

To: City Council

From: Mary Medeiros, Director, Legislative Services/City Clerk,
Office of the C.A.O.

Report Number: CNCL-26-12

Date of Report: March 18, 2026

Date of Meeting: March 23, 2026

Subject: 2026 Municipal Elections Compliance Audit Committee

Ward: All Wards

File: 03-05

1.0 Purpose

The purpose of this report is to:

- Advise Council of the establishment of a 2026 Municipal Election Compliance Audit Committee (“the Committee”) in accordance with the requirements as set out in the Municipal Elections Act, 1996, S.O 1996, c.32, Sched. as amended (“the Act”);
- Seek Council’s approval of the Committee’s Terms of Reference which have been prepared in collaboration with staff from the Town of Ajax, the Regional Municipality of Durham (“the Region”), the City of Oshawa, the City of Pickering, the Town of Whitby and the Durham District School Board with the intent to be approved by their respective Councils and School Board;
- Authorize the City Clerk to prepare a by-law for Council’s consideration to appoint members to the roster of candidates for the Committee as selected by the Region, Town of Ajax; the City of Oshawa, the City of Pickering, the Town of Whitby and the Durham District School Board; and,
- Establish the Committee as required under Section 88.37 of the Act.

Attachment 1 is the draft Terms of Reference for the 2026 Municipal Election Joint Compliance Audit Committee.

2.0 Recommendation

It is recommended to City Council:

1. That based on Report CNCL-26-12 dated March 18, 2026, the draft Terms of Reference for the 2026 Municipal Elections Joint Compliance Audit Committee as set out in Attachment 1 to said Report be endorsed; and,
2. That the City Clerk be authorized to bring forward a by-law for Council approval that would provide for the remuneration and appointment of a roster of individuals to the 2026 Municipal Elections Compliance Audit Committee in accordance with the Terms of Reference; and,
3. That at such time as the above by-law is enacted by Council, that the 2026 Municipal Elections Compliance Audit Committee be deemed to be established in accordance with the Municipal Elections Act.

3.0 Input From Other Sources

- 2026 Participating Bodies (Town of Ajax, the Region of Durham, City of Pickering, the Town of Whitby and the Durham District School Board)
- Municipal Elections Act, 1996, S.O 1996, c.32, Sched. as amended

4.0 Analysis

4.1 Legislative Framework

Section 88.37 of the Act requires City Council to establish a Compliance Audit Committee ("Committee") before October 1 in a municipal election year. The Committee must consist of no fewer than three (3) and no more than seven (7) members and may not include municipal employees or officers, members of council, or individuals who are candidates in the election for which the Committee is formed. The term of office for the Committee and its members corresponds to the term of the council that assumes office following the next regular election.

Municipal Election Compliance Audit Committees receive and make decisions on applications for compliance audits of campaign finances for municipal council and school board candidates and registered third-party advertisers in a municipal election or by-election. Committees perform functions relating to the compliance audit application process as outlined in the Act. These functions include:

- considering reports from municipal clerks identifying contributors who appear to have contravened election contribution limits, and deciding whether legal proceedings should commence;
- considering whether an application for a compliance audit filed by an elector should be granted or rejected;

- appointing an external auditor selected by the Committee, if the application is granted; and,
- receiving and considering the auditor's report and deciding whether legal proceedings should commence.

Section 88.33 of the Act provides that an eligible voter who believes on reasonable grounds that a candidate has broken election campaign finance rules to request a compliance audit of the candidate's campaign finances. The request must be made in writing to the City Clerk, and must set out the reasons for the elector's belief and be submitted within 90 days of the latest of the following four dates:

- The filing date for financial statements;
- The date the candidate filed a financial statement, if the statement was filed within 30 days after the applicable filing date;
- The candidate's supplementary filing date, if any; or
- The date on which the candidate's extension, if any, expires. The Committee must consider any applications received within 30 days.

Section 88.35 (1) of the Act, provides that an eligible elector who believes on reasonable grounds that a registered third party has contravened a provision of the Act relating to campaign finances may apply for a compliance audit of the campaign finances of the registered third party, even if the registered third party has not filed a financial statement under Section 88.29. The request must be in writing to the clerk of the municipality in which the registered third party was registered, and shall set out the reasons for the elector's belief and be submitted within the 90 days of the latest of the following four dates:

- The filing date for financial statements;
- The date the candidate filed a financial statement, if the statement was filed within 30 days after the applicable filing date;
- The candidate's supplementary filing date, if any; or
- The date on which the candidate's extension, if any, expires. The Committee must consider any applications received within 30 days.

