



Office of the Ethics Commissioner
Bureau du commissaire à l'éthique

ANNUAL REPORT OF THE ETHICS COMMISSIONER

on Activities in Relation to
MEMBERS OF THE HOUSE OF COMMONS
FOR THE FISCAL YEAR ENDING MARCH 31, 2005



June 30, 2005

Bernard J. Shapiro

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For additional copies of this publication, please contact:

Office of the Ethics Commissioner
Parliament of Canada
66 Slater Street, 22nd Floor
Ottawa, Ontario K1A 0A6

Telephone: (613) 995-0721
Fax: (613) 995-7308
Email: oecc-bce@parl.gc.ca

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Tabled in the House of Commons on June 30th, 2005
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June 30, 2005

The Honourable Peter Milliken
Speaker of the House of Commons
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Mr. Speaker,

Pursuant to Section 72.13 (1)(a) of the *Parliament of Canada Act*, I am pleased to submit to you the report of the Ethics Commissioner on activities in relation to Members of the House of Commons for the fiscal year ending March 31, 2005.

In this first annual report on the activities of my Office, I have included a certain amount of background information as well as comments on the major activities during the Office's first year of operations. It has been a challenging year in terms of the effort required to implement the new *Conflict of Interest Code for Members of the House of Commons*, and to create a new organization. I wish to express my appreciation to members of the House who have been helpful to both, my Office and myself in the past year.

Yours sincerely,



Bernard Shapiro
Ethics Commissioner

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PREFACE

This Report is in fulfillment of the statutory requirement (Section 72.13 (1) of the *Parliament of Canada Act*) that, within three months after the end of each fiscal year, the Ethics Commissioner shall submit two reports on his activities for that year. One of these reports, on his activities related to Members of the House of Commons, is to be forwarded to the Speaker of the House of Commons who will table that report in the House. The second report, related to his activities concerning Public Office Holders, is to be forwarded to the Speakers of both the House of Commons and the Senate, who will each table the report in the House over which they preside.

This first annual Report outlines the activities of the Office of the Ethics Commissioner with respect to Members of the House of Commons. It covers the period from the day of the Office's inception, May 17, 2004, to the end of the fiscal year, March 31, 2005.

The first year of operations of the Office has given rise to a number of conceptual and operational challenges - challenges that must be addressed if the effectiveness of the "ethics regime" in the federal government is to be sustained and, where possible, enhanced. These challenges will be addressed in a subsequent report which will deal with these issues as they relate to Public Office Holders and/or Members of the House of Commons. This subsequent report will be available before Parliament reconvenes after its summer recess.



INTRODUCTION

After more than three decades of initiatives aimed at developing and implementing an effective conflict of interest regime for Parliamentarians and Public Office Holders (see Appendix 1), on March 31, 2004, Bill C-4, *An Act to amend the Parliament of Canada Act (Ethics Commissioner and Senate Ethics Officer) and other Acts in consequence* received Royal Assent. The legislation created:

- a new position, the Ethics Commissioner, who reports directly to Parliament; and
- a new parliamentary entity, the Office of the Ethics Commissioner, which is vested with parliamentary privileges and is to operate within the parliamentary framework.

In April 2004, I was recommended to the House of Commons for a five-year term appointment as the first Ethics Commissioner. The Standing Committee of the House of Commons on Procedure and House Affairs considered my proposed appointment, and recommended that the House approve it. The House did so on April 29, 2004. I assumed my duties as Ethics Commissioner on May 17, 2004.

My mandate includes the administration of the *Conflict of Interest Code for Members of the House of Commons* and the Prime Minister's *Conflict of Interest and Post employment Code for Public Office Holders*. In addition to my advisory role under both Codes, the legislation accorded me the authority to conduct inquiries of Ministers, Ministers of State and Parliamentary Secretaries under the Public Office Holders' Code, and of Members of Parliament under the Members' Code.



