



Opening Statement before the House of Commons Standing Committee on Access to Information, Privacy and Ethics on budgetary submission for 2012-13 Main Estimates

Mary Dawson – Conflict of Interest and Ethics Commissioner

Ottawa, Ontario, March 27, 2012

Madam Chair and honourable members of the Committee, thank you for inviting me to appear before you as you consider our budgetary submission for the 2012-2013 Main Estimates.

With me this morning are Lyne Robinson-Dalpé, Assistant Commissioner for Advisory and Compliance, and Denise Benoit, Director of Corporate Management.

I would like to present briefly the operational and internal management activities that are funded by the \$7.1 million being requested in the 2012-13 Estimates.

Mandate

My Office administers two regimes—the *Conflict of Interest Act* for public office holders and the *Conflict of Interest Code for Members of the House of Commons*—which together are intended to ensure that public officials, whether elected or appointed, are not in a conflict of interest.

The general rules of the Act on avoiding conflicts of interest apply to some 3,100 public office holders who are full- and part-time appointees of the Government of Canada. Of this group some 1,100 are defined as reporting public office holders. They must meet the reporting and public disclosure provisions of the Act, and are also prohibited from holding controlled assets and taking part in certain outside activities. These reporting public office holders include ministers, parliamentary secretaries, ministerial staff and senior government appointees such as deputy ministers, heads of crown corporations and members of federal boards. Ministers and parliamentary secretaries are subject to further obligations, to ensure they are not in a conflict of interest.

The Code applies to all 308 Members of the House of Commons, including those who are also ministers and parliamentary secretaries. The Committee on Procedures and House Affairs oversees the administration of the Code.

Under the *Parliament of Canada Act*, I am required to submit two annual reports to Parliament by June 30 each year—one concerning my activities under the Act and one under the Code. In addition to reviewing my activities, I have taken the opportunity to highlight in these reports issues and concerns I have in relation to the Act and the Code.

I also submit a list of sponsored travel by Members to the Speaker to be tabled in the House of Commons by March 31 each year.

Office and Operations

My Office is currently fully staffed with 50 employees and we have significantly reduced personnel turnover experienced in previous years. As a matter of fact, only one person has left my Office in the last 12 months to pursue other interests in the private sector.

We are organized into several divisions of which the largest is Advisory and Compliance, accounting for approximately one-third of my staff. This group is responsible for reviewing confidential reports of assets, liabilities and activities, preparing records of publicly declarable information, and maintaining public registries. To ensure that ongoing staffing needs are met, this division has set up a personnel development program. The Assistant Commissioner of this group is Lyne Robinson-Dalpe who is with us this morning.

The Reports and Investigations division is responsible for leading investigations into alleged breaches of the Act and Code and coordinating the preparation of our annual reports.

Legal Services plays a critical role in investigations and also provides legal advice to all divisions in my Office and myself.

The work of the Office is supported by proactive research and communications initiatives, which are coordinated by the Policy, Research and Communications Division. This division coordinates our dealings with Parliament, public communications and media relations, as well as external relations. It also compiles needed research and contributes to policy development.

Finally, Corporate Management, headed up by Denise Benoit, who is also here today, is responsible for our internal procedures and management systems. Her team oversees personnel and information technology issues, our budget, procurement, and management of our facilities, including security.

We have put in place, and will continue to put in place, administrative efficiencies to improve our operations and ensure that we are better able to help public office holders and Members meet their obligations under the Act and the Code.

Among these is the launch in the coming days of a new integrated case management system to deal even more effectively with information related to public office holders and Members of the House of Commons.

We are also developing service standards for client service and public communications. This will ensure that we are working efficiently and providing timely responses to requests for information or advice.

Overall, the work of my Office is focussed on prevention, not on punishment. My experience is that people want to comply with the rules. The primary goal of my Office is help them comply and to meet their obligations under the Act and the Code.

Education is a big part of my work and I pursue a wide range of communications, education and outreach activities. This past fall I made presentations to the caucuses of parties with official status regarding the Code and where relevant the Act. Members from my office meet with Ministers and their staff, as well as with other organizations whose members are subject to the Act, to ensure that people are familiar with the requirements they must meet under the Act and the Code.

We also investigate and report on cases of alleged non-compliance. Our investigatory activities can be quite unpredictable and complex. Since my Office was set up in July 2007, I have released 14 investigation reports under the Act and/or the Code.

I submit my reports on examinations under the Act to the Prime Minister, and reports on my inquiries under the Code to the House of Commons. All of these reports are made public and are available on the Office website. In these reports, where appropriate, I have made comments that go beyond the investigation at hand and point to gaps in the regimes or challenges I have faced in administering the rules.

We are currently involved in a number of investigations, several of which are self-initiated. And I follow set procedures in dealing with complaints and investigations. There are other cases that are under evaluation. This investigatory work takes a certain amount of time and resources. I take very seriously information that is reported in the media or brought to my attention in any other way. We get numerous inquiries from the general public and monitor media reports. Of those that led to an examination or inquiry, roughly half were on request and half on my own initiative.

Estimates

As for my budget, my Office has planned expenditures of \$7.1 million for the 2012-2013 fiscal year. This amount has remained unchanged for the last five fiscal years. I would like to point out that this past year was the first time since we began operations in July 2007 that we fully spent our salary budget of \$4.5 million as a result of a full staff complement. The first few years we were setting up and expenses were lower. We are now fully set up and stable.

The non-salary budget of \$1.8 million is used primarily to cover the cost of arrangements for services in the area of finance, information technology and compensation, and to support the day-to-day operations of the Office. I expect a lapse of approximately 5% of my operating budget for this fiscal year.

The liquidation of severance allowances accumulated by employees could put additional pressure on the salary envelope of the Office if we decide to follow the trend being set in the public service. Given that the Office has no room in its budget to cash-manage the payment of severance allowances, we would propose using the Supplementary Estimates or seeking reimbursement of eligible payroll expenditures from Treasury Board to cover these one-time payments, should they happen.

We have also made some investments in our information technology infrastructure. Encryption boxes were purchased to ensure continued protection of information collected and maintained by the Office.

As mentioned earlier, a new integrated case management system was developed over the last 12 months to replace an aging application. Also, the infrastructure behind the physical security system needed to be upgraded to meet the standards of the House of Commons which has taken responsibility for the security system. These non-routine expenditures should lead to long-lasting improvements in systems used by the Office.

We are mindful of the budgetary constraints impacting on all federal organizations at this time. We regularly and carefully monitor our spending and ensure that our financial practices adhere to standard government practices. We have found efficiencies within our operations to ensure that available resources are directed to the activities that are central to achieving our mandate. But there is an element of uncertainty to our operations: for example, we cannot control the number or complexity of investigations we may have to undertake under the Act or the Code. This can require focussing our resources in that area. These uncertainties may affect the resources we need to fulfill our mandate as we move forward. To date, however, we have successfully managed within the existing envelope and plan to maintain the current level of expenditure.

On our website you will find our reports on annual expenditures for travel, hospitality and conferences, our annual financial statements, and our quarterly financial reports. While my Office is not required to disclose this information, I have done so as I believe it to be a good corporate practice to follow the principles of transparency and accountability. I am also pleased to report that for the first time, in 2010-11, financial statements of my Office were audited by an independent third party (KPMG) and that no concerns were raised with established procedures and information.

Thank you, once more, for inviting me to appear before the Committee to discuss the Main Estimates. I look forward to answering any questions you may have.