

THE CORPORATION OF THE TOWN OF DEEP RIVER

BY-LAW NUMBER 23-2026

A BY-LAW TO ESTABLISH A 2026 – 2030 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, 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 section 88.37 (1) of the *Municipal Elections Act*, 1996, as amended, requires municipalities to establish a Compliance Audit Committee before October 1st of an election year to deal with matters regarding election campaign finances;

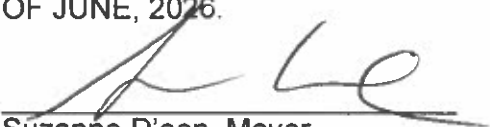
AND WHEREAS section 88.37 (5) of the *Municipal Elections Act*, 1996, as amended, states the term of office of the Committee is the same as the term of office of the Council or local board that takes office following the next regular election;

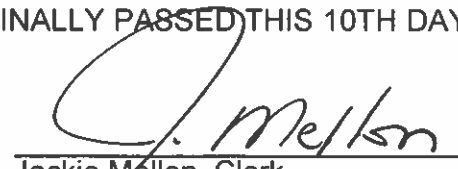
AND WHEREAS the Corporation of the Town of Deep River deems it expedient to establish a Compliance Audit Committee;

NOW THEREFORE BE IT RESOLVED THAT the Council of the Corporation of the Town of Deep River **HEREBY ENACTS AS FOLLOWS:**

1. **THAT** a Committee to be known as the Compliance Audit Committee is hereby established to deal with the matters provided for under Section 88 of the *Municipal Elections Act*, 1996, for the period beginning on November 15, 2026, and ending on November 14, 2030.
2. **THAT** the Compliance Audit Committee shall consist of three persons to deal with each Compliance Audit request or Clerk Report in accordance with the Terms of Reference attached hereto as Schedule 'A' to this By-Law.
3. **THAT** By-law Number 51-2022 is hereby repealed effective November 14, 2026.
4. **THAT** this By-Law shall come into force and take effect upon the passing of this By-Law by the Council of the Corporation of the Town of Deep River.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 10TH DAY OF JUNE, 2026.


Suzanne D'Eon, Mayor


Jackie Mellon, Clerk

By signing this By-Law on June 10, 2026, Mayor D'Eon will not exercise the power to veto this By-Law.

SCHEDULE 'A' TO BY-LAW NUMBER 23-2026

ELECTION COMPLIANCE AUDIT COMMITTEE TERMS OF REFERENCE

MANDATE:

As prescribed by Section 88.37 of the *Municipal Elections Act*, 1996 (the 'Act'), the Town of Deep River Council has approved the establishment of the Election Compliance Audit Committee (the 'Committee') concurrent with the term of Council that takes office following the next regular municipal election.

The Committee shall be responsible for reviewing and making decisions on Elector Applications for Candidate Campaign Finance Compliance Audits, and on Clerk Reports respecting apparent contraventions of contribution limits.

The powers and functions of the Committee are set out in Section 88.33 to 88.37 of the *Municipal Elections Act*, 1996.

All Committee Members agree they will not work for, contribute to, or provide advice to any Candidate running for municipal office within the municipality.

COMPOSITION

The Election Compliance Audit Committee will be comprised of three (3) members selected by the Clerk and appointed by By-Law.

The following are ineligible to sit on the Election Compliance Audit Committee:

- Employees or officers of the Town;
- Members of Council or local board of the Town;
- Candidates or contributors of the 2026 municipal election for which the Committee is established;
- Registered Third Parties or contributors in the municipality in the election for which the Committee is established; and
- Individuals who prepare the Financial Statements of or have any other business or personal relationship with any Candidate running for office on Town Council, or any Registered Third Party during the term for which the Committee has been established.

Should an appointed Committee Member accept employment or register as a Candidate with the municipality or a Third Party, they will have been deemed to have resigned as a Committee Member.

If an applicant is identified as having participated or contributed to a Candidate's campaign or Registered Third-Party with the Town of Deep River, that person shall not be eligible to be selected as a Member of the Compliance Audit Committee.

Members shall be recruited and three (3) Members selected by the Clerk from interested applicants. Members shall be appointed to the Committee by By-Law.

MEMBERSHIP SELECTION

Applicants must have the ability to understand and apply the election campaign finance provisions of the Act and must remain impartial to fulfill their responsibilities.

Preference will be given to Candidates that have experience related to Compliance Audit activities or investigative or adjudicative processes.

The following criteria will be considered:

- a) Proven analytical and decision-making skills;
- b) Experience working on a committee, task force or similar setting;
- c) Knowledge of quasi-judicial proceedings;
- d) Excellent oral and written communication skills

All members of the Committee shall be provided with the Terms of Reference and a copy of Section 88.37 of the *Municipal Elections Act*, 1996.

APPLICATIONS FOR A COMPLIANCE AUDIT

Applications for a compliance audit shall:

- Be in writing to the municipal Clerk during regular business hours pursuant to the timelines prescribed in Subsection 88.33 (3) or 88.35 (3) of the Act;
- Use the Compliance Audit Application Form prescribed by the Clerk;
- Shall include the Applicant's name and qualifying address within the Town of Deep River; and
- Include a signed declaration stating the Applicant is an eligible elector in the Town of Deep River, and has reasonable grounds to believe that a Candidate or Registered Third Party referenced in the Application has contravened a provision of the MEA relating to Election campaign finances; and
- Concisely state the reasonable grounds upon which it is based and the provisions of the MEA that apply.

The Clerk shall acknowledge receipt by email or regular mail delivered to the Applicant as soon as possible after receiving the application.