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YEAR 1 – MAJOR ACTIVITIES

I assumed the position of Ethics Commissioner knowing that, between 1996 and 2004, there had been a number of proposals for a code of conduct for Members of the House of Commons. It soon, however, became clear that despite the long and careful consideration with respect to the substance of the Code, little or no thought had been given to the precise mechanics of making such a code work in practice, nor on how it would work with Members of the House of Commons. Therefore, my immediate priority, in May, 2004, was to address these challenges.

Creating the New Office

The creation of a new entity of Parliament, the first in many years, raised a number of issues for us to manage within extremely tight timeframes. A first challenge was to create a functioning organization with the appropriate resources to deliver on the mandate that the Ethics Commissioner was given by Parliament. My Office could not simply take over the operations of the former Ethics Counsellor, as his Office was part of Industry Canada and, as such, part of the executive branch of government. The employees of that Office

were federal public servants. Budgets and services came from within the resources of Industry Canada. The situation of the new Office was quite different since, as outlined above, it was an entity of Parliament, i.e. a part of the legislative branch of government.

In order, however, to maintain some continuity of services and access to the expertise built up under the former ethics regime, the Office negotiated a Memorandum of Understanding with Industry Canada for the transition period (May 17, 2004 to March 31, 2005), under which they would continue to provide support services to the Office on a cost-recovery basis.

As a distinct entity and a separate employer from the federal government as well as within Parliament, there was a need not only to implement an organizational structure with its own internal human resources policies, but also to develop a new classification system with a supporting compensation structure. On December 1, 2004, employment offers were made to all former employees of the Office of the Ethics Counsellor. Of the twenty employees in the Office prior to May 17, 2004, only nine accepted the offer. This led to a substantial loss of expertise - and production - for a period of several months.

Thus, throughout the last fiscal year, a great deal of management attention was directed to the staffing of the organization, leading to inappropriate delays in other substantive activities. I am, however, pleased to note that by the end of the fiscal year, 86% of the positions had been staffed, of which 77% were permanent appointments. The organizational chart for the Office is attached as Appendix 2.

The Office's operating budget also had to be developed, and was included in Parliament's Supplementary Estimates (A) for the 2004-2005 fiscal year. Under the legislation that created the Office, the annual request for funding and any supplementary requests are directed to the Speaker of the House of Commons for consideration. The Speaker then transmits the estimates to the President of the Treasury Board. In this model, neither the executive branch nor the legislative branch is involved in the approval of the estimates, reflecting the independent status of the Office. Appendix 3 presents the financial statements of the Office for the period from May 17, 2004 to March 31, 2005¹. In 2005-2006, the Office will develop a financial information link on the website in order to ensure transparency and accountability in the Office's financial activities.

The Office needed the full range of support services including financial services, administrative services, information technology, human resources and legal services. Since it was too costly to provide such services internally but nonetheless important to maintain an adequate segregation of activities (as required by the *Financial Administration Act*), it was necessary to negotiate agreements with other organizations, such as the House of Commons, the Library of Parliament and Public Works and Government Services (for Security and Human Resources Shared Services). Negotiating agreements, particularly with the House of Commons, was a complex process that took months to resolve completely. The Office is, however, now fully operational, and services provided by its partners fully meet our requirements.

Administering the new Code for Members of the House of Commons

The focus of the Office's work with Members of the House of Commons during the past fiscal year was to implement the new Code by developing the necessary processes to administer it effectively and efficiently.

¹The financial statements were prepared by the Library of Parliament pursuant to the Office's service agreement with them.



The new Code was to be implemented following the June 2004 general election and applied to Members of the House of Commons elected at that time.

The *Conflict of Interest Code for Members of the House of Commons* is not a statute. It is an appendix to the Standing Orders of the House of Commons. It establishes five general principles as set out below (the full text of the Code can be found in our website).

Given that service in Parliament is a public trust, the House of Commons recognizes and declares that Members are expected:

(a) to serve the public interest and represent constituents to the best of their abilities;

(b) to fulfill their public duties with honesty and uphold the highest standards so as to avoid real or apparent conflicts of interests, and maintain and enhance public confidence and trust in the integrity of each Member and in the House of Commons;

(c) to perform their official duties and functions and arrange their private affairs in a manner that bears the closest public scrutiny, an obligation that may not be fully discharged by simply acting within the law;

(d) to arrange their private affairs so that foreseeable real or apparent conflicts of interest may be prevented from arising, but if such a conflict does arise, to resolve it in a way that protects the public interest; and

(e) not to accept any gift or benefit connected with their position that might reasonably be seen to compromise their personal judgment or integrity except in accordance with the provisions of this Code.



