

Report to Infrastructure and Corporate Services Committee

To: Chair and Members
Infrastructure and Corporate Services Committee
From: Michael Schulthess, City Clerk
Subject: Municipal Election Compliance Audit Committee
Date: March 23, 2026

Recommendation

That, on the recommendation of the City Clerk, the following actions be taken with respect to the 2026 Municipal Election Compliance Audit Committee:

- a) the proposed by-law, appended to the report dated March 23, 2026 as Appendix 'A' **BE INTRODUCED** at the Municipal Council meeting to be held on March 31, 2026 to establish a Municipal Election Compliance Audit Committee for the 2026 Municipal Election in accordance with section 88.37 of the *Municipal Elections Act, 1996*, as amended; and
- b) the proposed by-law as appended to the staff report dated March 23, 2026 as Appendix 'B' **BE INTRODUCED** at the Municipal Council meeting to be held on March 31, 2026 to approve the appointments to the Municipal Election Compliance Audit Committee for the 2026 Municipal Election in accordance with section 88.37 of the *Municipal Elections Act, 1996*, as amended.

Executive Summary

The purpose of this report is to establish a 2026 Municipal Election Compliance Audit Committee for the next term of Council and to approve the appointments to the 2026 Municipal Election Compliance Audit Committee in accordance with section 88.37 of the *Municipal Elections Act, 1996*.

Analysis

1.0 Background Information

1.1 Previous Reports on this Matter

August 22, 2022 – Corporate Services Committee – [Municipal Compliance Audit Committee](#)

February 20, 2018 – Corporate Services Committee – [Municipal Election Compliance Audit Committee](#)

February 4, 2014 – Corporate Services Committee – [Municipal Election Compliance Audit Committee](#)

1.2 Background

In accordance with subsection 88.37 (1) of the *Municipal Elections Act, 1996* (the "MEA"), the municipality must establish a Municipal Election Compliance Audit Committee (the "Committee") before October 1 in an election year. Each term of Council, a new Municipal Election Compliance Audit Committee must be appointed by Council to consider any applications for compliance audits for the 2026 municipal election and any subsequent by-elections during the 2026-2030 term of Council. The powers and functions of the Committee are provided under the MEA.

2.0 Discussion and Considerations

2.1 Legislation – Committee Composition and Requirements

The following summarizes the requirements as set out in section 88.37 of the MEA for the establishment of a Municipal Election Compliance Audit Committee:

- mandatory establishment by all municipalities and local boards;
- must be established before October 1 of an election year;
- the Committee must have a minimum of three members and not more than seven members;
- the Committee shall not include:
 - employees or officers of the municipality or local board;
 - members of the Council or local board;
 - any persons who are candidates in the election for which the Committee is established; and
 - any persons who are registered third parties in the municipality in the election for which the Committee is established;
- a person who has such qualifications and satisfies such eligibility requirements as may be prescribed is eligible for appointment;
- in appointing persons to the Committee, the council or local board shall have regard to the prescribed eligibility criteria;
- the term of office is the same term of office of the council or local board that takes office following the next regular election; and
- the City Clerk shall establish administrative practices and procedures for the Committee and shall carry out any other duties required under the MEA to implement the Committee's decisions.

Additionally, the City Clerk must review the contributions made to a candidate or third party advertiser's campaign and forward a report to the Committee identifying any contributor whose contributions appear to exceed the maximum contribution limits prescribed by the MEA, and the amount of the excess contributions.

2.2 Legislation – Application and Audit Process

In accordance with subsections 88.33 (1) and subsection 88.35 (1) of the MEA, an elector who is entitled to vote in an election in a municipality and believes on reasonable grounds that a candidate or registered third party has contravened a provision of the MEA relating to campaign finance may apply for a compliance audit of the candidate or registered third party advertiser's campaign finances.

To apply for a compliance audit of a councillor candidate, mayoral candidate, or registered third party advertiser an eligible elector must file an application and any supporting documents to the City Clerk's Office by the required deadline. The application must be made in writing to the City Clerk and include the reasons for the elector's belief that the candidate has contravened the MEA.

