

# Municipal Election Compliance Audit Committee

## Report

2nd Meeting of the 2022 Municipal Election Compliance Audit Committee  
August 2, 2023

PRESENT: D. Ross (Chair), C. Scrimgeour, A. Wright

A. Bush, M. Butlin, S. Corman, T. Hetherington, J. Raycroft, E. Skalski, B. Westlake-Power

The meeting is called to order at 9:34 AM; it being noted that A. Wright and C. Scrimgeour were in remote attendance.

### 1. Call to Order

#### 1.1 Disclosures of Pecuniary Interest

None.

### 2. Consent

#### 2.1 Minutes of the 1st Meeting of the 2022 Municipal Election Compliance Audit Committee

A. Wright and C. Scrimgeour

That the Minutes of the 1st Meeting of the Municipal Election Compliance Audit Committee, held on June 26, 2023 and continued on July 7, 2023, BE APPROVED.

**Motion Passed**

### 3. Items for Discussion

#### 3.1 2022 Municipal Election Clerk's Contribution Report - Sil Palumbo

A. Wright and C. Scrimgeour

That the following actions be taken with respect to the Clerk's Contribution Report - Sil Palumbo:

- a) the report dated August 2, 2023 and entitled "2022 Municipal Election Clerk's Contribution Report - Sil Palumbo" to notice of an apparent contravention of the campaign contribution limits with respect to the 2022 Municipal Election, BE RECEIVED;
- b) the decision of the Municipal Election Compliance Audit Committee BE DEFERRED until the meeting of August 10, 2023 to provide opportunity for Khalil Ramal (Candidate) to provide documentation on donation refund and contact information for Sil Palumbo (Contributor); and
- c) the City Clerk BE DIRECTED to provide notice to the Contributor with the contact information from the Candidate.

it being noted that the Committee received a verbal submission from Khalil Ramal with respect to this matter.

**Motion Passed**

3.2 Request for Compliance Audit CAC-2022-L01-001 (K. Ramal)

C. Scrimgeour and A. Wright

That the following actions be taken with respect to the Application of Joseph Francis for Compliance Audit with respect to the 2022 Municipal Election candidacy of Khalil Ramal:

- a) the City Clerk BE DIRECTED to prepare a decision (attached) related to this matter that sets out the decision of the Municipal Election Compliance Audit Committee (Committee) to grant the Application and direct that an auditor be retained to carry out a compliance audit in accordance with the *Municipal Elections Act, 1996*; and
- b) the City Clerk BE DIRECTED bring forward to a future meeting of the 2022 Municipal Election Compliance Audit Committee a list of potential auditors qualified to undertake the above-noted compliance audit for the consideration and approval of the Committee;

it being noted that the Committee received a verbal submission from Khalil Ramal with respect to this matter.

**Motion Passed**

3.3 Request for Compliance Audit CAC-2022-L01-002 (A.M. Valastro)

A. Wright and C. Scrimgeour

The City Clerk BE DIRECTED to prepare a decision (attached) of the 2022 Municipal Election Compliance Audit Committee (Committee) with respect to the Application by John Fyfe-Millar for Compliance Audit (Application) of Anna Maria Valastro (Third Party Advertiser) that outlines the reasons for the Committee's decision to reject the Application and not order a compliance audit;

it being noted that the Committee thanked John Fyfe-Millar for bringing the matter forward to the Committee and his verbal presentation;

it being further noted the Committee received written and verbal submissions from Anna Maria Valastro and a verbal submission from John Fyfe-Millar with respect to this matter.

**Motion Passed**

A. Wright and C. Scrimgeour

That the 2022 Municipal Election Compliance Audit Committee (Committee) rise and go In Closed Session, for the purpose of deliberating with respect to the following matters pursuant to subsection 88.34(9.1) of the *Municipal Elections Act, 1996*:

- a) 2022 Municipal Election Clerk's Contribution Report - Sil Palumbo;
- b) Request for Compliance Audit - Khalil Ramal; and
- c) Request for Compliance Audit - Anna Maria Valastro.

**Motion Passed**

The Committee convenes In Closed Session, from 11:14 AM to 11:38 AM.