The Code sets out, in greater detail than does the *Parliament of Canada Act*, what constitutes private interests, potential conflicts of interest and disclosure requirements for both Members and their families. It also establishes the rules of conduct and procedures for resolving conflicts, and includes such matters as sponsored travel and prohibitions against gifts and other benefits that were not covered by the Act. It requires Members, within 60 days of their names appearing in the *Canada Gazette* confirming their election and annually thereafter, to file with the Ethics Commissioner “a full statement disclosing the Member’s private interests and the private interests of the members of the Member’s family” (subsection 20(1)).

The initial expectation within the Office and, as far as we could tell, the Privy Council Office, was that the Code for MPs would not be adopted by the House until the early days of the 38th Parliament. Therefore, there would be ample time to work with the House and its committees in developing the appropriate procedures, forms, etc. required to implement the Code. As it turned out, the Code was adopted by the House in the spring of 2004, and five days after my assuming the duties of Ethics Commissioner, a general election was called for June 28, 2004. Given that the new regulations required MPs’ disclosures be submitted within 60 days of their names appearing in the *Canada Gazette*, it became necessary for the Office to make the arrangements without further consultation with Members of the House.

Using the previous experience within the Office of the Ethics Counsellor as well as the procedures used in

other jurisdictions, staff of the Office developed an appropriate process to support the Code. This process is attached as Appendix 4.

Disclosure Statements

One of the key elements of our initial work was the drafting of the confidential Disclosure Statement for the use of Members of the House and their affected family members as the means to disclose all private interests such as assets, liabilities and outside activities. Given the electoral calendar in 2004, the Office had to develop the Disclosure Statement form without, as indicated above, the benefit of consultations with Members of the House. Nevertheless, considerable effort was made by the Office to introduce the disclosure form through its participation in the orientation day for Members of the House, and through meetings with each party's caucus.

During our meetings with the Members last summer and fall, many of them indicated that they found the disclosure form intrusive and, in some areas, requiring more details than they believed were required by the measures adopted by the House. During the balance of the fiscal year, and as we gained experience with specific issues and encountered common questions, we began to develop a system of issuing interpretation bulletins to assist the Members in completing the Disclosure Statement. Three of these bulletins were issued during 2004-2005. They focused on:

- the Disclosure Statement itself;
- the reimbursement of costs related to trusts; and
- a range of issues related specifically to Parliamentary Secretaries and Parliamentary Associations.

Following an appearance before the Standing Committee on Procedure and House Affairs, the Sub-Committee on the Disclosure Statement was struck. The Sub-Committee has been mandated to review the Disclosure Statement form in order to address the concerns expressed by Members. This will result in a revised and streamlined Disclosure Statement to be introduced in 2005-2006.

Despite the difficulties encountered by Members, I am pleased to report that by December 3, 2004, which was the deadline for the filing by Members of their Disclosure Statements, the Office had received 271 Statements, representing approximately 90% of the total disclosures. By March 31, 2005, the Office had received 305 Disclosure Statements; and as of the time of tabling of this Report, all Disclosure Statements have been filed with the Office, with the exception, of course, of the newly elected member for Labrador.

At the time of tabling of this Report, the Office has completed the processing for 85% of all Members' files. That is, the Disclosure Summary has been signed by the Member, the final letter confirming compliance has been sent to the Member by the Office and the Disclosure Summary has been placed in the Public Registry. It is expected that another 10% of the files will be completed by the end of June 2005. The remaining 5% are currently with Members for their review and signature. We anticipate that these will be completed by September 2005.