An eligible elector may apply for a compliance audit of the candidate or registered third party's election campaign finances so long as the application is made within 90 days after the latest of:

- a) the filing date under section 88.30 of the MEA;
- b) the date the candidate or registered third party filed a financial statement, if the statement was filed within 30 days after the applicable filing date under the MEA;
- c) the supplementary filing date, if any, under section 88.30 of the MEA;

- d) the date on which the candidate 's extension, if any, under subsection 88.23(6) of the MEA expires, or
- e) the date on which the registered third party's extension, if any, under subsection 88.27(3) of the MEA expires.

In relation to the 2026 Municipal Election, the City Clerk must receive the compliance audit application by the following dates:

- a) initial financial filing deadline of March 25, 2027, the City Clerk must receive the compliance audit application form by June 28, 2027;
- b) supplementary financial filing deadline of September 23, 2027, the City Clerk must receive the compliance audit application form by December 23, 2027; and
- c) financial statements filed during the 30-day grace period or a court-ordered extension, the City Clerk must receive the compliance audit application within 90 days of the extension filing date.

If the Committee grants a compliance audit application, it will appoint an auditor to conduct a compliance audit of the applicable campaign finances. The auditor is entitled to have access to all the financial records related to the associated campaign. The auditor will produce a report, which the candidate or registered third party is entitled to receive.

The Committee will meet to consider the auditor's report. If the report concludes that there is an apparent contravention of the MEA the Committee will decide whether to commence legal action.

The City Clerk does not accept compliance audit applications for school board trustee candidates: these must be submitted to the relevant school board.

2.3 Contributions

The MEA requires the City Clerk to review the contributions reported on the financial statements of candidates and third party advertisers filed in accordance with sections 88.25 and 88.29, respectively, to determine if any contributor appears to have exceeded the prescribed contribution limits. The City Clerk must prepare a separate report for each contributor who appears to have exceeded a contribution limit. In the case of a candidate for municipal council or a third party advertiser, the City Clerk must submit the report to the Committee. In the case of a candidate for school board trustee, the City Clerk submits the report to the secretary of the local board. The Committee holds a meeting to consider the City Clerk's report and decide whether to commence a legal proceeding against the contributor for the apparent contravention.

The meetings of the Committee shall be open to the public and reasonable notice of the meetings shall be given to the contributor, the City Clerk or secretary of the local board, the candidate, contributor, third party advertiser and the public.

2.4 The Committee

The MEA requires the Municipal Election Audit Committee to be appointed by October 1, 2026. The proposed Terms of Reference, attached as Schedule 1 to Appendix "A", provide for a 2026 Municipal Election Compliance Audit Committee composed of five (5) members.

It is important that the 2026 Municipal Election Compliance Audit Committee members possess an in-depth knowledge of the campaign finance rules of the MEA so that they can make independent decisions on the merits of the applications. A Committee composed of professionals such as auditors, accountants, lawyers, academics and

other individuals having a familiarity with municipal election campaign financing rules is recommended and best practice.

2.5 Appointments to the Committee

The Civic Administration is recommending that Karen Hulan, Leslie Jack, Dan Ross, Christene Scrimgeour and Andrew Wright be appointed to the Municipal Election Compliance Audit Committee being established for the 2026 Municipal Election.

All five (5) recommended appointees meet the membership criteria identified in the Terms of Reference for the Committee, which are as follows:

- a) accounting and audit – accountants or auditors with experience in preparing or auditing the financial statements of municipal candidates;
- b) academic – college or university professors with expertise in political science or local government administration;
- c) legal profession with experience in municipal law, municipal election law or administrative law;
- d) professionals who in the course of their duties are required to adhere to codes or standards of their profession which may be enforced by disciplinary tribunals; and
- e) other individuals with knowledge of the campaign financing rules of the MEA.

Members of Council, employees or officers of the municipality or local board, any person who are registered third parties in the municipality in the election for which the Committee is established or any persons who are candidates in the election for which the Committee is established are not eligible to be appointed to the Committee, pursuant to clause 88.37(2) of the MEA.

All five (5) individuals have expressed interest in being appointed to the Committee for the 2026 Municipal Election. The individuals have provided a summary of their qualifications which are attached as Appendix 'C' to this report.

2.6 Penalties

The Committee does not have any authority to set penalties. Only the court can decide if a candidate, contributor or registered third party contravened the MEA and, if so, which penalties should apply.

A person who does not want to or who is not able to apply for a compliance audit may decide to commence legal action on their own. A prosecution related to the 2026 election must commence before November 15, 2030.

