

Compliance Audit of Candidate's Campaign Finances – Auditor's Report

Presented To: Election Compliance Committee

Meeting Date: July 3, 2024

Type: Managers' Reports

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Recommended by: General Manager of
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Report Summary

This report provides information regarding the Auditor's Report prepared by KPMG in relation to the apparent contraventions of campaign finance rules by Ward 11 Candidate, Bill Leduc in the 2022 Municipal and School Board Election, and outlines the next steps in the Compliance Audit process.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

This report refers to operational matters.

Financial Implications

All costs associated with legal proceedings against the candidate would be funded from the Election Expense Reserve Fund.

Background

The *Municipal Elections Act, 1996 (Act)* regulates municipal and school board elections in Ontario and outlines the deadlines, responsibilities, and penalties for all registered candidates and third parties with respect to campaign finances. Pursuant to section 88.29, all candidates are obligated to file a financial statement and auditor's report, as required, using the prescribed form.

Once received by the City Clerk's office, these statements are posted publicly to the election website. In order to complete a financial statement, candidates are required to provide details regarding their expenses and campaign contributions.

In accordance with section 88.33 of the Act, an eligible voter who believes on reasonable grounds that a candidate has contravened a provision of the Act relating to campaign finances may apply for a compliance audit of the candidate's election campaign finances.

On April 4, 2023, Anastasia Rioux submitted an Application for an Election Compliance Audit of Ward 11 candidate, Bill Leduc's campaign finances.

The Committee met on April 27, 2023, to consider the application and hear submissions from both the Candidate and the Applicant.

The Committee passed Resolution ECAC2023-4, granting the application by Ms. Rioux and appointing KPMG as the Auditor to conduct an audit of the candidate's election campaign finances.

As per the provisions of the Act, a report was prepared by the Auditor. The report has been appended and has been provided to the Applicant and Candidate.

Next Steps

On considering the Auditor's Report, the Committee must decide whether to commence legal proceedings against the Candidate for apparent contraventions of the campaign finance rules.

The Candidate and Applicant were given the opportunity to provide written submissions pertaining to the Auditor's Report for the Committee's consideration, prior to the meeting.

In accordance with the Committee's procedures, during the meeting, the Committee will first hear a brief presentation by the Auditor with a summary of the findings outlined in the Auditor's Report.

Following this, the Candidate, and the Applicant, in that order, will each be permitted to address the Committee for a period of up to ten (10) minutes. The parties will not be permitted to cross-examine or ask questions of the Auditor or one another.

At the conclusion of the submissions of the parties, the Committee will have the opportunity to deliberate whether or not to commence legal proceedings against the Candidate. On concluding its deliberations, the Committee will advise whether it has reached a decision and call a vote on the matter. The Committee may issue an oral decision, or it may reserve its decision.

Following the meeting, written reasons for the Committee's decision will be provided to the Candidate and the Applicant and made available on the City's website.

Resources Cited

[Municipal Elections Act, 1996, S.O. 1996, c. 32](#)