**4. Deferred Matters/Additional Business**

None.

**5. Adjournment**

A. Wright and C. Scrimgeour

That the meeting BE ADJOURNED.

**Motion Passed**

The meeting adjourned at 11:45 AM.

---

Andrew Wright, Chair

---

Dan Ross, Member

---

Christene Scrimgeour, Member



300 Dufferin Avenue  
P.O. Box 5035  
London, ON  
N6A 4L9

**NOTICE OF DECISION**  
**THE CORPORATION OF THE CITY OF LONDON**  
**COMPLIANCE AUDIT COMMITTEE**  
**established under Section 88.37 of the *Municipal Elections Act, 1996***

*IN THE MATTER OF an Application for Compliance Audit under section 88.33(1) of the Municipal Elections Act, 1996;*

*AND IN THE MATTER OF the City of London's Rules of Procedure for the 2018 Municipal Election Compliance Audit Committee in accordance with section 88.37(6) of the Municipal Elections Act, 1996;*

**Candidate:** Khalil Ramal  
**Applicant:** Joseph Francis  
**File No.** CAC-2022-L01-001  
**Meeting Date:** Wednesday, August 2, 2023 at 9:30 AM

**Meeting Location:** Committee Room #5 – 2<sup>nd</sup> Floor  
City Hall  
300 Dufferin Avenue  
London, Ontario N6B 1Z2

**DECISION**

**PURPOSE OF MEETING**

The purpose of the meeting was to consider a Compliance Audit Application submitted by Joseph Francis with respect to the 2022 City of London Municipal Election as it relates to the candidacy of Khalil Ramal.

This meeting was held in accordance with the provisions of the City of London's Rules of Procedure for the 2022 Municipal Election Compliance Audit Committee.

**DECISION**

After reviewing the Application and hearing oral submissions from the Candidate Khalil Ramal, it is the decision of the Compliance Audit Committee to grant the Application

and direct that an auditor be retained to carry out a compliance audit in accordance with the *Municipal Elections Act, 1996*.

## REASONS

The reasons for the decision are as follows:

1. Joseph Francis (the “**Applicant**”) has applied for a compliance audit of the election campaign finances of Khalil Ramal (the “**Candidate**”) in connection with his candidacy for the office of Mayor in the October 24, 2022 Municipal Election.
2. The Applicant confirmed, when completing his Application that he was entitled to vote in the 2022 Municipal Election and is therefore qualified to make this Application.
3. In the Applicant’s application (the “**Application**”), the Applicant asserts that he has reasonable grounds to believe that the Candidate contravened a provision of the *Municipal Elections Act, 1996*, (the “**Act**”) relating to election campaign finances.
4. The Candidate’s Form 4 Financial Statement required by section 88.25(1) of the Act is dated March 30, 2023 and was filed on March 31, 2023. It shows contributions received in the amount of 12,595.00 and total expenses subject to the spending limit incurred in the election campaign of \$41,722.01.
5. The Committee met to consider the Application on Wednesday, August 2, 2023. On July 20, 2023, notice of the time, place and purpose of the Committee’s meeting, including an agenda with a copy of the Application, was sent by registered mail to the Candidate at the address for the Candidate appearing on the Candidate’s Form 4 Financial Statement. The Candidate confirmed to the Committee that he received the notice.
6. As part of this July 20, 2023 notification, the Candidate was advised that, if he wished to make any written submissions to be included on the added agenda for this meeting, his written submissions were to be sent by e-mail before 9:00 AM Monday, July 31, 2023, to [elections@london.ca](mailto:elections@london.ca).
7. No such written submissions were received. At the August 2, 2023 Committee meeting, the Candidate appeared via video conference and made extensive oral submissions before the Committee.
8. The Applicant says that the Candidate’s Form 4 Financial Statement discloses a \$1,495.00 contribution by a person named Sil Palumbo in contravention of

subsection 88.9(1) of the Act. The maximum contribution permitted by subsection 88.9(1) of the Act is \$1,200.00. Clause 88.22(1)(o) of the Act imposes a duty on the candidate to return a contribution of money made or received in contravention of this Act as soon as possible after the candidate becomes aware of the contravention. The Applicant says he has reasonable grounds to believe that the Candidate received a contribution in contravention of the Act and retained it in contravention of the Act.