Sponsored Travel

Another change arising from the Members' Code of Conduct was an addition to the disclosure requirements for Members of the House with respect to travel when costs are not wholly paid from the Consolidated Revenue Fund, the Member personally, his/her party or Parliament. The disclosure requirement had been under the House of Commons Standing Orders since 1986. However, the responsibility was transferred to the Ethics Commissioner through the Members' Code. As required by the Members' Code, my first report on the subject was tabled in the House on January 31, 2005.

Inquiries

During the period covered by this report, no requests for inquiries under the Member's Code were received. In the three-month period following the end of the fiscal year, three such requests were received, and three inquiries have been launched. One of the three inquiries was related to a complaint submitted by the Minister of Citizenship and Immigration, the Honourable Joe Volpe, on the Member for Newton–North Delta, Mr. Gurmant Grewal. That inquiry has been concluded, and the report was tabled in Parliament on June 22, 2005.



Communications and Parliamentary Relations

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The new mandate and status of the Office called for a well developed communications and parliamentary relations program. As well, the new visibility of the Office and its independent status created an unprecedented demand for interviews and speeches. Furthermore, it has led to new challenges with respect to communications with Parliament, the media and the public regarding the mandate of the Office, the scope of the Ethics Commissioner's responsibilities and various related issues.

The challenges of explaining the first *Conflict of Interest Code for Members of the House of Commons*, a revised *Conflict of Interest and Post-employment Code for Public Office Holders*, as well as a new enabling Act, were substantial. Throughout the fall of 2004, we held a series of sessions with Members themselves, through caucuses and the Standing committee on Procedure and House Affairs, on issues related to the Members' Code, as well as various information sessions to other clientele under the jurisdiction of the Public Office Holders' Code.

In the fall of 2004, a new Standing Committee on Access to Information, Privacy and Ethics was created. While the Standing committee on Procedure and House Affairs has retained all responsibilities with respect to the Members' Code, the Office has worked with this new committee which has been mandated to review the Office's yearly estimates and the annual report on its activities related to Public Office Holders.

As previously mentioned, we are reviewing the Disclosure Statement for Members of the House, working closely with the Sub-Committee members. As well, we will begin a review of possible legislative amendments to our enabling legislation this fall, working closely with the Office of the Law Clerk and Parliamentary Counsel.

While some progress has been made in our internal and external communications during our first year of operations, the development of the Office's website remains a priority. The objective of the Office is to have the website fully operational by the fall of 2005; in the interim, we have a one-page website as a temporary home on Parliament's website. It contains some key information and documents, such as the enabling Act of the Office, the two Codes, the public registry for Public Office Holders and certain reports from the Ethics Commissioner. It is expected that the enhanced website will enable the Office to communicate with the groups of individuals covered by both Codes and with the public.

Survey of Members of the House of Commons

In March 2005, the Office conducted a survey of Members of the House, asking for their feedback on the work and services of the Office in four specific areas and on two administrative tools in support of the Members' Code. Our goal was to gather some preliminary feedback on the work of the Office and identify areas for improvement. The results of the survey were provided to all Members of the House (a summary is attached as Appendix 5). We also shared with Members our own benchmark of a 75% satisfaction rate and intend to take the appropriate measures to ensure that this goal is achieved. Furthermore, the Office plans to conduct this or a similar survey on a regular basis in the coming years.



CHALLENGES AHEAD

As suggested in the Preface to this Report, the activities and operations of this initial year in the Office have raised a number of substantive challenges to the potential effectiveness of the Office – challenges that will be taken up in a special report to be made available before Parliament reconvenes after the summer recess. Among these challenges are the following issues:

- access by citizens to the Ethics Commissioner;
- review of the mandate of the Commissioner and the associated legislation; and
- potential conflicts of interest between the inquiry function of the Commissioner and the Commissioner's role – if it is retrospective – in providing confidential advice.

There is, however, one general issue that I believe should be raised at this time.

During the past year, I, as the Ethics Commissioner, have taken every opportunity offered to speak to Canadian audiences about the work and the challenges of the Office. In addition, I have made some attempt to assess the concerns of Canadians as reflected in my informal discussions with those Canadians who have contacted the Office in order to raise what they regard as ethical lapses in the work of the federal government.