In addition to supporting the work of the Committee, the City Clerk is required to process applications for compliance audits, review campaign contributions to identify any apparent exceedances of contribution limits and forward such matters to the Committee and carry out any other duties necessary to implement the Committee's decisions, as prescribed by the Act.

The office to which a compliance audit request must be submitted depends on the position the candidate is seeking. Requests for Regional Chair candidates are submitted to the Office of the Regional Clerk. Requests for candidates for other municipal offices are

submitted to the appropriate Municipal Clerk. Requests for School Board candidates are submitted to the Secretary of the applicable School Board.

4.2 2026 Municipal Election Compliance Audit Committee

In preparation for the 2026 Municipal Election, City Clerk Services staff engaged in consultations with Durham Region municipalities to establish participation in a joint Committee for the 2026 term. For this term, the participating bodies interested in forming a joint Committee are the Town of Ajax, the Region of Durham, the City of Oshawa, the City of Pickering, the Town of Whitby, and the Durham District School Board (the "2026 Participating Bodies").

The joint process will realize recruitment cost savings and provide the City with greater access to credible and qualified members. Additionally, the joint Committee will encourage consistent procedures and practices amongst the 2026 Participating Bodies. In order to ensure consistency across all 2026 Participating Bodies, it is important for the draft Terms of Reference as outlined in Attachment 1 to this Report and as approved by Regional Council at its February 25, 2026 meeting through **Regional Report 2026-A-4**.

The recruitment of members to the Committee will be done collectively by the Participating Bodies with the central intake of applications being facilitated by the Region. A selection committee comprised of the City Clerk, or designate, from each 2026 Participating Body will identify qualified candidates to form a roster of seven (7) individuals eligible to serve on the Committee.

Following completion of the recruitment process, staff will bring forward a by-law to Council for the appointment and remuneration of a roster of qualified individuals, in accordance with the draft Terms of Reference (Attachment 1). Upon enactment of the by-law by Council, the Committee will be formally established.

Upon receipt of a compliance audit application or a report from the City Clerk, the City Clerk, without input from members of the participating bodies, will select three (3) eligible and available members from the approved roster to form the Committee. Selection will be based on member availability and with consideration given to achieving a balance of knowledge and experience on the Committee.

The City of Oshawa's Compliance Audit Committee will review applications and reports relating to candidates for any municipal office and any registered third-party advertiser within the City of Oshawa. As outlined in Section 4.1, compliance audit requests related to Regional Chair candidates and candidates in other municipalities must be submitted to the applicable Municipal Clerk, while requests related to School Board candidates must be submitted to the Secretary of the appropriate School Board.

5.0 Financial Implications

The Region will pay the costs for recruitment advertising, while the 2026 Participating Bodies will collectively share the cost of an annual retainer of \$400 to individuals on the roster for the Committee. Each Committee member will also be paid \$400 per meeting

they attend to address a single report or application, plus an additional \$100 for each additional application or report considered at the same meeting, to be paid by the municipality who constitutes the Committee at the same meeting. Costs for operating the Committee are paid from the City's election reserve.

6.0 Relationship to the Oshawa Strategic Plan

This report responds to the Oshawa Strategic Plan Priority Area, "Lead: Governance and Service Excellence" with the goal to provide transparent, efficient, and responsible fiscal stewardship and use of resources.



Laura Davis, Manager, Legislative Services/Deputy City Clerk,
Legislative Services



Mary Medeiros, Director, Legislative Services/City Clerk,
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**2026 Municipal Election
Joint Compliance Audit Committee
Terms of Reference**

Name:

The name of the Committee is the “2026 Municipal Election Joint Compliance Audit Committee” (“the Committee”).

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 an Application accepted by the Clerk under sections 88.33(2) and 88.35(2) of the Act.

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

Clerk means the Clerk or secretary of the Participating Body, or their designate.

Participating Bodies means the Town of Ajax, Regional Municipality of Durham, City of Oshawa, City of Pickering, the Town of Whitby and the Durham District School Board.

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, and whose election campaign finances are the subject of an Application for a Compliance Audit.

Mandate:

The Committee is established pursuant to the requirements of section 88.37 of the Act for the Participating Bodies.

The powers and functions of the Committee are set out in section 88.33 to 88.37 of the Act.

Term of Committee:

The term of appointment for the Committee shall be concurrent with the term of office of the council or local board elected in 2026 and shall therefore serve for four (4) years commencing on November 15, 2026 and concluding on November 14, 2030 or until such time the applicable Committee has disposed of any remaining matters in accordance with the Act, whichever is later.

Composition:

When a compliance audit Application from an elector or a report from the Clerk indicating a Candidate or Registered Third Party has contravened any of the contribution limits under section 88.9 of the Act is received, the Committee comprised of three (3) members shall meet and consider the Application and/or report in accordance with the Act.