9. Clause 88.22(1)(g) requires a candidate to ensure that records are kept of
  - (i) the receipts issued for every contribution,
  - (ii) the value of every contribution,
  - (iii) whether a contribution is in the form of money, goods or services, and
  - (iv) the contributor's name and address.
10. The Candidate told the Committee that he returned the excess contribution by Sil Palumbo by cheque dated April 21, 2023. He has undertaken to provide as soon as possible a copy of the cheque and to confirm that it has cleared the bank.
11. The Candidate's Form 4 Financial Statement provides no addresses for any of the 27 contributors identified and, in two cases, provides no names. The Applicant says that the Candidate's Form 4 Financial Statement gives reasonable grounds to believe that the Candidate did not keep the records contemplated by clause 88.22(1)(g) of the Act.
12. The Candidate told the Committee that he would provide that information.
13. The Applicant says that the Candidate contravened the Act by failing to provide an auditor's report required by section 88.25(1) of the Act as part of the Candidate's Form 4 Financial Statement reflecting the Candidate's election campaign finances.
14. Section 88.25(8) of the Act provides an exemption from the auditor's report requirement if the total contributions received, and total expenses incurred in the election campaign are each equal to or less than \$10,000. From the information provided in the Candidate's Form 4 Financial Statement, this exemption does not apply.
15. Section 88.25(7) of the Act requires that the auditor's report be prepared by an auditor licensed under the *Public Accounting Act, 2004*. The prescribed Form 4 specifies that the auditor's report is to be attached to the Candidate's Financial Statement and is to be completed in accordance with generally accepted auditing

standards and must set out the scope of the examination and provide an opinion as to the completeness and accuracy of the financial statement and whether it is free of material misstatement.

16. What is attached to the Candidate's Form 4 Financial Statement is the following page:

Date: March 31, 2022

From: Salah Hassan

24 Gallant Place, Woodbridge, Ontario L4H 3W6

To; City of London, Ontario

Hi,

I am Salah Hassan a Chartered Professional Accountant Licensed by Professional Accountants of Canada, license number 2086643. According to the information provided by Mr. Khalil Ramal the Mayoral candidate for the City of London, Ontario for the year 2022 election, after examining the bank statement, donation expenses and Form 4, it appears to me that all the information are correctly entered in the Financial Statement - Auditor's Report candidate - Form 4n.

Best regards,

Salah Hassan, CPA

17. There is no signature on the page, and it is not on the business letterhead of an accounting practice.
18. From a Google Maps search, 24 Gallant Place in Woodbridge appears to be a single-family residence in the midst of a predominantly single-family residential subdivision north of Toronto.
19. The Applicant says that this unsigned page is entirely inadequate as an auditor's report for the purposes of complying with section 88.25(8) of the Act.
20. The Applicant says that the Candidate's Form 4 Financial Statement also discloses a number of contraventions of the Act relating to election expenses.
21. From 2003 to 2011 the Candidate was a member of the Legislative Assembly of Ontario for the riding of London-Fanshawe. He also ran federally in the same riding in 2014. The Candidate is not unsophisticated about rules and regulations around elections in Ontario.