If a person is convicted of an offence, they may be subject to the following penalties:

- a fine of up to \$25,000
- ineligibility to vote or run in the next general election
- up to six months in prison
- forfeiture of elected office, if the judge finds that they committed the offence knowingly

If a corporation or trade union is convicted of committing an offence, they may be subject to a fine of up to \$50,000, and ineligibility to register to be a third party advertiser until after the next regular election.

If a candidate or registered third party is convicted of exceeding the spending limit, they may also be fined the amount by which they exceeded the limit.

Financial Considerations

The municipality is responsible for any costs resulting from the review of applications submitted to the Committee. These costs include:

- Committee members' honorarium, per member, per meeting;
- auditor's costs to perform an audit;
- costs related to the Committee's operations and activities;
- legal costs related to an appeal to the Ontario Court of Justice with respect to a decision of the Committee; and
- legal costs to undertake legal action against the candidate for violations of the elections finance provisions of the MEA.

Factors involved in determining the Committee's costs include the number of compliance audit applications that are received, the number of meetings that are required to be held, and the complexity of the audits that need to be conducted. It is therefore difficult to pre-determine the costs that will result from the establishment of the Committee's process, as the number of applications to be submitted are unknown in advance. The Elections Reserve has been identified as the source of financing for the operational expenses of the Committee and has been budgeted accordingly.

The Civic Administration recommends compensation for members of the Municipal Election Compliance Audit Committee (2026–2030) to be \$400 per meeting attended, including any orientation meeting(s) that may be held, with no additional compensation for mileage.

Conclusion

The City Clerk recommends that the attached proposed by-laws be introduced at the Municipal Council meeting to be held on March 31, 2026 in accordance with section 88.37 of the *Municipal Elections Act, 1996*.

Prepared by: Liridona Rafuna, Manager, Elections, Strategic Integration & Policy

Submitted by: Sarah Corman, Deputy City Clerk

Recommended by: Michael Schulthess, City Clerk

Appendix 'A' – By-law to Establish the 2026 Municipal Election Compliance Audit Committee

Bill No.
2026

By-law No.

A by-law to establish the 2026 Municipal Election Compliance Audit Committee in accordance with section 88.37 of the *Municipal Elections Act, 1996*, as amended.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, as amended, provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS section 88.37 of the *Municipal Elections Act, 1996*, as amended, requires council to establish a compliance audit committee;

AND WHEREAS this by-law and the Terms of Reference attached hereto as Schedule 1 comply with section 270 of the *Municipal Act, 2001*, as amended, and Council Policy By-law A.-6151-17, with respect to the manner in which the municipality will try to ensure that it is accountable to the public for its actions and the manner in which the municipality will try to ensure that its actions are transparent to the public;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The attached Terms of Reference (Schedule 1) to establish the 2026 Municipal Election Compliance Audit Committee be adopted.
2. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on March 31, 2026 subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – March 31, 2026
Second Reading – March 31, 2026
Third Reading – March 31, 2026

Schedule 1 – TERMS OF REFERENCE

2026 MUNICIPAL ELECTION COMPLIANCE AUDIT COMMITTEE

1. Name

- 1.1 The name of the Committee is the “2026 Municipal Election Compliance Audit Committee”.

2. Term of the Committee

- 2.1 The term of the Committee shall be from November 15, 2026 to November 14, 2030.

3. Meetings

- 3.1 The Committee will meet as needed, with meetings to be scheduled by the City Clerk or their designate when a compliance audit application is received.

4. Mandate

- 4.1 The Committee is required to act in accordance with the powers and obligations set out in the *Municipal Elections Act, 1996*, as amended (the “MEA”). The Committee will be required to:
- a) consider a compliance audit application received from an elector that a candidate or a registered third party has contravened provisions of the MEA relating to election campaign finances and determine whether it should be granted or rejected;
 - b) if the application is granted, the committee shall appoint an auditor to conduct a compliance audit;
 - c) receive the auditor’s report;
 - d) consider the auditor’s report and if the report concludes that the candidate or registered third party appear to have contravened a provision of the MEA relating to election campaign finances, the committee may commence legal proceedings against the candidate or third party for the apparent contravention; and
 - e) consider the report(s) of the City Clerk identifying each contributor to a candidate for office on a council or a registered third party who appears to have contravened any of the contribution limits under section 88.9 or 88.13 of the MEA and decide whether to commence a legal proceeding against a contributor for an apparent contravention.

