

Chris Wray

Partner

1894 Lasalle Blvd.
Sudbury, ON P3A 2A4

Tel. 705-914-0551

Fax. 705-806-4000

cwray@e4m.solutions

The Corporation of the United Townships of Head, Clara & Maria
15 Township Hall Road
Stonecliffe, Ontario, Canada
K0J 2K0

Via Email - Melinda Reith- hcmclerkmreith@gmail.com

July 5, 2017

Attention: Ms. Melinda Reith – CAO / Clerk

Dear Ms. Reith:

Re: Election Compliance Audit Committee Proposal

On behalf of Expertise for Municipalities (E⁴m), I would like to take this opportunity to provide you with an opportunity that we think will assist the members of your Clerk's group during the upcoming municipal election; more specifically on the subject of Election Compliance Audit Committee's or CAC's.

While our proposal is specific to Election Compliance Audit Committees, we have taken the liberty of providing a bit of a re-cap to the recent changes to the Municipal Elections Act; including Election Compliance Audit Committees. It is attached as Appendix "B" to this proposal.

About E⁴m

We are a group of likeminded thinkers that recognized the municipal sector in rural Northern Ontario is underserved with respect to training and municipally related services. We also recognized that this same part of the sector lacks the capacity (human and financial) to execute practices necessary to comply with legislation and good governance. To that end, there was a desire to make a difference by giving back to the sector. To accomplish this, we incorporated Expertise for Municipalities (E⁴m) as a not-for-profit association (July 2017) to empower excellence in small municipalities.

E⁴m believes in the following core principles:

- a) That by providing "on the ground" support services to small municipalities, in all aspects of the municipal operation, we can help municipalities with limited budgets and few staff succeed in delivering mandatory services;

- b) That by holding relevant conferences, meetings, or training sessions this segment of the municipal sector will be strengthened through the professional development of its elected officials, employees and volunteers;
- c) That by assisting small municipalities with preparing presentations to government and/or the private sector we can help them to deliver on and advocate for the municipal mandate;
- d) That by sharing information collected resulting from research carried out by E4m, municipalities can be better equipped to address issues and solve problems;
- e) That by promoting the principles of good municipal governance we can encourage municipalities to achieve strength and sustainability through sound governmental practices and public engagement; and
- f) That we can give back to the municipal sector by transferring knowledge and assisting to build capacity.

E⁴m is a network of municipal professionals with a wide array of competencies and experiences who have a passion and commitment to providing small municipalities with affordable professional services. Kindly see the attached Appendix “A” for the bios of our Partners and Affiliates.

Our Proposal

Appointment

Given the obvious increase in responsibilities and the ever increasing complexity of the municipal election paradigm, E4m is proposing that it be appointed the Compliance Audit Committee (CAC) for the municipalities represented in your group.

We recognize that you may already have bylaws and procedures in place, based on the *Municipal Elections Act, 1996* prior to the recent changes. We assume that you have worked together to update those bylaws and procedures to reflect the recent legislative changes. The appointed Committee members will function in accordance with the procedures and Terms of Reference of your Clerk’s Election Group and the *Municipal Elections Act, 1996*.

In keeping with the *Act*, we would propose that each of your member municipalities appoint a three (3) person committee consisting of Peggy Young-Lovelace, Theresa Cassan and Chris Wray, all representatives of E4m. We have included the written qualifications as an appendix to this

proposal and would suggest that each has specific and extensive knowledge in municipal elections either having conducted elections or compliance audits in the past. Collectively, we have over sixty (60) years of municipal experience in Ontario, ranging from municipal governance and operations to municipal auditing. This provides us with the range of knowledge to effectively deal with all the responsibilities of the CAC up to an including engaging an auditor licensed under the *Public Accounting Act, 2004* as required by legislation.

Meetings

All meetings will be conducted in the most cost effective manner. Therefore, we are proposing to hold all committee meetings electronically but in an open fashion and according to your election procedures.

We would suggest that committee participants would call into a central location where the Clerk would be present. The meeting would be advertised as an open public meeting so that the public could attend. The rules with respect to minutes and other matters would apply.

We recognize that electronic meetings are relatively new to the municipal sector and we have conducted some due diligence on this matter. The initial review by our legal firm indicates that the *Municipal Elections Act, 1996* does not state WHERE a meeting is to take place and does not say that the meeting must be in person.

In light of the direction in Bill 68 that the legislation is taking municipalities; re electronic council meetings, it makes sense that this would be consistent with that spirit.

Our suggestion is that the notice of the meeting be published well in advance of the meeting, that people be welcome to attend wherever you have the actual meeting but that you have a means to conduct the electronic meeting. This will keep the cost down for your members because the committee members won't have to be in the same location.

Finally we believe that the authority for this does rest with the Clerk which is supported by the *Act* as follows:

Section 88.37

Role of clerk or secretary

(6) The clerk of the municipality or the secretary of the local board, as the case may be, shall establish administrative practices and procedures for the committee and shall carry out any other duties required under this Act to implement the committee's decisions. 2016, c. 15, s. 66.

It will be important that both the applicant and the candidate be permitted to make presentations in the process.

We have provided a legal opinion on this subject and it has been included with this proposal.

Audit Firm

We have the services of the Joe Ruscio Professional Corporation available to us for the actual compliance audits. We would however suggest that it may be more cost effective that the committee work with the subject municipality and Clerk to appoint an appropriate audit firm to conduct the audit should the circumstances arise.

The Benefits

In our opinion we see three (3) specific benefits to appointing E4m as the CAC as follows:

1. Our fees are very cost effective. Of course we cannot predict additional costs for any audit or investigation; but we can say that a flat fee per meeting combined with no additional travel or accommodations is conducive to keeping costs reasonable.
2. E4m has a very significant knowledge base. We have over 60 years of municipal experience between us and this includes working in compliance audits, running elections and managing legal issues. This is in keeping with the spirit of the new legislation respecting that committee members should have qualifications that lend well to the process.
3. During any municipal election, the Clerk carries all the responsibility for ensuing the safeguarding of the election. This can be a stressful time and in most cases additional expertise or assistance can be comforting as Clerks manage the compliance audit committee process. E4m can provide that comfort and expertise thus removing a source of stress in the election process. Of course we would be available to provide guidance and answer any questions about the CAC as the election process unfolds.

Fees¹

E⁴m is proposing a flat rate fee of \$450 per meeting; inclusive of all committee members; mileage is included due to the electronic meeting process.

Costs with respect to legal fees (if necessary) and the engagement of an auditor licensed under the *Public Accounting Act, 2004*, would be the responsibility of any subject municipality in keeping with the *Act*.

Should any municipality require the attendance of the committee in its community, it would be responsible for travel time, mileage and accommodations at E4m rates.

Best Regards,



Chris Wray
Partner

¹ HST if applicable would be billed as necessary.