

An Act to Make Better Provision for Keeping and Auditing Municipal and School Accounts.

1. The Lieutenant-Governor-in-Council may from time to time appoint, for the purposes of this Act, a Fellow of the Association of Chartered Accountants, or some other expert accountant who shall be known as "The Provincial Municipal Auditor."

DUTIES OF PROVINCIAL AUDITOR.

2. It shall be the duty of the Provincial Municipal Auditor, subject to the approval of the Lieutenant-Governor-in-Council, from time to time, to frame rules respecting the following matters, namely:

(a) The number and forms of books of account to be kept by the treasurers of county, city, township, town and village municipalities and of police villages respectively;

(b) The system of book-keeping to be adopted by all municipal treasurers, or by the treasurers of any class of municipalities, and by the treasurers of all or of any class of school boards;

(c) The manner in which books of account, vouchers, receipts, moneys and securities of municipalities and school boards shall be kept;

(d) The audit and examination of accounts and moneys of municipal corporations and of school moneys by municipal and school auditors respectively, or by the provincial municipal auditor, or by any person appointed by him for that purpose.

REGULATIONS TO BE PUBLISHED.

3. The rules so made shall, after approval by the Lieutenant-Governor-in-Council and publication in *The Ontario Gazette*, have the force of law, and any officer of a municipal corporation guilty of any wilful act or omission in contravention of such rules, in addition to any other penalty provided by law, shall, upon conviction before two or more justices of the peace, be liable to a penalty of not more than \$100, nor less than \$20 and costs, and shall be disqualified for the period of two years thereafter from holding any municipal office.

4. In order that municipal accounts may be kept correctly and according to a uniform method, the said auditor shall prepare a book or sets of books of account upon a proper system for use by county, city, township, town and village corporations and police villages respectively; and he shall submit the said books to the Lieutenant-Governor-in-Council for approval.

TREASURER'S BOOKS.

5. The said auditor, when directed by and subject to the approval of the Lieutenant-Governor-in-Council as aforesaid, shall also, from time to time, prepare books of account upon a simple and uniform system of book-keeping, for use by the various school boards throughout the Province, except in cities having a population of 15,000 or over, to be determined as hereinafter mentioned.

6. After the approval of the said books by the Lieutenant-Governor-in-Council, and after notice of their preparation and publication has been given in *The Ontario Gazette*, and in two public newspapers published in the city of Toronto once a week for three successive weeks, and after a notice of such approval has been sent to the clerk of each municipality to which this act applies, by registered letter, the council of each of such municipalities, and each of such school boards shall, at the beginning of the next year after the last publication of said notice, procure the book or books prescribed for their municipality or board, and shall keep the accounts of the municipality or board therein, and in accordance with the system provided thereby, and any municipality aforesaid which refuses or neglects so to do, shall be liable to the penalty of \$100 for every month it may be in default, to be recovered by the said auditor or by any ratepayer in the municipality with the consent of the auditor in any court of competent jurisdiction with full costs of suit;

and every school board of any city or town which refuses or neglects so to do shall be liable to a penalty of \$50, and every other school board shall be liable to a penalty of \$25 for every month it may be in default, to be recovered by any ratepayer of the city or town or school section with the consent of the auditor in any court of competent jurisdiction with full costs of suit.

(1) Provided, nevertheless, that where any municipality or board shall establish to the satisfaction of the Provincial Municipal Auditor that the system adopted and the books in use by such municipality or board are sufficient and satisfactory, and the auditor shall so certify, the use of the books or the adoption of the system hereinbefore provided for shall not be compulsory and the penalties in such case shall not be incurred.

7. In case there is no prospect of the publication of said books or of any one or more of them by some responsible publisher, the auditor may call for tenders for their publication, and with the approval of the Lieutenant-Governor-in-Council, may arrange for such publication and for the sale thereof, and in order that said books may be supplied to the public at a reasonable cost, may, with the like approval, fix the price at which the same shall be sold.

SPECIAL AUDITS

8. The Provincial Municipal Auditor may at any time on his own motion, or whenever requested by any two members of a municipal council may make an inspection, examination or audit, or when required by a requisition in writing signed by thirty ratepayers resident in the municipality and, when directed by the Lieutenant-Governor-in-Council, he shall make an inspection, examination or audit of the books, accounts, vouchers and moneys of any municipal corporation in the hands of the treasurer or collector thereof. The said auditor may, with the approval of the Lieutenant-Governor-in-Council, appoint a Fellow of the Association of Chartered Accountants or some other expert accountant who is familiar with municipal accounts to make such inspection, audit or examination, and the person so appointed shall have all the powers and shall perform all the duties by this act conferred or imposed upon the said auditor when acting under this section.

