

**THE CORPORATION OF THE TOWN OF GREATER NAPANEE
BY-LAW NO. 2026-0067**

**Being a By-law to Appoint a Joint Compliance Audit Committee and to Adopt
Terms of Reference for the 2026 Municipal Election**

WHEREAS municipalities and school boards in Ontario are required by section 88.37 of the *Municipal Elections Act, 1996*, S.O. 1996, c.32, to establish a compliance audit committee prior to October 1 in an election year;

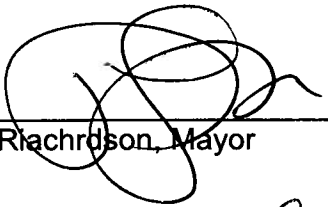
AND WHEREAS it is the responsibility of a compliance audit committee to consider compliance audit applications and reports from the Town Clerk relating to the campaign finances of candidates and registered third parties who participated in the 2026 Municipal Election or in any by-election that may occur during the 2026-2030 Term of Council;

AND WHEREAS the lower tier municipalities within the County of Lennox & Addington, being the Township of Addington Highlands, Township of Stone Mills, Loyalist Township and the Town of Greater Napanee, as well as the Limestone District Public School Board and Algonquin and Lakeshore District School Board, have collaborated on the recruitment of individuals for a Joint Compliance Audit Committee and deem it expedient to establish a Joint Compliance Audit Committee;

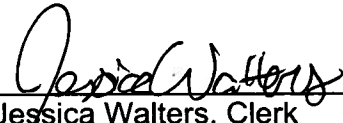
NOW THEREFORE the Council of The Corporation of the Town of Greater Napanee enacts as follows:

1. That a Joint Compliance Audit Committee is hereby established to deal with the matters provided for in Sections 88.33 to 88.36 of the *Municipal Elections Act, 1996*, S.O. 1996, c. 32.
2. That the Joint Compliance Audit Committee shall consist of the following individuals, who shall deal with each compliance audit request in accordance with the Terms of Reference attached hereto as Schedule "A":
 - Zachary S. Douglas
 - Martin Gravelle
 - Brian Hobin
3. That the business of the Joint Compliance Audit Committee shall be conducted in accordance with the Terms of Reference as set out in Schedule "A" attached hereto, which shall form part of this by-law.
4. That this by-law shall come into force on the date it is finally passed.

Read a first and second time and finally passed this 8th day of September, 2026.



Terry Richardson, Mayor

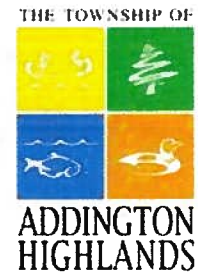


Jessica Walters, Clerk

By signing this by-law on 9 SEP 2026, I Mayor Richardson confirm that I will not exercise the power to veto this by-law and the by-law is deemed approved.



Schedule A to By-law No. 2026-0067



Terms of Reference for Joint Compliance Audit Committee Town of Greater Napanee, Loyalist Township, Township of Stone Mills Township of Addington Highlands, Limestone District School Board and Algonquin and Lakeshore District School Board

Terms of Reference

1. Definitions

"Act" means the Municipal Elections Act (MEA), 1996, S.O. 1996, c.32, as amended from time to time;

"Applicant" means an eligible elector who makes an application under Section 88.33(1) of the Act;

"Application" means an application for a compliance audit of a candidate or registered third party, accepted by the Clerk pursuant to Subsection 88.33(2) of the Act and using a form prescribed by the Clerk pursuant to the authority granted by Subsections 88.37(6), 12(1) and 12(2) of the Act;

"Auditor" means a Compliance Audit Committee-appointed auditor pursuant to Subsection 88.33(10) of the Act;

"Auditor's Report" means a report prepared by an auditor regarding the findings of an audit into the election campaign finances of a candidate or registered third party advertiser;

"Candidate" means the Candidate whose election campaign finances are the subject of an application;

"Clerk" means the Municipal Clerk or designate;

"Clerk's Report" is the report of the Clerk to a Sitting Committee that identifies each contributor to a candidate or registered third party who appears to have contravened any of the MEA contribution limits.

