



Opening Statement before the House of Commons Standing Committee on Procedure and House Affairs on 2009-2010 Annual Report in respect of the *Conflict of Interest Code for Members of the House of Commons*

Mary Dawson – Conflict of Interest and Ethics Commissioner
Ottawa, Ontario, October 5, 2010

Introduction

Mr. Chair, I would like to thank the Committee for inviting me to appear before you today.

I would also like to take this opportunity to personally welcome your new members. My Office has enjoyed a productive relationship with the Committee, and I look forward to continuing to work together effectively in the coming weeks and months.

In the next ten minutes or so, I am going to summarize some of the highlights of my 2009-2010 annual report on the *Conflict of Interest Code for Members of the House of Commons*. My remarks will include reference to my inquiry reports, in which I raised several issues that I would like to bring to your attention today.

Then, I will briefly review our proposals for amendments to the Code that are currently before the Committee.

Annual Report Highlights

As noted in my annual report, in the last year my Office has acted on a number of fronts to improve our administration of the Code, including in the areas of advisory and compliance, and outreach and communications. We have also conducted a number of inquiries.

Advisory and Compliance

We improved our compliance processes, implementing a system of reminders to help Members meet the Code's disclosure and reporting deadlines.

We upgraded our electronic case management system so our advisors can give Members more timely advice and guidance.

We are in the process of adding annual review dates to our online public registry, in order to further encourage respect of compliance deadlines and to enhance transparency. In keeping with the Code's requirements, we are also making all supporting documents related to sponsored travel available in the registry.

Outreach and Communications

These measures were complemented by ongoing outreach and communications activities, which in the 2009-2010 fiscal year included several presentations to parliamentary caucuses and Members' staff, and an information session held as part of the Library of Parliament's seminar series.

Inquiries

The last year has been particularly busy in terms of inquiries under both the Code and the *Conflict of Interest Act*. My Office has released the findings of three inquiries under the Code.

In these recent reports, I have also commented, where appropriate, on several issues reflecting broader ethical concerns that could raise questions about the integrity of elected public officials and governing institutions.

Cheques Report

In April, I reported on my inquiry under the Code into allegations that 60 Members had used partisan or personal identifiers on ceremonial cheques or other props in connection with federal funding announcements.

I found that enhancing political profiles is a partisan political interest and not a private interest within the meaning of the Code, and that the Code as written does not cover partisan political interests. I concluded, however, that the practice of using partisan or personal identifiers in announcing government initiatives was inappropriate because it has the potential to diminish public confidence in the integrity of Members and the governing institutions they represent.

Raitt and Dykstra Reports

The distinction between personal and political interests was a focus of my other two inquiry reports, which raised issues of fundraising and lobbying as well.

In May, I reported on my inquiry under the Code into the activities of the Honourable Lisa Raitt, Member of Parliament for Halton, in connection with a political fundraising event organized by the Halton Conservative Association.

In September, I issued a report on my inquiry into the activities of Mr. Rick Dykstra, Member of Parliament for St. Catharines, in connection with a political fundraising event organized for the benefit of the St. Catharines Electoral District Association and held in the Owner's Suite at the Roger's Centre in Toronto.

In both reports, I pointed out the need for effective fundraising guidelines in relation to political fundraising events for Members of Parliament. In the Dykstra Report, I reiterated the recommendation that I made in the Raitt Report that consideration should be given to amending the Code to possibly include prohibitions against solicitation of funds, broader recusal obligations and provisions for the establishment of conflict of interest screens.

Suggested Changes to Code

I have had the privilege of working with the Committee to bring about a number of amendments to the *Conflict of Interest Code for Members of the House of Commons*, and am grateful for the assistance you continue to provide in ensuring its effective administration.

Gift Rules

I was pleased to see many of the amendments that I proposed last year to the Code's gift provisions adopted by the House of Commons in June 2009.

The changes to the gift rules will no doubt help Members respect those rules more consistently. In my annual report, however, I noted that gifts and benefits from a riding association or a political party, or services from a volunteer working on behalf of a Member, are no longer covered by the Code at all. While such gifts would not usually place a Member in a conflict of interest, I am concerned that the changes reduce transparency by removing them from the disclosure requirements, and that lobbyists could gain access to Members by volunteering for them.

A perennial challenge I have with regard to the gift rules is the tendency of Members to think that the \$500 gift value threshold relates to acceptability. It does not — it relates to disclosure. I find myself taking every opportunity to remind Members that the value of a gift or other benefit does not determine whether or not it may be accepted: a conflict of interest test applies no matter what the value of the gift is.

March 2010 Proposals

In March 2010, I submitted to the Committee, for its consideration, two sets of proposed amendments to the *Conflict of Interest Code for Members of the House of Commons*, in response to the invitation you issued to me in October 2009 as part of your ongoing review of the Code.

Some of the changes I suggested are technical in nature and relate to the Code's disclosure and public reporting requirements. Among other things, they would establish distinct disclosure processes for annual reviews and the re-election of Members. Their purpose is to ensure that the Code reflects the way it is being administered.

The other changes I suggested relate to the inquiry process and raise more substantive issues. For example, I have proposed that the Commissioner be allowed to make public the reasons for not pursuing an inquiry where the matter is already in the public domain. I have also proposed that the Commissioner's power to summon witnesses and compel their testimony be made explicit in the Code. That power is explicit in the *Conflict of Interest Act*. I believe that I probably already have this inherent power but have not yet had to use it.

I would be pleased if the Committee would proceed with these amendments as expeditiously as possible, and will gladly discuss them with you at any time.

Since submitting my proposed amendments in March, I have identified one other amendment in connection with inquiries that I would like to see adopted. Because of the different procedural requirements for releasing reports under the Code and the *Conflict of Interest Act*, it could be problematic, when the House of Commons is sitting, for me to produce a joint report for parallel investigations under the two regimes. I would hope to have it made clear that I can produce a single joint report whether or not the House is sitting. I have a proposed amendment that I could add to the package that I submitted to you last year in relation to inquiries.

I have identified in the Raitt and Dkystra Reports a few other areas where amendments might be considered, and I would be pleased to pursue these as well with the Committee at an appropriate time.

I am also seeking House approval of a new inquiry request form, included in the March package, which would help streamline and expedite the inquiry process.

The issue of having to obtain the Committee's approval of our forms and guidelines under section 30 of the Code is one that I have raised before and that continues to concern me. Under the *Conflict of Interest Act*, I can issue forms and guidelines without further approvals — indeed, I issued a similar Request for Examination form this spring — but am prevented from doing so under the Code. Because of the potential delays involved in seeking and obtaining formal approval, we have been using other tools at our disposal, namely advisory opinions and communiqués, in order to communicate with Members in a timely manner.

Perhaps the Committee could take this opportunity to consider whether it still feels the need for this approval requirement.

Conclusion

Mr. Chair, I appreciate the Committee taking the time to review my 2009-2010 annual report on the *Conflict of Interest Code for Members of the House of Commons*, and to examine the issues raised in it. I am happy to answer any questions you may have.