Note: Applications related to Candidates for School Board Trustees must be made to the Secretary of the applicable School Board.

CLERK

In accordance with Section 88.37 (6) of the Act, the Clerk shall establish administrative practices and procedures for the Committee and shall carry out any other duties required under the Act to implement the Committee's decisions.

The Clerk shall prepare a Meeting Agenda for each Meeting and publish it on the Town website. The agenda shall include a copy of the Compliance Audit Application (including reasons given), as well as Clerk Report(s), and any written submissions received from Candidates, Third-Party Advertisers, or contributors.

As soon as possible following receipt and acceptance of an Application by the Clerk, or submission of a Report, the Clerk shall notify all affected parties and provide them a copy of the Application or Report and publish notice along with a copy of the Application or Report on the Town website.

MEETINGS

Committee Meetings shall be conducted as necessary for the purpose of reviewing a Elector Compliance Audit Application, Auditor's Report, or Clerk's Report of an apparent contravention of contribution limits. The Committee may also meet as necessary to organize and plan its work. Meetings will be held in accordance with the Town of Deep River Procedural By-law, the *Municipal Act*, 2001, and the *Municipal Elections Act*, 1996. The Town website will be utilized to communicate Committee meeting notices and agendas, and the Procedural By-Law of the Town shall apply.

Committee meetings shall be open to the public, however, there may be circumstances that a meeting or a portion of a meeting may be closed to the public provided the subject matter being discussed complies with the provisions of Section 239 of the *Municipal Act*, 2001.

Where the Clerk or Committee determines the Committee requires legal counsel in respect of a specific Application or Report, or for other matters such as the Committee's role, interpretation of legislation, procedure or other matters of a general nature pertinent to the Committee's business, the Clerk in consultation with the Town Solicitor shall retain legal counsel to provide advice that may be subject to solicitor-client privilege in which case the Committee may deliberate in private (closed session);

At the first meeting of the Committee the members shall appoint one member to act as Chair for the duration of the Committee's deliberations.

The powers and functions of the Committee are generally described as:

Candidate / Third Party Advertiser Compliance Audit:

1. The Clerk shall provide an Application to Committee members within ten (10) calendar days of the date filed.
2. Within thirty (30) days of receipt of an application requesting a Compliance Audit the Committee shall consider the Application to determine whether it should be granted or rejected;
3. The Candidate or Third-Party Advertiser shall be requested by the Clerk to respond to the Application in writing. The written response must be submitted to the Clerk a minimum of three (3) days prior to the Meeting at which the Application will be considered.
4. The decision of the Committee to grant or reject the application, and brief written reasons for the decision, shall be given to the Candidate / Registered Third party, the Clerk with whom the Candidate filed his or her nomination, and the Applicant;
5. The decision of the Committee may be appealed to the Superior Court of Justice within fifteen (15) days after the decision is made, and the Court may make any decision the Committee could have made.
6. If the Application is granted, the Committee shall appoint an Auditor to conduct a Compliance Audit. Only Auditors licensed under the *Public Accounting Act*, 2004 or prescribed persons are eligible to be appointed;
7. The Auditor shall promptly conduct an audit and submit the Report to the Candidate / Registered Third Party, the Clerk, the applicant, and Secretary of the local Board (if applicable);
8. Within ten (10) days of receiving the Report the Municipal Clerk shall forward the Report to the Compliance Audit Committee;
9. The Committee will consider the Auditor's Report within thirty (30) days of receipt, and if the Report concludes the Candidate appears to have contravened a provision of the Act relating to election campaign finances, the Committee shall decide whether legal proceedings should commence for the apparent contravention;
10. The decision of the Committee and brief written reasons for the decision shall be given to the Candidate / Registered Third Party, the Clerk, the Secretary of the local board (if applicable), and the Applicant.

Clerk Review of Contributions to Candidates:

1. The Clerk shall review the contributions reported on Financial Statements submitted by Candidates to determine whether any contributor appears to have contravened any of the contribution limits under Section 88.9. and

If the contributor's total contributions to a Candidate for office on Council appear to exceed the limit the Report shall set out the contributions; and

If the contributor's total contributions to two or more Candidates for office on the same Council appear to exceed the limit the Report shall set out the contributions made by that contributor to all Candidates for office on the same Council.

2. A separate Report shall be prepared by the Clerk in respect of each contributor who appears to have contravened any of the contribution limits under Section 88.9.
3. The Clerk shall forward each Report prepared to the Compliance Audit Committee.
4. Within thirty (30) days of receiving a Report the Compliance Audit Committee shall consider it and decide whether to commence legal proceedings against a contributor for an apparent contravention.
5. The decision of the Committee and brief written reasons for the decision shall be given to the contributor and the Clerk.
6. As soon as possible following the day that is thirty (30) days after the filing date or supplementary filing date

RECORDS

The records emanating from meetings of the Compliance Audit Committee shall be retained and preserved by the municipality in accordance with the municipality's Records Retention By-law and the *Municipal Elections Act*, 1996.

TERM OF COMMITTEE

The term of appointment for the Committee shall be concurrent with the term of office of the Council or local board elected in 2026 and shall therefore serve for four (4) years commencing on November 15, 2026 and concluding on November 14, 2030, or until such time as the applicable Committee has disposed of any remaining matters in accordance with the Act, whichever is later.

REMUNERATION

The rate of per diem is determined by the Municipality and equal to the rate of pay received by the Committee of Adjustment of \$100.00 per meeting as well as a per-diem rate of \$200 for a full day if required for training purposes