Members forming the Committee shall be selected by the Clerk from a roster of qualified individuals, who have been jointly recruited and appointed by the Participating Bodies.

The following persons are ineligible for appointment:

- Employees or officers of any of the Participating Bodies,
- A member of council or of a local board of any of the Participating Bodies,
- Any persons who are candidates in an election of any of the Participating Bodies for which the Committee is established; or
- Any persons who are Registered Third Parties in an election of any of the Participating Bodies for which the Committee is established.

Should an appointed Committee Member accept employment or become an officer with any of the Participating Bodies, become a member of council or of a local board of any of the Participating Bodies, or register as a Candidate or a Third Party with any of the Participating Bodies, they will have been deemed to have resigned.

All Committee Members shall agree in writing that they will not work or volunteer for, or contribute to, any Candidate or Registered Third Party in any capacity in an election of any of the Participating Bodies.

If a person on the roster to serve on the Committee is identified as having participated or contributed to a Candidate's campaign or Registered Third Party, that person shall not be eligible to be selected as a Member with respect to an Application within the applicable Participating Body where the participation or contribution to a Candidate's campaign or Registered Third Party occurred.

Conduct of Members:

Members of the Committee shall comply and conduct themselves in accordance with the Joint Compliance Audit Committee Administrative Practices and Procedures for the Participating Bodies.

Members shall not use their position on the Committee for any personal or political gain.

Remuneration:

Remuneration for Committee Members will be as follows:

- \$400.00 retainer fee (costs will be shared equally by the Participating Bodies) for those individuals on the roster. The retainer fee shall cover attendance at a mandatory training session and review of periodic updates or information supplied by the Clerk of any of the Participating Bodies. The retainer fee will also cover any conversations which occur outside of a formal meeting of the Committee, for example virtual meetings with the Clerk. Payment of the retainer fee does not denote membership on a committee and covers the four (4) year term; and
- \$400.00 per meeting attended, plus an additional \$100.00 for any additional Application and report being considered after the first one, during the same meeting; plus mileage in accordance with the rate normally paid to employees of the applicable Participating Body. The per meeting rate shall cover review of background or agenda materials as required in preparation for a meeting.

Membership Selection:

At a minimum, the recruitment of persons to be included on the roster of individuals shall be advertised on the websites of the Participating Bodies. Other targeted recruitment measures may be initiated by the Clerks of the Participating Bodies.

All applicants will be required to complete an application and may be subject to further screening and an interview. The selection process will be determined by the Clerks of the Participating Bodies.

Applicants must have the ability to understand and apply the election campaign finance provisions of the Act and must remain impartial in order to fulfill their responsibilities.

Preference will be given to candidates that have experience related to compliance audit activities or investigative or adjudicative processes.

The following criteria will be considered when considering members:

- Demonstrated knowledge and understanding of municipal election campaign finance rules,
- Proven analytical and decision-making skills,

- Experience working on committees, boards, adjudicative bodies, task forces or similar settings,
- Experience in accounting and audit, law, law enforcement, academics, or municipal administration from related fields,
- Demonstrated knowledge of quasi-judicial proceedings,
- Availability and willingness to attend meetings; and,
- Excellent oral and written communication skills.

Meetings:

Meetings will occur as needed and shall be conducted in accordance with the Joint Compliance Audit Committee Administrative Practices and Procedures for the Participating Bodies.

Chair:

At the first meeting of a Committee on a particular report or Application, the members shall appoint one member to act as Chair for the duration of the Committee's deliberations.

Role of Clerk:

The Clerk will act as the main contact between the Committee, compliance audit Applicant, Candidate and Registered Third Party. In accordance with section 88.37(6) of the Act, the Clerk shall carry out any duties required under the Act to implement the Committee's decisions.

Where the Clerk or Committee determines that the Committee requires legal assistance in respect of a specific report or Application, or for other matters such as the Committee's role, interpretation of legislation, procedure, or other matters of a general nature pertinent to the Committee's business, the Clerk, in consultation with the Participating Body's solicitor, shall retain legal counsel to provide advice that may be subject to solicitor client privilege to the Committee.

Administrative Practices and Procedures:

The Clerk(s) of the Participating Bodies shall establish administrative practices and procedures for the Committee in accordance with s. 88.37(6) of the Act and shall carry out any other duties under the Act to implement the Committee's decisions.

The Clerk(s) of the Participating Bodies may be required to make administrative changes to these Terms of Reference or the administrative practices and procedures from time to time due to legislative changes, or if, in the opinion of the Clerk(s), the amendments do not change the intent of the Terms of Reference or the administrative practices and procedures.