5. Composition

- 5.1 The Committee will be composed of five (5) members, with membership drawn from the following groups:
- a) accounting and audit – accountants or auditors with experience in preparing or auditing the financial statements of municipal candidates;
 - b) academic – college or university professors with expertise in political science or local government administration;
 - c) legal profession with experience in municipal law, municipal election law or administrative law;
 - d) professionals who in the course of their duties are required to adhere to codes or standards of their profession which may be enforced by disciplinary tribunals; and,

- e) other individuals with knowledge of the campaign financing rules of the MEA.
- 5.2 Members of Council, employees or officers of the municipality or local board, any persons who are registered third parties in the municipality in the election for which the committee is established or any persons who are candidates in the election for which the Committee is established are not eligible to be appointed to the Committee, pursuant to clause 88.37(2) of the MEA.
- 5.3 Further, an individual shall be deemed ineligible to be a member of the Committee if they prepare the financial statements of any candidate or registered third party running for office on Municipal Council during the term for which the Committee has been established.
- 5.4 The following persons are ineligible for appointment:
- a) employees or officers of any of the participating bodies;
 - b) a member of council or of a local board of any of the participating bodies;
 - c) any persons who are candidates in an election of any of the participating bodies for which the Committee is established; or
 - d) any persons who are registered third parties in an election of any of the participating bodies for which the Committee is established.
- 5.5 Should an appointed Committee Member accept employment with 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.
- 5.6 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.
- 5.7 If a person recommended or appointed 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 a Member with respect to a compliance audit application within the applicable participating body where the participation or contribution to a campaign or registered third party occurred.

6. Conflicts

- 6.1 Conflicts of pecuniary interest arise when Members may financially benefit, directly or indirectly, from their membership on the Committee. Such involvements include, but are not limited to:
- a) Members being employed by or doing business with the Affected Party Members' immediate family being the Affected Party or employed by or doing business with the Affected Party;
 - b) Members' business associates being the Affected Party or employed by or doing business with the Affected Party; or
 - c) a conflict of interest may be an actual or perceived conflict of pecuniary interest. The same duty to disclose applies to each. The pecuniary interests of a Member's immediate family or business associate are considered to also be the pecuniary.

7. Appointment Process

- 7.1 Members shall be appointed by Municipal Council By-law.

7.2 Members will be recommended by the City Clerk for appointment based on the following:

- a) demonstrated knowledge and understanding of municipal election campaign financing rules and knowledge of the MEA and related regulations;
- b) proven analytical and decision-making skills;
- c) experience working on a committee, administrative tribunal, task force or similar setting;
- d) availability and willingness to attend meetings; and
- e) oral and written communication skills.

7.3 Any vacancies which arise after November 15, 2026 may be filled by Council, through the Infrastructure Corporate Services Committee.

8. Compensation

8.1 Members shall receive an honorarium of \$400 per meeting, to be funded from the Election Reserve.

9. Conduct of Members

9.1 Members of the Committee shall comply and conduct themselves in accordance with the Municipal Election Compliance Audit Committee Rules of Procedure and Code of Conduct for Local Boards.

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

10. Administrative Practices and Procedures

10.1 The Terms of Reference and Municipal Election Compliance Audit Committee Rules of Procedure shall constitute the Administrative Practices and Procedures of the Committee.

10.2 Any responsibilities not clearly identified within these Terms of Reference shall be in accordance with sections 88.33 to 88.37 of the MEA.

10.3 The City Clerk has the right to establish additional administrative practices and procedures for the Committee at any time and shall carry out any other duties required under the MEA to implement the Committee's decisions.

11. Funding

11.1 Administrative costs for such items as printing and mailing will be absorbed within the City Clerk's Operating Budget.

11.2 Costs related to the retention of an auditor will be funded from the Election Reserve.

11.3 Costs incurred as a result of a decision of the Committee being challenged to the Superior Court of Justice shall be funded from the Election Reserve, and Members shall be indemnified.

APPENDIX 'B' – Appointment By-law

Bill No.
2026

By-law No.

