

COMMITTEE OF THE WHOLE JUNE 16, 2008

COMPLIANCE AUDIT **2006 MUNICIPAL ELECTION CAMPAIGN FINANCES** **JOYCE FRUSTAGLIO**

Recommendation

The Commissioner of Legal and Administrative Services and City Solicitor requests Council direction regarding the appointment of an auditor to conduct a compliance audit pursuant to section 81(6) of the *Municipal Elections Act, 1996* in regard to the 2006 Municipal Election Campaign finances of Joyce Frustaglio.

Economic Impact

The economic impact is not known at this time.

Communications Plan

N/A.

Purpose

The purpose of this report is to seek Council direction regarding the appointment of an auditor.

Background - Analysis and Options

On May 20, 2008, Council granted the application for an audit of Joyce Frustaglio's 2006 Municipal Election Campaign finances.

Request for Proposal was issued for professional audit services for the 2006 Municipal Election Campaign finances of Linda D. Jackson. On March 31, 2008, Council appointed Mr. Ken Froese of LECG Canada Limited and Glen R. Davison, CA as auditors to conduct the compliance audit. On April 23, 2008, Council appointed the same auditors to conduct the Compliance Audit of the 2006 Municipal Election Campaign finances of Michael DiBiase.

Council may direct the issuance of a Request for Proposals or appoint the same auditors as above to conduct the compliance audit of Joyce Frustaglio. If a Request for Proposals is issued at the end of June, it would remain open for approximately 10 business days. Proposals received would be evaluated by a staff team of the Internal Auditor, Deputy City Clerk and/or Commissioner of Legal and Administrative Services and City Solicitor, and the Director of Financial Services. A recommendation would be available in the third week of July, during the summer hiatus period. A Request for Proposals could also be issued in August, with a recommendation to Council in September.

The Technical evaluation would be based on the following evaluation categories: Experience and Qualification, Methodology and work plan, Experience of firm and Cost.

In order to preserve the integrity of the process, the successful proponent will be required to sign a Conflict of Interest and Full Disclosure Form. As well, provisions will be included in the evaluation criteria to exclude any firm and/or partner which specifically had a conflict of interest on this matter. The City's Auditor, KPMG will therefore be unable to submit a proposal.

Once the report is completed the Auditor will submit the report to the candidate, Council, the Clerk and the applicant(s). For the purpose of the audit, the auditor is entitled to have access, at all reasonable hours, to all relevant books, papers, documents or things of the candidate and of

the municipality and has the powers of a commission under Part II of the *Public Inquiries Act* which Part applies to the audit as if it were an inquiry under that *Act*.

Upon receipt of the Auditor's Report, Council has 30 days to consider the report (section 81(10) and may commence a legal proceeding (prosecution) against a candidate for any apparent contravention of the election campaign finance provisions of the *Act*. The *Act* also provides a range of possible penalties for contraventions of various provisions.

Relationship to Vaughan Vision 2020

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

Regional Implications

N/A.

Conclusion

Council direction is requested regarding the appointment of an auditor to conduct a Compliance Audit of the 2006 Municipal Election Campaign expenses of Joyce Frustaglio.

Attachments

None.

Report prepared by:

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Respectfully submitted,

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Commissioner Legal and Administrative Services and City Solicitor