



The Corporation of the Township of Huron-Kinloss

Staff Report

Report Title: 2026 Election Joint Compliance Audit Committee

Date: Feb. 18, 2026

Report Number: CLK-2026-07

Department: Legislative Services

File Number: C11

Prepared By: Jennifer White, Manager of Legislative Services/Clerk

Attachments: None

Recommendation:

THAT the Township of Huron-Kinloss Council receive for information Report CLK-2026-07 prepared by Jennifer White, Manager of Legislative Services/Clerk.

Background:

Under the Municipal Elections Act, 1996 (MEA), municipalities must establish a Compliance Audit Committee (CAC) to review applications for audits of candidates or third-party advertisers campaign finances. The MEA requires the clerk of the municipality to establish administrative practices and procedures for the committee.

Joint Compliance Audit Committees (JCAC) with other lower-tier municipalities are permitted. The Clerks in the majority of Bruce County municipalities have decided to create the Joint Bruce County 2026 Election Compliance Audit Committee (Bruce County JCAC).

Recruitment for the uniquely skilled members of the Bruce County JCAC will be in March 2026. Recommendations of candidate appointments will be submitted to each participating municipality for consideration.

Discussion/Analysis/Overview:

By October 1 of an election year, the MEA requires each municipality to establish a Compliance Audit Committee and appoint members. The term for this committee aligns with Council from November 15th, 2026 to November 14th, 2030. The clerk of the municipality is required to establish the administrative practices and procedures for the committee, which includes the Terms of Reference and meeting procedures.

The role of a Compliance Audit Committee under the MEA is to review applications for audits of election candidate and third-party advertisers' campaign finances. If required, they will appoint an independent auditor who will examine all financial records related to the campaigns. Following a completed audit, the committee will review the audit, consider the findings and determine whether to initiate legal proceedings, if there has been a contravention of the MEA.

A JCAC was chosen for:

- cost savings in joint recruitment and training of members;
- a larger pool of members to limit the impacts of conflicts of interest;
- adherence to strict timelines for compliance audit applications, audit appointments, and report considerations, as a pool of members is being selected
- increase in public trust as the members are not chosen by a single municipality but instead by a group of municipalities who all follow standardized procedures.

Municipalities included in the Bruce County JCAC are:

- Municipality of Arran-Elderslie
- Municipality of Brockton
- Municipality of Kincardine
- Municipality of Northern Bruce Peninsula
- Municipality of South Bruce
- Town of Saugeen Shores
- Township of Huron-Kinloss

There are specific skills required from members of a compliance audit committee. Recruitment is intended to commence across the member municipalities in March 2026. This will include public advertising and contacting members of the existing committees. Many municipalities have appointed the same members currently, due to the limited number of potential candidates with the required skill set.

Committee members will be recruited from:

- a) accountants or auditors with experience in preparing or auditing the financial statements;
- b) legal professionals with experience in municipal or administrative law;
- c) 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/or
- d) other individuals with knowledge of the campaign financing rules of the Municipal Elections Act.

Pursuant to section 88.37 of the Act, the following are not eligible to be appointed to the Committee:

- a) members of Council or local board;
- b) employees or officers of the municipality or local board;
- c) any Candidates or any persons who are Registered Third Parties in the 2026 election or in any by-election during the term of Council for any member municipality;
- d) any persons who are registered third parties in the municipality in the election for which the Committee is established;
- e) any person who prepares the financial statements of any candidate running for office on Council or Third-Party Advertiser during the term for which the

Committee has been established would not be eligible for appointment to the Committee.

A selection committee, chosen from Clerks of member municipalities will promote, advertise and make recommendations for appointment to the Joint Bruce County 2026 Election Compliance Audit Committee. Recommended candidates will be submitted to the Council of each Member Municipality for consideration.

A pool of no more than seven members will be appointed by the member municipalities. Should a compliance audit application be filed, the Clerk of the municipality to which it applies, will select three (3) of the seven (7) members to form the CAC to review the application. The Clerk of the applicable municipality, or their delegate is required to act as the Secretary for the Committee and carry out any duties under the MEA required to implement the CAC decision.

A replacement may be appointed by the Clerk if a member is unavailable or cannot fulfill their duties, declares a conflict of interest or has resigned from the Committee.

Financial Impacts:

Per Section 88.37 (7) of the MEA, the member municipality that has had an application for a compliance audit, are responsible for all associated expenses in relation to the committee's operation and activities. This includes the auditor's costs and the remuneration of the three active committee members. This would be the same with a stand-alone CAC or JCAC; and is in alignment with our current practice. The funds would come from the Election Reserve if required.

Performance Measurement:

Compliance with legislative requirements.

Strategic Area:

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| <input type="checkbox"/> Embrace a thriving rural lifestyle | <input checked="" type="checkbox"/> Enhance Municipal Service Delivery |
| <input checked="" type="checkbox"/> Prepare for Inclusive Growth | <input checked="" type="checkbox"/> Ensure Financial Stability |

Strategic Goal: Not applicable

Respectfully Submitted By:

Jennifer White, Manager of Legislative Services/Clerk

Report Approved By:

Jodi MacArthur, Chief Administrative Officer