

1914

c 200 Municipal and School Accounts Audit Act

Ontario

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CHAPTER 200.

An Act to make better provision for keeping and auditing Municipal and School Accounts.

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows :—

- Short title. **1.** This Act may be cited as *The Municipal and School Accounts Audit Act. New.*
- Act not to apply to cities of over 15,000. **2.** This Act shall not apply to any city which by the latest enumeration of the assessors is found to have a population of over fifteen thousand. R.S.O. 1897, c. 228, s. 1.
- Appointment of Provincial Municipal Auditor. **3.** The Lieutenant-Governor in Council may from time to time appoint for the purposes of this Act a Fellow of the Institute of Chartered Accountants of Ontario or some other expert accountant who shall be known as "The Provincial Municipal Auditor." R.S.O. 1897, c. 228, s. 2.
- Auditor may make rules subject to approval by Order in Council. **4.** The Provincial Municipal Auditor, subject to the approval of the Lieutenant-Governor in Council, shall from time to time frame rules respecting
- (a) The number and forms of books of account to be kept by the treasurer of every municipality and police village;
 - (b) The system of book-keeping to be adopted by the treasurers of all or any class of municipal corporations, and by the treasurers of all or of any class of school boards;
 - (c) The manner in which books of accounts, vouchers, receipts, money and securities of municipal corporations and school boards shall be kept;
 - (d) The audit and examination of accounts and money of municipal corporations and of school money by municipal and school auditors respectively, or by the Provincial Municipal Auditor or by any person appointed by him for that purpose. R.S.O. 1897, c. 228, s. 3.
- Rules to have force of law. **5.** Such rules 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 incur a penalty of not less than \$20 nor more than \$100, and shall be disqualified for the period of two years thereafter from holding any municipal office. R.S.O. 1897, c. 228, s. 4. Penalty for violation of rules.

6. In order that municipal accounts may be kept correctly and according to a uniform method the auditor shall prepare a book or sets of books of account upon a proper system for use by the corporation of a municipality, or by a police village; and he shall submit such books to the Lieutenant-Governor in Council for approval. R.S.O. 1897, c. 228, s. 5. Auditor to prepare books for municipalities.

7. The auditor, when directed by and subject to the approval of the Lieutenant-Governor in Council, shall also from time to time prepare books of account upon a simple and uniform system of book-keeping for use by school boards throughout Ontario. R.S.O. 1897, c. 228, s. 6. Books for use of school boards.

8.—(1) After the approval of such books and after notice of their preparation and publication has been given in *The Ontario Gazette* and in two newspapers published in the city of Toronto once a week for three successive weeks, and after notice of such approval has been sent by registered post to the clerk of each municipal corporation, 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 such notice, procure the book or books prescribed for the municipal corporation or board, and shall keep the accounts of the corporation or board therein and in accordance with the system provided thereby. Councils and boards to procure books prescribed.

(2) Any municipal corporation which refuses or neglects so to do shall incur a penalty of \$100 for every month it may be in default; and every school board of a city or town which refuses or neglects so to do shall incur a penalty of \$50, and every other school board shall incur a penalty of \$25 for every month it is in default. Penalties.

(3) Such penalties shall be recoverable by the Auditor or with his consent by any ratepayer of the municipality. By whom recoverable.

(4) Where a municipal corporation or board establishes to the satisfaction of the Auditor that the system adopted and the books in use are sufficient and satisfactory, and the Auditor so certifies, the use of the books or the adoption of the system hereinbefore provided for shall not be compulsory and the penalties in such cases shall not be incurred. R.S.O. 1897, c. 228, s. 7. When use of prescribed books or system not compulsory.

9. If, in the opinion of the Auditor, such book or any one or more of them are not likely to be published by some responsible publisher the Auditor may call for tenders for Arrangements for publication of books.

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 such 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. R.S.O. 1897, c. 228, s. 8.

Inspection and
audit of municipal
accounts.

10.—(1) The Auditor may at any time on his own motion, or whenever requested by any two members of a municipal council, make an inspection, examination or audit of the books, accounts, vouchers and money of any municipal corporation in the hands of the treasurer or collector thereof; and when requested by a writing signed by thirty ratepayers resident in the municipality and directed by the Lieutenant-Governor in Council so to do he shall make such inspection, examination or audit.

