

Report to Compliance Audit Committee

To: Chair and Members
2022 Municipal Election Compliance Audit Committee
From: Michael Schulthess, City Clerk
Subject: Selection Of An Auditor To Conduct Compliance Audit Under
The Municipal Elections Act, 1996
Date: November 1, 2023

Recommendation

That, on the recommendation of the City Clerk, the following actions be taken with respect to the appointment of an external auditor to conduct compliance audits of London 2022 municipal election campaign finances:

- a) that the report dated November 1, 2023 and entitled "Selection Of An Auditor To Conduct Compliance Audit Under The Municipal Elections Act, 1996" providing information on the Request for Quotations for the appointment of an external auditor as required under section 88.33 (10) of the *Municipal Elections Act, 1996* (the "Act"), BE RECEIVED for information; and
- b) the auditing firm William Molson, CPA, CA BE APPOINTED to conduct compliance audits of the 2022 municipal election campaign finances for which the 2022 Municipal Election Compliance Audit Committee has granted an application; and,
- c) the City Clerk BE DIRECTED and authorized to take the necessary actions to negotiate a contract with William Molson, CPA, CA to carry out Municipal Election compliance audits in response to the decisions of the 2022 Municipal Election Compliance Audit Committee with respect to applications for compliance audits.

Analysis

1.0 Background Information

1.1 Background Reports and Meetings

Compliance Audit Committee – August 2, 2023

1.2 Background

The Committee, at its meeting held on August 2, 2023 requested the City Clerk to research experienced and knowledgeable individuals or firms and present the Committee with a list of potential Auditors for the Committee's consideration.

The Committee has granted a Compliance Audit Application for Candidate Khalil Ramal.

Pursuant to section 88.33 of the Act, where the Committee decides under subsection 88.33 (7) of the Act to grant an application for a compliance audit, it shall appoint an auditor who is licensed under the *Public Accounting Act, 2004* to conduct a compliance audit of candidates' election campaign finances.

The City's Purchasing Policy authorizes the City Clerk to negotiate and execute all agreements related to goods and services considered necessary or advisable to carry out the requirements of the Act.

On September 8, 2023 the City Clerk's Office sent the Request for Quotation to five (5) potential proponents. This resulted in a total of three (3) submissions received by the deadline.

2.0 Discussion and Considerations

The purpose of this report is to provide the Committee with a list of Auditors who have responded to the Request for Quotation.

Of the five (5) proponents sent the Request for Quotation, the City Clerk has received responses from the following:

- William Molson, CPA CA
- Froese Forensic Partners Ltd.
- Chaplin and Co. Chartered Accountants

The City Clerk's evaluation and recommendation to the Committee is based on the evaluation criteria specified in the Request for Quotation, reproduced below:

Proposal Evaluation Criteria	Evaluation Weight
Compliance with Mandatory Requirements	Pass/Fail
Hourly Rate and Audit Fees	30%
Experience and Qualifications of the Proponent	40%
Proposed Audit Approach and Deliverables	20%
References	10%

Table 1: Proposal Evaluation contained in Request for Quotation

Once the Committee has selected an Auditor, the City Clerk will undertake to negotiate an agreement between the City and the successful proponent to the Request for Quotation.

3.0 Financial Impact

In accordance with subsection 88.33 (16) the Municipality shall pay the auditor's costs of performing the audit. In accordance with the Municipal Election Compliance Audit Committee Terms of Reference, costs related to the retention of an auditor will be funded from the Election Reserve.

Prepared by: Jeannie Raycroft, Manager, Elections, Strategic Integration & Policy

Submitted by and Recommended by: Michael Schulthess, City Clerk