

THE CORPORATION OF THE TOWNSHIP OF MUSKOKA LAKES
MINUTES - MUSKOKA COMPLIANCE AUDIT COMMITTEE MEETING
Thursday, October 29, 2015

A Meeting of the Muskoka Compliance Audit Committee was held on Thursday, October 29, 2015, at 1:00 PM in the Council Chambers, Municipal Offices, Port Carling, Ontario.

COMMITTEE MEMBERS PRESENT:

Bob Panizza, Chair
Joan A. Pajunen, Vice Chair
David Bryce

TOWNSHIP OF MUSKOKA LAKES OFFICIALS PRESENT:

Cheryl Mortimer - Clerk
Wendy Oliver - IT Coordinator

LEGAL COUNSEL PRESENT:

James I. McIntosh - Barriston Law

AUDITORS PRESENT:

MaryAnne Poland - Pahapill and Associates
Rebecca MacDonald Professional Corporation,
Chartered Accountants

1. Call to Order

- a. The meeting was called to order by Chair Panizza at 1:00 p.m.

2. Disclosure of Interest

- a. There were no disclosures made.

3. Consideration of Applications for a Compliance Audit

a. Review Committee Mandate

1. Chair Panizza reviewed the mandate of the Muskoka Compliance Audit Committee.

b. Compliance Audit Applications

1. Chair to summarize applications.

Chair Panizza reviewed the process of the subject applications to date, including the July 29, 2015 and July 31, 2015 Committee meetings.

4. Consideration of Auditor/Legal Reports

- a. Auditors to address Committee - Summary of Reports and Conclusions - MaryAnne Poland, CPA, CA, LPA and Rebecca MacDonald, CPA, CA, Pahapill and Associates Professional Corporation, Chartered Accountants.

MaryAnne Poland and Rebecca MacDonald, Pahapill and Associates Professional Corporation, Chartered Accountants, attended the meeting. MaryAnne Poland addressed Committee. Ms. Poland highlighted the process of reviewing the financial statements of the six candidates, seeking clarification from the Ministry of Municipal Affairs and Housing in regard to joint expenses, and conducting the compliance audits. She also reported on the compliance audit results as prepared by Pahapill and Associates and any apparent contraventions.

b. Members Questions of the Auditor.

In response to Committee Member Bryce, Ms. Poland read aloud the letter to Pahapill and Associates from the Ministry of Municipal Affairs and Housing regarding joint expenses.

c. Applicant or Applicant's Agent Deputation.

Mr. Alan Gill, Applicant, requested to hold his comments until after the Candidates deputations. The Chair denied the request. Mr. Gill indicated he had no further comments and left this matter with the Committee's judgment.

d. Candidate or Candidate's Agent Deputation

1. Mr. Don Furniss, Candidate, addressed Committee regarding the compliance audit. He reviewed his response including shared expenses, the Municipal Elections Act, the 2014 Candidates' Guide for Ontario Municipal and School Board Elections, the People for Probity website and advertising expenses.

Mr. Furniss answered questions from Committee.

2. Mr. W. Ron Brent, Candidate, addressed Committee regarding the compliance audit including the filing of his financial statements, the People for Probity campaign and the matter of a separate campaign bank account.

Mr. Brent answered questions from Committee.

3. Ms. Jean-Ann Baranik, Candidate, addressed Committee regarding the compliance audit including the 2014 Candidates' Guide for Ontario Municipal and School Board Elections, acting in good faith, the return of a campaign surplus and the People for Probity website.

Ms. Baranik answered questions from Committee.

4. Mr. Greg Knight, Candidate, addressed Committee regarding the compliance audit. He reviewed his response including the Municipal Elections Act, sharing of expenses, maintaining financial records, acting in good faith, common principles and campaign spending limits.

Committee had no questions for Mr. Knight.

5. Mr. Gault McTaggart, Candidate, addressed Committee regarding the compliance audit including shared expenses and joint meetings.

Committee had no questions for Mr. McTaggart.

6. Ms. Linda Barrick-Spearn, Candidate, was in attendance but did not address Committee.
- e. Members Questions of any Person Present.
 1. None.
- f. Legal Counsel to address Committee, if required - James MacIntosh, Solicitor, Barriston Law, LLP.

Mr. James I. McIntosh, Barriston Law, LLP, attended the meeting. Mr. McIntosh provided and reviewed his legal opinion with respect to the Compliance Audit Committee's mandate and their options for consideration in the discharge of their duties, pursuant to the Municipal Elections Act. He also reviewed relevant case law with respect to compliance audits and Compliance Audit Committee decisions.

Mr. McIntosh answered questions from Committee.

- g. Committee to consider Compliance Audit Reports - resolutions of Committee.
 1. Committee considered the following resolution to receive the Municipal Election Compliance Audit Reports for Information.

Resolution Number MCAC – 1 – 29/10/15

Member Bryce – Member Pajunen: Be it resolved that the Muskoka Compliance Audit Committee receive the Municipal Election Compliance Audit Reports of the 2014 Campaign Finances of Candidates Don Furniss, W. Ron Brent, Jean-Ann Baranik, Greg Knight, Gault McTaggart and Linda Barrick-Spearn dated September 30, 2015 prepared by Pahapill and Associates Professional Corporation, Chartered Accountants for information.