"Council" means the Council of each of the member municipalities;

"JCAC Committee" means the Joint Compliance Audit Committee for Town of Greater Napanee, Loyalist Township, Township of Stone Mills, Township of Addington Highlands Limestone District School Board and Algonquin and Lakeshore District School Board being a roster of no more than seven individuals recommended by the Selection Committee and appointed by each Member Municipality;

"Host Municipality" means the Member Municipality who convenes a Sitting Committee to consider a Clerk's Report or Application;

"Member Municipalities and School Boards" means all or some of the lower tier municipalities in Lennox & Addington County, Limestone District School Board and Algonquin and Lakeshore District School Board participating in the JCAC;

"Registered Third Party" means the individual, corporation or trade union whose notice of registration has been certified by the Clerk;

"Selection Committee" means the Clerks of four Member Municipalities;

2. Name

The name of the Committee is the "Joint Compliance Audit Committee" consisting of the following municipalities and School Boards:

- Township of Addington Highlands
- Township of Stone Mills
- Town of Greater Napanee
- Loyalist Township
- Limestone District School Board
- Algonquin and Lakeshore District School Board

3. Duration

The term of office is from November 15, 2026 to November 14, 2030 to deal with applications from the 2026 Municipal and School Board Election and any by-elections during Council's term.

4. Mandate

The powers and functions of the Committee are set out in Sections 88.33 and 88.34 of the *Municipal Elections Act, 1996* (Appendix "A"). The Committee will perform the functions relating to the compliance audit application process as outlined in the Act. These functions include:

Candidate Contravention

- a. within 30 days receipt of a compliance audit application by an elector, consider the application and decide whether it should be granted or rejected;
- b. give to the Candidate, the Clerk and the Applicant the decision of the Committee to grant or reject the application, and brief written reasons for the decision;
- c. if the application is granted, appoint a licensed auditor to conduct a compliance audit of the Candidate's election campaign finances;
- d. receive the Auditor's Report from the Clerk;
- e. within 30 days receipt of the Auditor's Report, consider the report;
- f. if the report concludes that the candidate appears to have contravened a provision of the Act relating to election campaign finances, decide whether to commence legal proceedings against the candidate for the apparent contravention;
- g. after reviewing the report, give to the Candidate, the Clerk and the Applicant the decision of the Committee, and brief written reasons for the decision.

Candidate Contributor Contravention

- a. within 30 days receipt of a report identifying each contributor to a candidate for office on a council who appears to have contravened any of the contribution limits, consider the report and decide whether to commence a legal proceeding against the contributor for an apparent contravention.
- b. after reviewing the report, give to the contributor and the Clerk the decision of the Committee, and brief written reasons for the decision.

Registered Third Party Contravention

- a. within 30 days receipt of a compliance audit application by an elector, consider the application and decide whether it should be granted or rejected;
- b. give to the Candidate, the Clerk and the Applicant the decision of the Committee to grant or reject the application, and brief written reasons for the decision;
- c. if the application is granted, appoint a licensed auditor to conduct a compliance audit of the Registered Third Party's campaign finances;
- d. receive the Auditor's Report from the Clerk;

- e. within 30 days receipt of the Auditor's Report, consider the report;
- f. if the report concludes that the Registered Third Party appears to have contravened a provision of the Act relating to campaign finances, decide whether to commence legal proceedings against the Registered Third Party for the apparent contravention;
- g. after reviewing the report, give to the Registered Third Party, the Clerk and the Applicant the decision of the Committee, and brief written reasons for the decision.

Registered Third Party Contributor Contravention

- a. within 30 days receipt of the report, consider the report;
- b. if the report concludes that the Contributor appears to have contravened a provision of the Act relating to campaign finances, decide whether to commence legal proceedings against the Contributor for the apparent contravention;
- c. after reviewing the report, give to the Contributor and the Clerk the decision of the Committee, and brief written reasons for the decision.