A by-law to approve the appointments to the Municipal Election Compliance Audit Committee for the 2026 Municipal Election in accordance with section 88.37 of the *Municipal Elections Act, 1996*, as amended.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 88.37 of the *Municipal Elections Act, 1996*, as amended, requires Council to establish a Compliance Audit Committee;

AND WHEREAS the Council of The Corporation of the City of London wishes to appoint Karen Hulan, Leslie Jack, Dan Ross, Christene Scrimgeour and Andrew Wright to the Municipal Election Compliance Audit Committee for the 2026 Municipal Election;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. Karen Hulan, Leslie Jack, Dan Ross, Christene Scrimgeour and Andrew Wright be hereby appointed to the Municipal Election Compliance Audit Committee for the 2026 Municipal Election for the term commencing November 15, 2026 and ending November 14, 2030.
2. This by-law comes into force and effect on the day it is passed.

PASSED in Open Council on March 31, 2026 subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First reading – March 31, 2026
Second reading – March 31, 2026
Third reading – March 31, 2026

APPENDIX 'C' – Summary of Qualifications

Karen Hulan

Karen Hulan is a Partner with Beckett Personal Injury Lawyers in London. She has been practicing in the areas of personal injury and insurance law since 2003. In her practice, Karen represents clients in court and in provincial and federal tribunals.

Karen is an elected Lawyer Bencher with the Law Society of Ontario where she chairs the Tribunal Committee and co-chairs the Futures Committee. She also serves as Vice-Chair of the Hearing Division of the Law Society Tribunal, adjudicating matters in both the hearing and appellate divisions. The Law Society Tribunal renders decisions in regulatory cases between the Law Society and Ontario's lawyers and paralegals.

Karen has volunteered in many legal and community organizations in London and Ontario and was the President of the Middlesex Law Association where she served as a Board Trustee for several years. She has authored and presented legal papers and been a guest speaker at a variety of legal associations' events.

Leslie Jack

Leslie Jack is a lawyer practicing at Shillington McCall LLP. Leslie holds a Bachelor of Laws (LL.B.) from the University of Toulouse 1 Capitole in France and two Master of Laws (LL.M.) degrees from the University of Ottawa and Osgoode Hall Law School. Her legal practice focuses on insurance defence, including accident benefits, breach of fiduciary duty, and tort litigation.

She has worked with regulatory bodies and major insurance companies, with experience in investigations, regulatory compliance, and regulatory litigation. Leslie also serves as a Professor in the School of Public Safety at Fanshawe College.

Committed to community service and the legal profession, Leslie is a Board Trustee of the Middlesex Law Association and Leads Employment. She is also a member of the Canadian Black Lawyers Association, L'Association des juristes d'expression française de l'Ontario, and the Canadian Defence Lawyers Association.

Dan Ross

Dan Ross is a retired London lawyer and local business owner who has served on many community organizations, including the London Health Sciences Foundation and the Richard Ivey School of Business. He continues to be strongly engaged in various local volunteer opportunities. Dan has also served as a Commissioner on Ontario's Health Services Restructuring Commission and as Chair of the Council Compensation Review Task Force.

In addition to his legal and business expertise, Dan has diverse skills covering such areas as Planned Giving, Stewardship, Fundraising, Annual Giving, Event Management, Philanthropy, Volunteer Management, Strategic Planning, Non-profits, Leadership, Coaching, Event Planning Community Development, Community Outreach, Grant Writing, Strategic Communications, Media Relations, Leadership Development, Public Relations, Public Speaking, Board Development, Prospect Research, Corporate Communications and Marketing Communications.

Christene Scrimgeour

Christene Scrimgeour is managing partner of Scrimgeour & Company CPA, Professional Corporation. The firm was established in 1998 and currently audits eleven municipalities in Southwestern Ontario, as well as many not-for-profit organizations, registered charities and foundations. In addition, the firm provides extensive tax, accounting and advisory services.

Christene's professional activities include teaching A.M.C.T.O. courses and delivering speeches at various municipal functions. She attends Municipal Finance Officers Association's (MFOA) annual conference and CPA Ontario PSAB courses.

Christene is a member of CPA Ontario's Practice Inspection Committee and past founding member of CPA Ontario's Small Practice Committee.

Andrew Wright

Andrew Wright is a London lawyer who has practiced municipal and environmental law since his call to the Bar in 1973. He is a partner with Siskinds LLP. Andrew is an Acting Referee under the Drainage Act. He is a member of a number Audit Compliance Committees in Middlesex and Elgin Counties.