### Decision and Reasons

22. A review of applicable case law has been instructive in both determining the role of the Committee and determining when an application should be granted. At this stage of the proceedings, the Committee acts primarily as a gatekeeper in determining whether an audit should be undertaken. It is a pre-investigatory stage and not a determination that the Candidate has contravened the Act in any way. The test is whether the Applicant, acting in good faith, has reasonable grounds to believe the Candidate contravened the Act. Once reasonable grounds have been found to exist, the Committee has limited discretion in deciding whether to order a compliance audit.
23. The Committee acknowledges the submissions of the Applicant in the Application and the submissions of the Candidate during the Committee's meeting on August 2, 2023, however, at this stage of the proceedings, the Committee is to serve in a gate-keeper function to see that municipal financial and other resources are deployed in the public interest or for some useful municipal purpose and it is not within the Committee's mandate or authority to weigh the evidence or decide which position is correct in law, but to determine whether the Applicant has reasonable grounds to believe the Candidate has contravened the Act.
24. That said, there must be credible evidence from the Applicant in support of reasonable grounds to warrant a publicly funded compliance audit; and the contraventions of the Act which the Applicant has reasonable grounds to believe have occurred must be substantive, not technicalities of *de minimus* consequence.
25. Based upon the information provided by the Applicant in his Application and by the Candidate at the August 2, 2023 Committee meeting, the Committee is satisfied that there are reasonable grounds for the Applicant to believe that the Candidate contravened the Act by not maintaining records of the names and addresses of contributors to his campaign. The Committee is also satisfied that the Applicant has reasonable grounds to believe that the March 31, 2022 unsigned page from Salah Hassan is not sufficient to qualify as an auditor's report as required by the Act and, therefore, that the Candidate's failure to provide such an auditor's report with his Form 4 Financial Statement is a contravention of the Act. This is not a mere technicality; a sufficient auditor's report is fundamental to the integrity of the Financial Statement. The Committee is of the opinion that an audit of the Candidate's election campaign finances is in the public interest and will serve the municipal purpose of confirming, or otherwise, compliance by the Candidate with the financial elements of the Act in the municipal election process. The Committee, therefore, grants the Application



and directs that an auditor be retained to carry out a compliance audit in accordance with the *Municipal Elections Act, 1996*.

26. The Applicant has raised other items in the Application dealing with the disclosure of election expenses. Those matters will be addressed during the compliance audit.
27. In the course of his submissions to the Committee on August 2, 2023, the Candidate undertook to provide certain documentation and information. The Committee immediately requires the documentation and information about the April 21, 2023 cheque payable to Sil Palumbo returning the excess contribution. The Candidate should reserve any other information and documentation for review by the compliance auditor.

ISSUED by The Corporation of the City of London Compliance Audit Committee at London, Ontario, on August 3, 2023.

Compliance Audit Committee

[Signed copy on file]

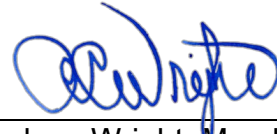
---

Dan Ross, Chair

[Signed copy on file]

---

Christene Scrimgeour, Member



---

Andrew Wright, Member



300 Dufferin Avenue  
P.O. Box 5035  
London, ON  
N6A 4L9

**NOTICE OF DECISION**  
**THE CORPORATION OF THE CITY OF LONDON**  
**COMPLIANCE AUDIT COMMITTEE**  
**established under Section 88.37 of the *Municipal Elections Act, 1996***

*IN THE MATTER OF an Application for Compliance Audit under section 88.33(1) of the Municipal Elections Act, 1996;*

*AND IN THE MATTER OF the City of London's Rules of Procedure for the 2022 Municipal Election Compliance Audit Committee in accordance with section 88.37(6) of the Municipal Elections Act, 1996;*

**Third Party :** Anna Maria Valastro  
**Applicant:** John Andrew Fyfe-Millar  
**File No.** CAC-2022-L01-002  
**Meeting Date:** Wednesday, August 2, 2023 at 9:30 AM

**Meeting Location:** Committee Room #5 – 2<sup>nd</sup> Floor  
City Hall  
300 Dufferin Avenue  
London, Ontario N6B 1Z2

**DECISION**

**PURPOSE OF MEETING**

The purpose of the meeting was to consider a Compliance Audit Application submitted by John Andrew Fyfe-Millar with respect to the 2022 City of London Municipal Election as it relates to the campaign finances of registered Third Party Anna Maria Valastro in relation to third party advertisements.

This meeting was held in accordance with the provisions of the City of London's Rules of Procedure for the 2022 Municipal Election Compliance Audit Committee.

## DECISION

Based upon the information provided by the Applicant in his Application and at the meeting and the information provided by the Third Party prior to the Committee meeting held on August 2, 2023 and her comments at the Committee meeting, and considering the public interest, useful municipal purpose, and the provisions of the *Municipal Elections Act, 1996*, it is the decision of the Compliance Audit Committee to reject the Application and not to order a compliance audit in accordance with the Act.