9. Nothing in this act contained shall be deemed to affect or repeal the provisions of sections 383 or 384 of the Consolidated Municipal Act, 1892, relating to the issue of commissions of enquiry into the financial affairs of municipal corporations.

10. The said auditor, upon any such audit, examination or inspection, may require the treasurer, collector or auditor of any municipality or school board, or any other person to appear and give evidence on oath, and for this purpose he shall have the same power to summon such officers or other persons to attend as witnesses, to enforce their attendance, and to compel them to produce books and documents and to give evidence as any judge or court has in civil cases, and the officers of all municipalities and school boards shall, as often as required by the said auditor, produce all books and documents required to be kept by them, at the treasurer's office for examination and inspection.

TREASURER'S DUTIES.

11. It shall be the duty of every municipal treasurer, within five days after his appointment to office, to inform the said auditor of his appointment and his full name and post office address.

12.—(1) Every treasurer shall, whenever requested so to do by the Provincial Municipal Auditor, at any reasonable time, produce and exhibit for examination and inspection all books, accounts, vouchers and documents in his hands as treasurer of the municipality.

(2) Any treasurer who neglects or refuses to comply with the provisions of sub-section 1 of this section shall, on summary conviction thereof, before two or more justices of the

peace, be liable for each offence to a fine of not more than \$20, nor less than \$5, besides the costs of conviction.

13. The Provincial Municipal Auditor or any other person making an audit, inspection or examination under this act, shall report thereon to the council of the municipality, and to the Lieutenant-Governor, and shall in such report make such recommendations as may seem to him to be necessary to carry out the provisions of this act and the Municipal Act and the School Laws as regards the keeping of the books and accounts of the municipality or board and so as best to secure the moneys and assets of the said corporation.

DUTY OF COUNCIL.

14. It shall be the duty of every member of the council of a municipality, by every means in his power, to procure the due observance by the council and officers of the corporation of the provisions of this act and the rules to be made hereunder, and to see that the recommendations of the said auditor, or of any person appointed by him as hereinbefore mentioned are duly carried out.

AUDITOR'S EXPENSES.

15. Whenever the said auditor personally conducts an audit, inquiry, inspection or examination under this act, the fees and expenses to be allowed therefor shall be determined and certified by the Attorney-General or other Minister and shall become a debt due to the Crown from the municipality, and in default of payment thereof the Provincial Treasurer may deduct the same from any moneys payable to the municipality by the Province, or may be recovered in any court of competent jurisdiction in the name of the Provincial Auditor.

16. Whenever such audit, inquiry, inspection or examination is conducted by any person other than the said auditor, the fees and expense to be allowed for the same shall be determined by the auditor, subject to the approval of the Attorney-General or other Minister, and shall thenceforth become a debt due such person by the municipal corporation, and shall be payable within three months after demand thereof at the office of the treasurer of the municipality.

17. The said auditor shall not receive from any municipal corporation, or from any officer thereof, any fees or other remuneration for services rendered by him in the fulfilment of the duties of his office under this act, and in lieu of all other fees, emoluments or expenses he shall be paid out of the consolidated revenue fund such salary per annum as shall from time to time be provided by the Legislature, and reasonable travelling and other expenses.

TAXES PAYABLE TO BANK.

18. (1) The council of any municipality may by by-law direct that moneys payable to the municipality for taxes or rates upon such other accounts as may be mentioned in the by-law shall be by the person charged with the payment thereof paid into a chartered bank having an office in the municipality, and in such case the person making the payment shall obtain a receipt from the bank therefor, and produce the same to the municipal treasurer, who shall make the proper entries thereof in the books of the municipality.

(2) The council of any municipality may by by-law direct that moneys of the municipality paid to or received by the treasurer of the municipality, deposited in a chartered bank or elsewhere to the credit of the municipal corporation shall be withdrawn therefrom only upon the cheque of the treasurer, countersigned by the head of the municipality or such other person or official as may be named in the by-law.

19. The said auditor shall annually prepare and present to the Lieutenant-Governor a report showing the number and character of the investigations made by him or under his direction during the preceding year, and also as to any changes in the law or in the rules