



*La Corporation de la Municipalité de / The Corporation of the Municipality of*

*ST. CHARLES*

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September 12, 2017

The Municipality of St. Charles has been the subject of a forensic review to address concerns related to mismanagement of corporate funds and, in particular, any misuse of the Municipal corporate credit card.

The Forensic Audit was done through legal privileges to protect the confidential nature of the information and allegations. This is a standard approach for forensic investigations as there have been examples, in other organizations, of leaked information. Members of Council or the public have not seen and will not see the audit report or results. The forensic audit including audit and legal fees has totalled just under \$21,000 to July 31, 2017.

The facts confirm, without dispute, that the former CAO did commingle business expenses with personal expenses via the Municipal credit card. The Municipality had no formal policy written or otherwise and a practice had been to permit such commingling as long as those charged personal expenses were reimbursed to the Municipality. The practice was not authorized by Council and Council was not aware of such practice. Given that the former CAO has reimbursed all of the invoices provided, the Municipality has little or no recourse against the former CAO. The Municipality has suffered no evidentiary monetary loss and the former CAO engaged in no breach of corporate policy related to corporate credit card use.

The Municipality, on the finding of facts and evidence, is unable to establish any criminal intent beyond a reasonable doubt on the part of the former CAO to engage in any conduct tantamount to fraud, misappropriation and/or any other violation of the Criminal Code and/or governing legislation. Further, the Municipality, on the finding of facts and evidence, is unable to establish any civil wrongdoing on the lesser onus of a balance of probabilities. As well, no breach of any known written corporate policy was found.

To that end, the Municipality will establish, update, make known and implement specific policies and procedures, with particular attention to the responsibilities and obligations of the approver, around transparency and financial controls to better serve our community and/or to avoid opening the door for any facilitation of criminal or civil wrongdoing in the future.

Accordingly, the Municipality has hired a Chartered Professional Accountant (CPA) with established professional ethical standards to oversee all financial transactions and oversees monthly financial statements (budget versus actuals and statements of disbursements) which are presented to the public while respecting legislated personal privacy provisions.

Duly signed:

  
Julie Bouthillette, CPA, CGA

Chief Administrative Officer

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