## REASONS

The reasons for the decision are as follows:

1. John Andrew Fyfe-Millar (the “**Applicant**”) has applied for a compliance audit of the election campaign finances of Anna Maria Valastro (the “**Third Party**”) in connection with the October 24, 2022 Municipal Election in London. Anna Maria Valastro registered as a Third Party for that Municipal Election.
2. The Applicant confirmed that he was entitled to vote in the 2022 Municipal Election and is therefore qualified to make this Application.
3. In the Applicant’s application (the “**Application**”), the Applicant asserts that he has reasonable grounds to believe that the Third Party contravened a provision of the *Municipal Elections Act, 1996*, (the “**Act**”) relating to election campaign finances.
4. The Committee met to consider the Application on Wednesday, August 2, 2023. On July 20, 2023, notice of the time, place and purpose of the Committee’s meeting, including an agenda with a copy of the Application, was sent by registered mail to the Third Party.
5. As part of this July 20, 2023 notification, the Third Party was advised that, if she wished to make any written submissions to be included on the added agenda for this meeting, her written submissions were to be sent by e-mail before 9:00 AM Monday, July 31, 2023, to [elections@london.ca](mailto:elections@london.ca).
6. The Third Party’s submissions were received, and the Third Party appeared before the Committee in person on August 2, 2023.
7. Subsection 88.29(1) of the Act requires that a registered third party file with the clerk of the municipality a financial statement and auditor’s report, each in the prescribed form, reflecting the registered third party’s campaign finances in relation to third party advertisements.

8. Subsection 88.29(6) of the Act provides that no auditor's report is required if the total contributions received, and total expenses incurred in the registered third party's campaign in relation to third party advertisements during an election in the municipality up to the end of the relevant period are each equal to or less than \$10,000.
9. The Third Party prepared a Financial Statement dated March 28, 2023 and filed it with the City on March 29, 2023. That Financial Statement says that the Third Party received no contributions and that the Third Party spent \$50.00 on brochures/flyers and contributed to the campaigns of a candidate for mayor (\$600.00) and a candidate for councillor for Ward 13 (\$22.00). This is well below the subsection 88.29(6) criteria for requiring that an auditor's report be provided with the Financial Statement.
10. The Committee makes several observations about the Third Party's Financial Statement. It is doubtful that contributions to municipal election candidates' election campaigns are to be regarded as expenses incurred in relation to the third party advertisements during an election. While the Third Party's Financial Statement says that she received no contributions, it is clear that her third party advertisement activity was self-financed so, whatever she spent on third party advertisements, should have been reported as contributions in money from the third party registrant.
11. At bottom, this case is about a \$50.00 bundle of brochures. To put that in perspective, considerably more than that has been incurred by the City convening and then holding the August 2, 2023 meeting of the Committee.
12. The Third Party has sought to do the right thing by registering as a third party and by filing a financial statement. But she got some things wrong.
13. The Applicant complains that the Third Party used the wrong form of financial statement. He says there is a discrepancy between the donation amount reported in the financial statement and the amount reported in the recipient candidate's financial reporting. The Applicant says that the Third Party's \$50.00 worth of brochures did not include the information required by subsection 88.5(1) of the Act.
14. The form issue raised by the Applicant is that the form of Financial Statement filed by the Third Party is in Form 4, which is the prescribed form for Candidates, not Third Parties who are required to use Form 8 for their Financial Statement filing.
15. The Committee has examined the two prescribed forms. Much of the information to be provided is the same. A significant substantive difference is that Form 8