Carried

2. Committee considered the following resolutions with respect to the six Municipal Election Compliance Audit Reports.

Committee members addressed the thoroughness of the audit reports, the apparent contraventions, the reporting of expenses, the requirement of a separate campaign bank account, the Municipal Elections Act vs. the 2014 Candidates' Guide for Ontario Municipal and School Board Elections, the sharing of expenses related to the People for Probity campaign, the importance of the relevant legislation and risks of not following the legislation, candidate accountability and acting in good faith.

In conclusion, with respect to the compliance audit requests, Committee did not support commencing legal proceedings against the candidates for apparent contraventions for the following reasons:

- The apparent contraventions of the candidates were minor errors.
- The amount of the apparent contraventions was insignificant and would not change the outcome of the election or violate the expense limits of any candidate.
- Commencing legal proceedings by expending further public funds was not in the public interest.

In the case of Candidate Brent's apparent contravention with respect to no apparent separate campaign bank account being used, Committee Member Bryce felt that a legal proceeding should be commenced.

Committee thanked Mr. Gill for bringing the audit requests to the attention of the Committee.

i. Resolution Number MCAC – 2 – 29/10/15

Member Pajunen – Member Bryce: Be it resolved that the Muskoka Compliance Audit Committee receive the Municipal Election Compliance Audit Report of the 2014 Campaign Finances of Candidate Don Furniss dated September 30, 2015 prepared by Pahapill and Associates Professional Corporation, Chartered Accountants;

And further that upon consideration of the Compliance Audit Report, pursuant to Section 81.(14) of the Municipal Elections Act, 1996, the Muskoka Compliance Audit Committee shall not commence a legal proceeding against Don Furniss.

Carried

ii. Resolution Number MCAC – 3 – 29/10/15

Member Pajunen – Member Bryce: Be it resolved that the Muskoka Compliance Audit Committee receive the Municipal Election Compliance Audit Report of the 2014 Campaign Finances of Candidate Jean-Ann Baranik dated September 30, 2015 prepared by Pahapill and Associates Professional Corporation, Chartered Accountants;

And further that upon consideration of the Compliance Audit Report, pursuant to Section 81.(14) of the Municipal Elections Act, 1996, the Muskoka Compliance Audit Committee shall not commence a legal proceeding against Jean-Ann Baranik.

Carried

iii. Resolution Number MCAC – 4 – 29/10/15

Member Pajunen – Member Bryce: Be it resolved that the Muskoka Compliance Audit Committee receive the Municipal Election Compliance Audit Report of the 2014 Campaign Finances of Candidate Greg Knight dated September 30, 2015 prepared by Pahapill and Associates Professional Corporation, Chartered Accountants;

And further that upon consideration of the Compliance Audit Report, pursuant to Section 81.(14) of the Municipal Elections Act, 1996, the Muskoka Compliance Audit Committee shall not commence a legal proceeding against Greg Knight.

Carried

iv. Resolution Number MCAC – 5 – 29/10/15

Member Pajunen – Member Bryce: Be it resolved that the Muskoka Compliance Audit Committee receive the Municipal Election Compliance Audit Report of the 2014 Campaign Finances of Candidate Gault McTaggart dated September 30, 2015 prepared by Pahapill and Associates Professional Corporation, Chartered Accountants;

And further that upon consideration of the Compliance Audit Report, pursuant to Section 81.(14) of the Municipal Elections Act, 1996, the Muskoka Compliance Audit Committee shall not commence a legal proceeding against Gault McTaggart.

Carried

v. Resolution Number MCAC – 6 – 29/10/15

Member Pajunen – Member Bryce: Be it resolved that the Muskoka Compliance Audit Committee receive the Municipal Election Compliance Audit Report of the 2014 Campaign Finances of Candidate Linda Barrick-Spearn dated September 30, 2015 prepared by Pahapill and Associates Professional Corporation, Chartered Accountants;

And further that upon consideration of the Compliance Audit Report, pursuant to Section 81.(14) of the Municipal Elections Act, 1996, the Muskoka Compliance Audit Committee shall not commence a legal proceeding against Linda Barrick-Spearn.

Carried

vi. Resolution Number MCAC – 7 – 29/10/15

Member Pajunen – Member Panizza: Be it resolved that the Muskoka Compliance Audit Committee receive the Municipal Election Compliance Audit Report of the 2014 Campaign Finances of Candidate W. Ron Brent dated September 30, 2015 prepared by Pahapill and Associates Professional Corporation, Chartered Accountants;

And further that upon consideration of the Compliance Audit Report, pursuant to Section 81.(14) of the Municipal Elections Act, 1996, the Muskoka Compliance Audit Committee shall not commence a legal proceeding against W. Ron Brent.

Carried

Committee Member Bryce voted in opposition to this resolution.

h. Committee to consider retaining legal counsel, if required - resolutions of Committee.

1. None.

5. Closed Session

a. Committee in Closed Session was not held

6. Adjournment

a. Consideration of a resolution to adjourn - resolution of Committee.

Resolution Number MCAC – 8 – 29/10/15

Member Pajunen – Member Bryce: Be it resolved that the Muskoka Compliance Audit Committee meeting of October 29, 2015 in the Township of Muskoka Lakes adjourn at 2:45 p.m.

Carried

Original signed by Cheryl Mortimer, Clerk

Cheryl Mortimer - Clerk