During the discussions with audiences and citizens related to either Members of the House of Commons or Public Office Holders, it was clear that their concerns went far beyond conflict of interest as it is embodied either in the code for Public Office Holders or in the code for Members of the House. They recognize, of course, that conflicts of interest are important to avoid, but it appears that the overriding concern for both audiences is “truth telling”.

The widely commented-on cynicism of Canadians with regard to our own democratic institutions would seem to relate to their perception that their political representatives – whom they themselves elected – are somewhat parsimonious with the truth. That is, many Canadians – at least among those who have some contact with me and the Office – have come to believe that what is communicated to them is not some honest version of the truth, but a “spin” designed to convince them about their future electoral choices rather than to assist them in understanding the difficult realities which they face as citizens and the very difficult choices which, in turn, governments must make.

Whatever the underlying reality, if this perception persists, there will be a real limit to the extent to which any supplementary ethics regime – whether focused on conflicts of interest or not – can act as it should, that is as an effective building block in the effort to enhance the confidence that Canadians can have in their own democratic institutions.



APPENDIX I

Chronology of Conflict of Interest Initiatives by the Government of Canada

1973: Prime Minister Trudeau issued the first Conflict of Interest Guidelines for Public Office Holders.

1978: Prime Minister Trudeau extended the Guidelines to Ambassadors and Parliamentary Secretaries and introduced Post-Employment Guidelines.

1979: Prime Minister Clark issued a new set of guidelines, which also extended to the spouses of Ministers.

1984: The Task Force on Conflict of Interest (The Starr/ Sharp Task Force) issued its report entitled "*Ethical Conduct in the Public Sector*".

1985: Prime Minister Mulroney tabled a new Conflict of Interest and Post-Employment Code for Public Office Holders.

1988: Prime Minister Mulroney announced initiatives on review of appointments; Parliament adopted the *Lobbyists Registration Act*.

1993: Prime Minister Campbell consolidated the responsibilities for the Public Office Holders' Code and the administration of the *Lobbyists' Registration Act* under the Minister of Industry in his role as Registrar General.

1994: Prime Minister Chrétien issued a new Conflict of Interest Code and created the position of Ethics Counsellor.

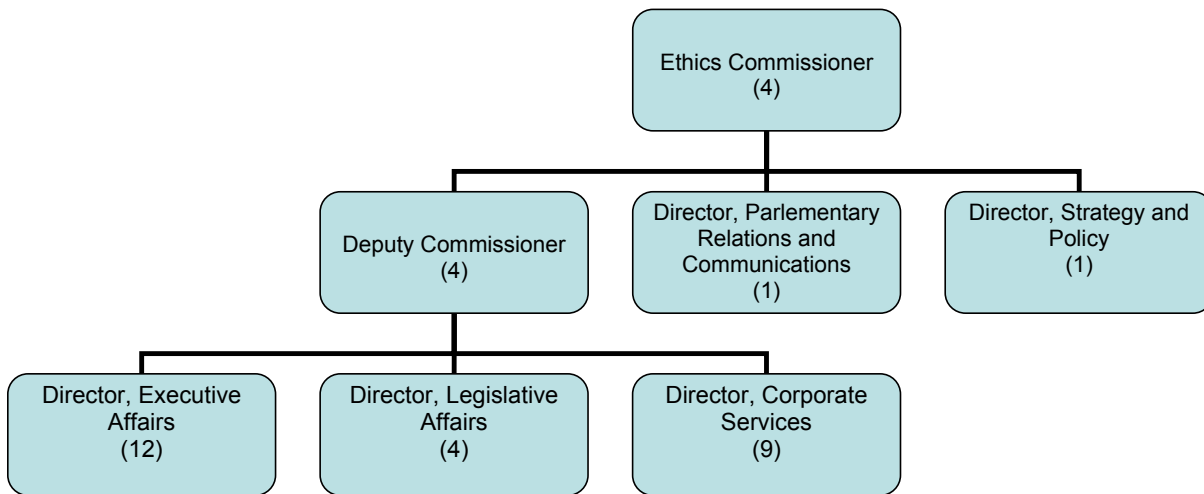
2004: Parliament passed Bill C-4, creating the position of Ethics Commissioner as an officer of Parliament and authorizing the Commissioner's mandate.



