Report.**



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