

**COMMITTEE OF THE WHOLE MAY 12, 2009**

**COMPLIANCE AUDIT – LINDA D. JACKSON  
ACCOUNT OF MUNICIPAL EXPENSES**

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**Recommendation**

The Commissioner of Legal and Administrative Services and City Solicitor recommends that this item be received for information.

**Economic Impact**

There is no economic impact as a result of this report.

**Communications Plan**

N/A

**Purpose**

The purpose of this report is to respond to the direction of the Committee of the Whole of April 20, 2009, approved by Council on May 5, 2009.

**Background - Analysis and Options**

On May 5, Council resolved as follows:

- I) THAT staff be directed to provide to the Committee of the Whole at its next meeting a summary of all costs incurred by the Corporation of the City of Vaughan commencing with the order by the court of a compliance audit of the 2006 campaign of Linda D. Jackson; and
- II) THAT said summary identify all applicants and respondents in each step including and proceeding from the original request, and any decision taken or made, and by whom, in each instance of the process.

Applications for Compliance Audits are public documents and are dealt with at public meetings, and accordingly applicant(s) names appear in public reports to Council.

All costs noted below are based on invoices received as of **March 31, 2009**.

**Compliance Audit-Linda D. Jackson**

Application for Audit for Financial Statement and Auditor's Report covering April 6, 2006 - December 31, 2006.

Applicants: Quintino Mastrogiuseppe and Gino Ruffolo

Council decision May 22, 2007 deferring decision until final statements filed.

Appeal of Council Decision of May 22, 2007

Appellants: Quintino Mastrogiuseppe and Gino Ruffolo

Respondents: The Corporation of the City of Vaughan

Intervener: Mayor Linda Jackson

Judgment of Justice L. Favret granting appeal and ordering audit, February 19, 2008, with costs award to the Appellants.

Cunningham, Gillespie-costs of Appeal of Council Decision

\$ 50,000.00

Weir, Foulds - legal fees for Appeal of Council Decision \$55,456.84

Application for Audit for Financial Statement and Auditor's Report filed February 29, 2008.  
Applicants: Quintino Mastrogiuseppe and Gino Ruffolo  
Council decision March 31, 2008 to order audit and combine with earlier audit.

Application to quash confirming bylaws appointing auditor and independent prosecutor  
Applicant: Linda D. Jackson  
Respondents: The Corporation of the City of Vaughan, LECG Canada Ltd.,  
Ken Froese and Timothy Wilkin

Judgment of Justice Lauwers dismissing application, March 11, 2009 with costs awarded to the Respondents. No decision regarding the amount of costs has been given by the Court as of the date of this report.

Weir, Foulds - legal fees for application, (City and Timothy Wilkin)  
Argued October 2, 2008, and January 12, 2009. \$  
134,862.31

Reuter Scargall Bennett (solicitors for LECG Canada Ltd and  
Ken Froese)-legal fees for application \$ 52,977.69

Appeal of Judgment of Justice Lauwers filed April 14, 2009  
Appellant: Linda D. Jackson  
Respondents: The Corporation of the City of Vaughan, LECG Canada Ltd,  
Ken Froese and Timothy Wilkin  
No date for the hearing of the appeal has been set as of the date of this report.

Cunningham, Swan, Carty, Little & Bonham (Timothy Wilkin)  
Legal fees for legal advice regarding Compliance Audit and  
Work carried out pursuant to Council direction of June 24, 2008. \$ 51,189.30

LECG Canada and  
Glen Davison - costs to conduct compliance audit as of March 31, 2009 \$ 102,084.78

Total \$ 446,570.92

#### Compliance Audit-Joyce Frustaglio

Application for Audit for Financial Statements and Auditors Reports filed April 2, 2007, September 4, 2007, and February 26, 2008.  
Applicants: Raymond Plouffe and Carlo DeFrancesca  
Council decision May 20, 2008 to order audit.

Cunningham Swan, Carty, Little & Bonham  
legal advice regarding the Application for Audit: \$ 4,220.27

LECG Canada Ltd  
and Glen Davison-costs to conduct compliance audit: \$ 48,196.71

Total \$ 52,416.98

### Compliance Audit-Michael DiBiase

Application for Audit for Financial Statements and Auditors Reports filed April 2, 2007, September 4, 2007, and February 29, 2008.

Applicant: Raymond Plouffe

Council decision April 23, 2008 to order audit.

Cunningham, Swan, Carty, Little & Bonham legal advice regarding the Application for Audit:	\$ 9,039.14
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LECG Canada Ltd and Glen Davison-costs to conduct compliance audit as of March 31, 2009	<u>\$ 96,345.91</u>
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Total	\$ 105,385.05
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### Compliance Audit-Bernie DiVona

Application for Audit for the Financial Statements and Auditor's Report filed March 27, 2007.

Applicants: Carlo DeFrancesca, Richard Lorello, Robert Zuccarini, and Paul De Buono

Council Decision June 25, 2007 refusing application for audit.

Appeal of Council's Decision

Appellants: Carlo DeFrancesca, Richard Lorello, Robert Zuccarini

Respondents: City of Vaughan

Intervener: Bernie DiVona

Judgment of Justice H.I. Chisvin granting appeal and ordering audit, October 7, 2008, no costs award.

Weir, Foulds - legal fees for appeal	\$ 90,991.73
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LECG Canada and Glen Davison-costs to conduct compliance audit as of March 31, 2009	<u>\$ 48,568.81</u>
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Total	\$ 139,560.54
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### Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council.

### Regional Implications

None

### Conclusion

This report is provided pursuant to Council direction. Municipalities are required to deal with applications for compliance audits pursuant to the *Municipal Elections Act*. If ordered, municipalities are required to retain and pay auditors to perform those audits. The total invoiced cost as of March 31, 2009 for the four audits is \$743,933.49.

### Attachments

None

**Report prepared by:**

Heather Wilson  
Director of Legal Services

Respectfully submitted,

Janice Atwood-Petkovski  
Commissioner of Legal and Administrative Services  
and City Solicitor