Or of school
accounts.

(2) The Auditor may at any time of his own motion make an inspection, examination or audit of the books, accounts, vouchers and money of any school board in the hands of its treasurer, collector or other officer.

Inspection by
chartered
accountant.

(3) The Auditor may, with the approval of the Lieutenant-Governor in Council, appoint a Fellow of the Institute of Chartered Accountants of Ontario 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 Auditor when acting under this section. R.S.O. 1897, c. 228, s. 9.

Powers of
auditor while
holding invest-
igation.

11. The Auditor upon any such audit, examination or inspection may require the treasurer, collector or auditor of any municipal corporation 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 municipal corporations and school boards shall as often as required by the Auditor produce all books and documents required to be kept by them at the treasurer's office for examination and inspection. R.S.O. 1897, c. 228, s. 10.

Treasurer
to notify
auditor of
appointment.

12. Every treasurer of a municipal corporation shall, within five days after his appointment to office, inform the Auditor of his appointment and of his full name and post office address. R.S.O. 1897, c. 228, s. 11.

Treasurer to
produce books
when required
by auditor.

13. The treasurer of every municipal corporation shall, whenever requested so to do by the Auditor, at any reasonable time, produce and exhibit for examination and inspection

all books, accounts, vouchers and documents in his hands as such treasurer. R.S.O. 1897, c. 228, s. 12 (1).

14. The Auditor or any other person making an audit, inspection or examination under this Act shall report there-^{Report on inspection, audit, etc.} on to the council of the municipal corporation and to the Lieutenant-Governor, and shall in such report make such recommendations as 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 municipal corporation or board and so as best to secure its money and assets. R.S.O. 1897, c. 228, s. 13. ^{Rev. Stat. c. 192.}

15. Every member of a municipal council shall by every means in his power procure the due observance by the council and the officers of the corporation of the provisions of this Act and the rules to be made hereunder, and shall see that the recommendations of the Auditor or of any person appointed by him as hereinbefore mentioned when concurred in and approved of by the Auditor are duly carried out. R.S.O. 1897, c. 228, s. 14; 4 Edw. VII. c. 10, s. 53. ^{Members of councils to see that Act carried out.}

16.—(1) Where the 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, and shall become a debt due to the Crown from the municipal corporation, and in default of payment thereof the Treasurer of Ontario may deduct the same from any money payable to the corporation by the Province, or such fees and expenses may be recovered by and in the name of the Auditor. R.S.O. 1897, c. 228, s. 15. ^{Payment of expenses of inspection, audit, etc., by auditor.}

(2) Where such audit, inquiry, inspection or examination is conducted by any person other than the Auditor the fees and expenses to be allowed for the same shall be determined by the Auditor, subject to the approval of the Attorney-General, and shall thenceforth become a debt due to such person by the municipal corporation, and shall be payable within three months after demand thereof at the office of the treasurer of the municipal corporation. R.S.O. 1897, c. 228, s. 16. ^{Payment of expenses when work done by another person.}

17. The 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 performance of the duties of his office, but he shall be paid out of such money as may be appropriated by this Legislature for the purposes of this Act such salary as shall be voted by the Assembly. R.S.O. 1897, c. 228, s. 17. ^{Remuneration of auditor.}

18. Every person guilty of any act or omission in contravention of this Act for which no other penalty is provided ^{Penalties.}

shall incur a penalty of not less than \$5 and not more than \$20. R.S.O. 1897, c. 228, s. 23.

How
recoverable.
Rev. Stat. c. 90.

19. Except where otherwise provided all penalties imposed by or under the authority of this Act shall be recoverable under *The Ontario Summary Convictions Act*.

Securities
heretofore
given by
treasurers not
affected.

20. Nothing in this Act shall affect or impair any security heretofore given by any treasurer to a municipal corporation or school board for the due and faithful performance of the duties of his office, nor relieve the sureties named in any bond or other security from liability in case of default on the part of the treasurer in duly accounting for all money coming into his hands, nor shall anything herein contained relieve the council or board or any member thereof from the duty of appointing competent auditors. R.S.O. 1897, c. 228, s. 24.