APPENDIX II

Organizational Chart

OFFICE OF THE ETHICS COMMISSIONER



II-1

The numbers in brackets represent the number of employees to be supervised by each of the positions
Total: 35 employees

June 2005

APPENDIX III

Financial Statements - March 31, 2005

Statement of Financial Position (unaudited)

OFFICE OF THE ETHICS COMMISSIONER

as at March 31, 2005

(in dollars)

Assets

Financial assets	
GST refundable	4,069
Non-financial assets	
Capital assets (note 4)	901,888
Total assets	905,957



III-1

Liabilities and Net Assets Deficiency

Liabilities	
Accounts payable and accrued liabilities	1,038,832
Allowance for employee benefits	66,984
Total liabilities	1,105,816
Net assets deficiency	
Net assets deficiency	(199,859)
Total liabilities and net assets deficiency	905,957

The accompanying notes form an integral part of these financial statements

Statement of Operations and Net Assets Deficiency (unaudited)

OFFICE OF THE ETHICS COMMISSIONER

For the period from May 17, 2004 to March 31, 2005
(in dollars)



III-2

Expenses <small>(note 5)</small>	
Policy	267,646
Communications	142,310
Operations	1,392,555
Corporate Services	1,242,462
Total expenses and net results	3,044,973
Net cash provided by government	2,845,114
Net assets deficiency - ending	(199,859)

The accompanying notes form an integral part of these financial statements

OFFICE OF THE ETHICS COMMISSIONER

For the period from May 17, 2004 to March 31, 2005

(in dollars)

Operating activities

<i>Net results</i>	3,044,973
Non-cash items included in net results	
Amortization of capital assets	(18,443)
	3,026,530
Change in assets other than capital assets and advances	4,069
Change in liabilities	(1,105,816)
Cash applied to operating activities	1,924,783

Capital activities

Acquisitions of capital assets	920,331
Cash applied to capital activities	920,331

Net cash provided by government	2,845,114
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The accompanying notes form an integral part of these financial statements



Notes to the Financial Statements

OFFICE OF THE ETHICS COMMISSIONER

1. Authority and purpose

These statements provide the financial information related to all the operations controlled by the Office of the Ethics Commissioner.

The Office of the Ethics Commissioner was created by an *Act to amend the Parliament of Canada Act and other Acts in consequence*.

The Office of the Ethics Commissioner's business is defined through three activities: communications, operations and policy development. Communications define the strategic direction for the Office of the Ethics Commissioner's liaison with the House of Commons, parliamentary committees, members of Parliament and public office holders, as well as external stakeholders. Operations provides three functions: compliance, provision of confidential advice or opinions and investigation. Compliance encompasses a number of activities such as the confidential disclosure of private interests, the provision of advice, the public disclosure of certain assets, liabilities, activities and gifts, hospitality and benefits, the establishment of blind trusts or blind management agreements and annual reviews. Provision of confidential advice or opinions refers to a formal request from a member of Parliament, public office holder or the Prime Minister with respect to the application of the *Conflict of Interest Code for Members of the House of Commons* or the ethical principles, rules or obligations established by the Prime Minister for public office holders. Investigations may be carried out for members of the House of Commons and for those public office holders who are Ministers, Ministers of State and Parliamentary Secretaries. The objective of developing appropriate policies and practices is to provide sound and consistent advice to clients with respect to the application of the *Conflict of Interest Code for Members of the House of Commons* and the *Conflict of Interest and Post-employment Code for Public Office Holders*.



III-4

2. Significant accounting policies

These financial statements have been prepared in accordance with generally accepted accounting principles to the extent that they are in accordance with government policies and directives. The primary source of the accounting principles is from the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants supplemented by the recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants for situations not covered by the Public Sector Accounting Board. Readers of these statements are cautioned that the introduction of accrual accounting at the departmental level is evolutionary. Not all assets, liabilities and expenses applicable to the department are recorded at this time thus the financial statements are not necessarily complete. All such assets, liabilities and expenses are recorded at a government-wide level in the financial statements of the Government of Canada. The accompanying notes provide additional details and should be read with care.