Auditor Selection

If the committee decides to grant the application, it shall appoint an auditor licensed under the *Public Accounting Act, 2004* to conduct a compliance audit of the Candidate's election campaign finances.

The selection process will be coordinated through the Clerk of the respective municipality.

5. Membership

The Committee shall be composed of at least three (3) voting members.

Membership will be drawn from the following groups:

- accounting and audit – accountants or auditors, preferably with experience in preparing or auditing the financial statements of municipal candidates;
- academic – college or university professors with expertise in political science or local government administration;
- legal; and
- other individuals with knowledge of the campaign financing provisions of the Act or experience with a formal hearing process.

Members will be required to participate in an orientation session as a condition of appointment.

6. Membership Selection

The terms of reference and application form will be posted, as a minimum, on the municipal websites of the member municipalities. In addition, public notice seeking applicants will be placed in local newspaper(s) and posted on municipal social media sites. Staff may also contact and solicit those individuals as set out under section 5 of the Terms of Reference.

All applicants will be required to complete an application form outlining their qualifications and experience. Staff may interview applicants who meet the selection criteria and prepare a short list of three voting members and three alternate members. Recommended candidates will be submitted to the Council of each member municipality for consideration.

Members will be selected based on the following:

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

Any members appointed must also agree in writing that they will not be a candidate or an individual who is a Registered Third Party in the current municipal election or in any by-election during the term of Council for any member municipality. Failure to adhere to this requirement will result in the individual being removed from the Committee.

7. Conflict of Interest

Members of Council, local boards and committees, municipal staff, registered third parties, contributors or candidates running for office in the municipal election in the Regional County of Lennox & Addington or any lower-tier municipality in the County of Lennox & Addington are not eligible to be appointed to the Committee. Should an appointed Member accept employment with any of the member municipalities or register as a candidate or third party with any of the member municipalities, their appointment shall be terminated.

Anyone who has participated as a candidate, registered third party or contributor in the member municipality elections, or who has conducted audits or provided financial advice in respect of such campaigns, shall be disqualified from participation on the Committee.

To avoid any potential conflict of interest, applicants with accounting or auditing backgrounds must agree in writing that they will not offer their services to any municipal election candidate or registered third party.

All members must 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 a lower-tier municipality in the County of Lennox & Addington, or a school board having jurisdiction in the County.

8. Staffing and Funding

The Clerk from the applicable member municipality shall act as Secretary to the Committee.

The member municipality requiring the services of the Committee shall be responsible for all associated expenses, including the auditor's costs.

Committee Member Remuneration

Those persons appointed to the JCAC will be paid a retainer of \$200.00 over the term of their appointment (costs will be shared equally by the Member Municipalities). The retainer shall cover attendance at a mandatory training session and review of periodic updates or information supplied by the Clerk of a Member Municipality. Payment of the retainer does not denote membership on any Sitting Committee.

Members will receive a \$100.00 per diem per meeting, plus current per kilometer travel rate of the applicable member municipality. The per meeting rate shall cover review of background or agenda materials as required in preparation for a meeting (costs will be borne by the Host Municipality).

9. Meetings and Procedures

Meetings of the Committee shall be conducted in accordance with the open meeting requirements of the provisions in the *Municipal Act, 2001*. However, deliberations of the Committee may be held in private. The websites of the member municipalities shall be utilized to communicate the meeting notices and agendas. Meetings will occur as needed and shall be conducted in accordance with the Compliance Audit Committee Rules of Procedure established by the Clerk.

Timing of Meetings

Meetings shall be called by the Clerk of the member municipality when required. The

date and time of the meeting will be determined by the Clerk and communicated directly to the Committee members. Subsequent meetings will be held at the call of the Chair in consultation with the Clerk.

Committee activity shall be determined primarily by the number and complexity of applications for compliance audits that may be received. The frequency and duration of meetings will be determined by the Committee in consultation with the Clerk.

Meeting Location

The Committee shall meet at the location determined by the member municipality.

