



Opening Statement before the House of Commons Standing Committee on Access to Information, Privacy and Ethics

Mary Dawson – Conflict of Interest and Ethics Commissioner

Ottawa, Ontario, May 25, 2015

Mr. Chair and honourable members of the Committee, I am pleased to appear before you this afternoon as you consider my Office's budgetary submission for the 2015-2016 Main Estimates. I thank the Committee for inviting me.

Accompanying me are Lyne Robinson-Dalpe, Director of Advisory and Compliance, and Denise Benoit, Director of Corporate Management.

Mandate and Responsibilities

I was appointed Commissioner in July 2007, with a mandate to apply the *Conflict of Interest Act* for public office holders, and the *Conflict of Interest Code for Members of the House of Commons*. These two regimes seek to prevent conflicts from arising between the public duties of elected and appointed officials, and private interests.

The Act applies to over 2400 public office holders, and the Members' Code applies to all 308 elected Members of Parliament. Ministers and parliamentary secretaries are subject to both regimes.

My Office supports me in fulfilling my mandate. It includes advising public office holders and Members on how to comply with the Act and the Members' Code, receiving and reviewing their confidential disclosures, maintaining confidential files of those disclosures, making some information public in the public registry that my Office maintains for the Act and the Members' Code, administering an administrative monetary penalties regime under the Act, and investigating alleged contraventions of the two regimes.

2015-16 Estimates

In its first five years, my Office maintained an operating budget of \$7.1 million. I felt this amount would be sufficient once it was fully operational. We have had surpluses each year that can be attributed to my reserve, vacant positions and cost-saving practices.

I reduced the non-salary portion of my operating budget by a total of 3% over the past two fiscal years. Although that reduction was partially offset by an increase in my salary envelope to cover economic increases, I was able to proactively offer an overall budget reduction of 1.4 % in 2013-14 and again in 2014-15. Savings were achieved by centralizing some functions such as printing and procurement, and by reducing the amount set aside as a reserve.

I have determined that I can accomplish my current mandate in 2015-16 with planned expenditures of \$6.95 million for my Office. This is up slightly from the \$6.94 million approved in last year's Main Estimates, because of a small adjustment to the employee benefit plans, where contributions have increased from 16.5% to 16.8%, as determined by the Treasury Board.

I note, however, that any amendments resulting from the reviews of the Act and the Members' Code could have resource implications for my Office.

Finally, I expect that an adjustment to the salary envelope will become necessary next year to compensate for economic increases that have been absorbed by my budget over the last few years. I do not plan to request an increase in my overall budget, but rather an adjustment between the salary and non-salary envelopes.

Management Framework

Over the last eight years, I have built a solid internal management framework. It is based on the principles of sound resource management followed in the public service even though, as an entity of Parliament, my Office is not subject to most Treasury Board policies and guidelines.

This framework is supported by transparency. Annual financial statements, quarterly financial reports and status reports on travel, conference and hospitality expenses are posted on my Office website. Since 2010-11, our annual financial statements have been audited by an independent auditor.

My Office uses external partners to provide expertise in the area of information technology and security, accounts payable and financial reporting, and compensation through shared services agreements. This provides greater efficiency and adds one more level of scrutiny in the management of resources.

Given the nature of my mandate, salaries represent our largest budgetary expenditure. Non-salary expenditures are mostly related to the cost of shared services agreements and the standard costs of running an office.

Measures implemented internally to reduce spending continue to produce expected results. My Office continues to spend less than its allocated budget, in part because of these measures, but also because we have explored new management structures and have decided not to fill vacant positions immediately.

I maintain a reserve to cover unexpected operational pressures such as an increase in investigation activities. I also use it to fund special projects and initiatives internally.

Advisory and Compliance

My primary goal as Commissioner continues to be to help public office holders and Members meet their obligations under the Act and the Members' Code. This focus is reflected in the size of my Office's Advisory and Compliance division, which is the largest of five divisions and accounts for over a third of my staff.

Our advisors help Members and public office holders comply with the Members' Code and the Act. This is done in part through formal mechanisms set out in the two regimes, such as the initial compliance process, the annual review process, and the requirement to disclose material changes. Members are also required to disclose sponsored travel and gifts that have a value of \$500 or more, and reporting public office holders are required to disclose gifts with a value of \$200 or more.

In addition to these formal mechanisms, advisors provide information and confidential advice on an ongoing basis to individual Members and public office holders, and in some instances to their organizations as a whole. In 2014-15, my Office had over 4000 communications with individuals who were subject to the Act or the Members' Code. This volume is expected to increase this year as a result of the upcoming election.

Investigations

While the major focus of my Office is on prevention, I also investigate possible contraventions of the Act and the Members' Code. 2014-15 was a typically busy year in terms of investigative activity.

My Office dealt with 45 investigation files, including six that were opened during the previous fiscal year. Some of those files resulted from formal requests from Members of the House of Commons or referrals from the Public Sector Integrity Commissioner. Others were initiated by myself as a result of information that came to my attention in other ways, such as media reports and communications from the general public.

We closed the majority of those files without proceeding to an examination under the Act or an inquiry under the Members' Code, or issuing a public report. Five files resulted in the release of public reports, all of them under the Act, this year. Eight investigation files were carried over into the current fiscal year, and we have since closed two of them.

Information Management and Information Technology

Last month, after 12 months of work by my staff in collaboration with the House of Commons, my Office launched a new public registry of public declarations.

We previously maintained separate registries under the Act and the Members' Code. The new registry combines the two, making it possible for visitors to more quickly and easily access information.

The registry's launch was the first component of a two-phase initiative. The second phase will give Members and reporting public office holders access to a portal system that will enable them to file their public declarations electronically.

Human Resources

Four positions are currently vacant, and staffing processes are either underway or will be launched shortly for three of these four positions.

While employee turnover remains low, I expect some departures in the coming year, including some as a result of planned retirements.

This concludes my opening statement. Again, I thank the Committee for inviting me to discuss the budgetary requirements of my Office. I will be pleased to answer your questions.