- requires Third Parties to list in Table 4 the names and addresses of monetary contributions from corporations or trade unions. Candidates are not permitted to receive contributions from corporations or trade unions, so this is not part of the Form 4 Financial Statement. In this case, the Financial Statement provided by the Third Party discloses that she received no contributions from any source. Technically, because the Third Party self-funded her expenses for third party advertisement, whatever was spent was contributed by the Third Party herself.
16. The Applicant was asked to identify what information would be produced had the Third Party used the Form 8 Financial Statement which was not provided in the Form 4 Financial Statement which she prepared and filed. He could not identify anything which he thought would come out of a Form 8 Financial Statement that was not provided in the Third Party's Form 4 Financial Statement.
  17. The Third Party told the Committee that she used Form 4 because City staff told her to use that form. The Third Party produced communication for the City to third party registrants which specifically provides for financial statement filing on Form 4.
  18. The Applicant says that the Third Party's Financial Statement shows a contribution of \$600.00 to mayoralty candidate Dan Lenart whereas the Applicant says that the Financial Statement filed by Mr. Lenart shows a contribution of \$135.00 from the Third Party. Neither amount exceeds the \$1,200.00 limit an individual can make to a candidate's election campaign. Regardless of which amount is accurate, the Committee agrees with the Applicant that cash contributions to municipal election candidates' election campaigns are not to be regarded as expenses incurred in relation to third party advertisements during an election. The Third Party told the Committee that she was not sure if her financial contributions to candidates in the election should be included as expenses on her financial statement reporting. The Third Party asked City staff for guidance and received none. Out of an abundance of caution, the Third Party included the contributions as expenses.
  19. The Applicant also complains that Third the Party failed to comply with section 88.5 of the Act in that she did not include on the brochures she distributed the information required by subsection 88.5(1) of the Act. That subsection requires that a third party advertisement is to contain the name of the registered third party, the municipality where the registered third party is registered and a telephone number, mailing address or email address at which the registered third party may be contacted regarding the advertisement.
  20. The Third Party said she put an e-mail address on the brochures which did not include her personal information; she did this for security reasons. The e-mail

address would allow anyone interested or wanting to ask questions to reach her for that purpose.

21. In his Application, the Applicant says the Third Party has failed to comply with sections 88.26, 88.27, 88.28, 88.29 and 88.5 of the Act. Except as specifically mentioned above, the Applicant has provided no particulars of the contraventions about which he is referring.

### **Decision and Reasons**

22. A review of applicable case law has been instructive in both determining the role of the Committee and determining when an application should be granted. At this stage of the proceedings, the Committee acts primarily as a gatekeeper in determining whether an audit should be undertaken. It is a pre-investigatory stage and not a determination that the Candidate has contravened the Act in any way. The test is whether the Applicant, acting in good faith, has reasonable grounds to believe the Candidate contravened the Act. Once reasonable grounds have been found to exist, the Committee has limited discretion in deciding whether to order a compliance audit.
23. The Committee acknowledges the submissions of the Applicant and the Third Party, however, at this stage of the proceedings, the Committee is to serve in a gate-keeper function to see that municipal financial and other resources are deployed in the public interest or for some useful municipal purpose and it is not within the Committee's mandate or authority to weigh the evidence or decide which position is correct in law, but to determine whether the Applicant has reasonable grounds to believe the Third Party has contravened the Act.
24. That said, there must be credible evidence from the Applicant in support of reasonable grounds to warrant a publicly funded compliance audit; and the contraventions of the Act which the Applicant has reasonable grounds to believe have occurred must be substantive, not technicalities of *de minimus* consequence.
25. Based upon the information provided by the Applicant in his Application and at the meeting and the information provided by the Third Party prior to the meeting and then at the Committee meeting held on August 2, 2023, the Committee is satisfied that the issues raised by the Application are, in this case, technicalities of negligible consequence with respect to a \$50.00 expenditure by the Third Party of her own funds for brochures.
26. The Committee has concluded that, considering the public interest, useful municipal purpose, and the provisions of the Act, there are no credible, reasonable grounds that justify a publicly funded compliance audit of the Third

DECISION  
Fyfe-Millar/Valastro

Page 6

Party's campaign finances in relation to her third party advertisements. It is, therefore, the decision of the Committee to reject the Application and not to order a compliance audit in accordance with the Act.

ISSUED by The Corporation of the City of London Compliance Audit Committee at London, Ontario, on August 3, 2023.

Compliance Audit Committee

[Signed copy on file]

---

Dan Ross, Chair

[Signed copy on file]

---

Christene Scrimgeour, Member



---

Andrew Wright, Member