Meeting Notices, Agendas & Minutes

The agenda shall constitute notice. The Clerk of the member municipality requiring the services of the Committee shall cause notice of the meetings to be provided:

- to members of the Committee, Candidate, and the Public for a meeting regarding an application by an elector;
- to members of the Committee, Contributor, Candidate and the Public for a meeting regarding a Candidate Contributor Contravention report;
- to members of the Committee, Contributor, Registered Third Party and the public for a meeting regarding a Registered Third-Party Contributor Contravention.

The agendas and minutes of meetings shall be posted on the member municipality's website.

Minutes of each meeting shall outline the general deliberations and specific actions and recommendations that result.

Agenda Format

1. Call to Order
2. Disclosure of Pecuniary Interest and General Nature Thereof
3. Consideration of Compliance Audit Application, Clerk's Report *or* Auditor's Report
4. Adjournment

Quorum

Quorum for meetings shall consist of a majority of the members of the Committee. If no quorum is present thirty (30) minutes after the time appointed for a meeting, the Clerk shall record the names of the members present and the meeting shall stand adjourned until the date of the next meeting.

Meeting Attendance

Any member of the Committee who misses three (3) consecutive meetings without being excused by the Committee, may be removed from the Committee. The Committee must make recommendations by a report to Council for the removal of any member.

Motions & Voting

A motion shall need to be formally moved before the Chair can put the question or a motion can be recorded in the minutes.

A motion shall be reduced to writing and shall be signed by the Chair and Secretary.

Every member present shall be deemed to vote against the motion if they decline or abstain from voting, unless disqualified from voting by reason of a declared pecuniary interest. In the case of a tie vote, the motion shall be considered to have been lost. The manner of determining the vote on a motion shall be by show of hands and the Chair shall announce the result of every vote.

Duties of the Chair

The Committee will select a Chair from amongst its members at its first meeting when a compliance audit application is received.

The Chair is the liaison between the members and the Secretary of the Committee on matters of policy and process.

The Chair shall:

- a) Call Committee meetings to order when there is a Quorum, preside over Committee discussions, facilitate Committee business, follow meeting procedures, identify the order of proceedings and speakers and rule on points of order;
- b) Participate as an active and voting member; and
- c) Encourage participation by all members.

If the Chair is not present within the first ten minutes of a Committee meeting or is absent through illness or otherwise, the Committee shall select another member as Acting Chair. While presiding, the Acting Chair shall have all the powers of the Chair. Selection of the Acting Chair will be made by resolution.

Duties of the Committee

The duties of Committee members are as follows:

- a) Carry out all statutory obligations of the Committee in accordance with the Act.

- b) Attend all Committee meetings, sending regrets otherwise.
- c) Understand their role, the Committee's mandate and meeting procedures.
- d) Declare any pecuniary interest in any matter prior to consideration by the Committee the member shall leave the meeting during all discussion on the matter including a private session.
- e) Where the pecuniary interest of a member has not been disclosed by reason of the member's absence from the meeting, the member shall disclose the pecuniary interest and otherwise comply with subsection (d) at the first meeting of the Committee attended by the member after the meeting referred to in subsection (d)
- f) Participate as an active and voting member, asking questions, and seeking clarification through the Chair.
- g) Provide the reasons for a decision in writing, as applicable.
- h) Develop and maintain a climate of mutual support, trust, courtesy and respect.
- i) Work together to utilize the knowledge, expertise and talents of all members.
- j) Respect the decisions of the Committee and that such decisions reflect the majority view.

10. Administrative Practices and Procedures

The Terms of Reference constitute the Administrative Practices and Procedures of the Committee. Any responsibilities not clearly identified within these Terms of Reference shall be in accordance with Section 88.33 to 88.37 of the *Municipal Elections Act, 1996*.

The Clerk at any time has the right to develop additional administrative practices and procedures.

11. Records

The records of Sitting Committee meetings shall be retained and preserved by the Host Municipality in accordance with the Act and that municipality's records retention rules.