The significant accounting policies include the following:

(a) Parliamentary appropriations

The Office of the Ethics Commissioner is primarily financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Office of the Ethics Commissioner do not parallel financial reporting according to generally accepted accounting principles as they are, in a large part, based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 7 to these financial statements provides information regarding the source and disposition of these authorities. Note 8 provides a high-level reconciliation between the two bases of reporting.

2. Significant accounting policies (continued)

(b) Net cash provided by government

All departments including agencies and departmental corporations operate within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash receipts are deposited to the CRF and all cash disbursements made by departments are paid from the CRF. Net cash provided by government is the difference between all cash receipts and all cash disbursements including transactions between departments.

(c) Use of estimation

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant item where estimates are used is amortization of capital assets.

(d) Basis of financial reporting

All expenses, revenue, assets and liabilities transactions between sub-entities within the Office of the Ethics Commissioner have been eliminated.

(e) Expenses

Expenses are recorded when the underlying transaction or expense occurred subject to the following:

- ✓ Employee severance benefits are expensed by the Office of the Ethics Commissioner when paid. Estimated accruals are not recorded in the Office of the Ethics Commissioner's books, rather they are recognized in the consolidated financial statements of the Government of Canada.
- ✓ Vacation pay and overtime are expensed in the year that the entitlement occurs.
- ✓ Contributions to superannuation plans are recognized in the period that the contributions are made. Actuarial surpluses or deficiencies are not recorded in the Office of the Ethics Commissioner's books but are recognized in the consolidated financial statements of the Government of Canada.
- ✓ Services provided without charge by other government departments and agencies are not recorded as operating expenses. They are rather disclosed in a note to the statements (note 6).

(f) Capital assets

All assets are recorded at cost. Amortization is calculated on a straight-line basis over the estimated economic lives of the assets, as follows:

Class	Sub-Class	Amortization Period
Machinery and equipment	Special equipment	10 years
	Office furniture	10 years
Computer equipment	Computer equipment	3 years
Computer software	Computer software	3 years
Leasehold improvements	Leasehold improvements	life of lease

Current year acquisitions are capitalized and amortized commencing the day the asset is received.

(g) Foreign currency transactions

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities are translated using the rate of exchange at year-end.



3. Related party transactions

The Office of the Ethics Commissioner is related in terms of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Office of the Ethics Commissioner enters into transactions with these entities in the normal course of business. Certain of these transactions are on normal trade terms applicable to all individuals and enterprises, while others are services provided without charge (note 6).

4. Capital assets

Cost	Acquisitions and Net value - ending
(en dollars)	
Office equipment	4,800
Office furniture	280,868
Computer equipment	132,369
Computer software	107,203
Leasehold improvements	395,091
Total capital assets	920,331
Accumulated Amortization	Amortization and Net value - ending
(en dollars)	
Office equipment	40
Office furniture	2,341
Computer equipment	3,677
Computer software	2,978
Leasehold improvements	9,407
Total accumulated amortization	18,443
Net capital assets	901,888



III-6

5. Summary of expenses

(en dollars)	
Salaries and wages	1,958,729
Allowances for vacation and compensatory leave	66,984
Professional and special services	715,585
Material and supplies	19,523
Rentals	17,461
Communications	60,823
Information	85,476
Travel and relocation	45,091
Repairs	15,202
Furniture and equipment	8,890
Amortization	18,443
Miscellaneous	32,766
	3,044,973

6. Services provided without charge

During the period, the Office of the Ethics Commissioner received services that were obtained without charge from other government departments and agencies. These amounts are not recorded in the financial statements.

(en dollars)

Accommodation provided by Public Works & Government Services Canada	186,063
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7. Parliamentary appropriations

(en dollars)

	2005
Supplementary Vote 12	3,718,700
Lapsed	133,247
	3,585,453
Contributions to employee benefits plan	289,722
Use of appropriations	3,875,175



III-7

8. Reconciliation of net results to appropriations used

(en dollars)

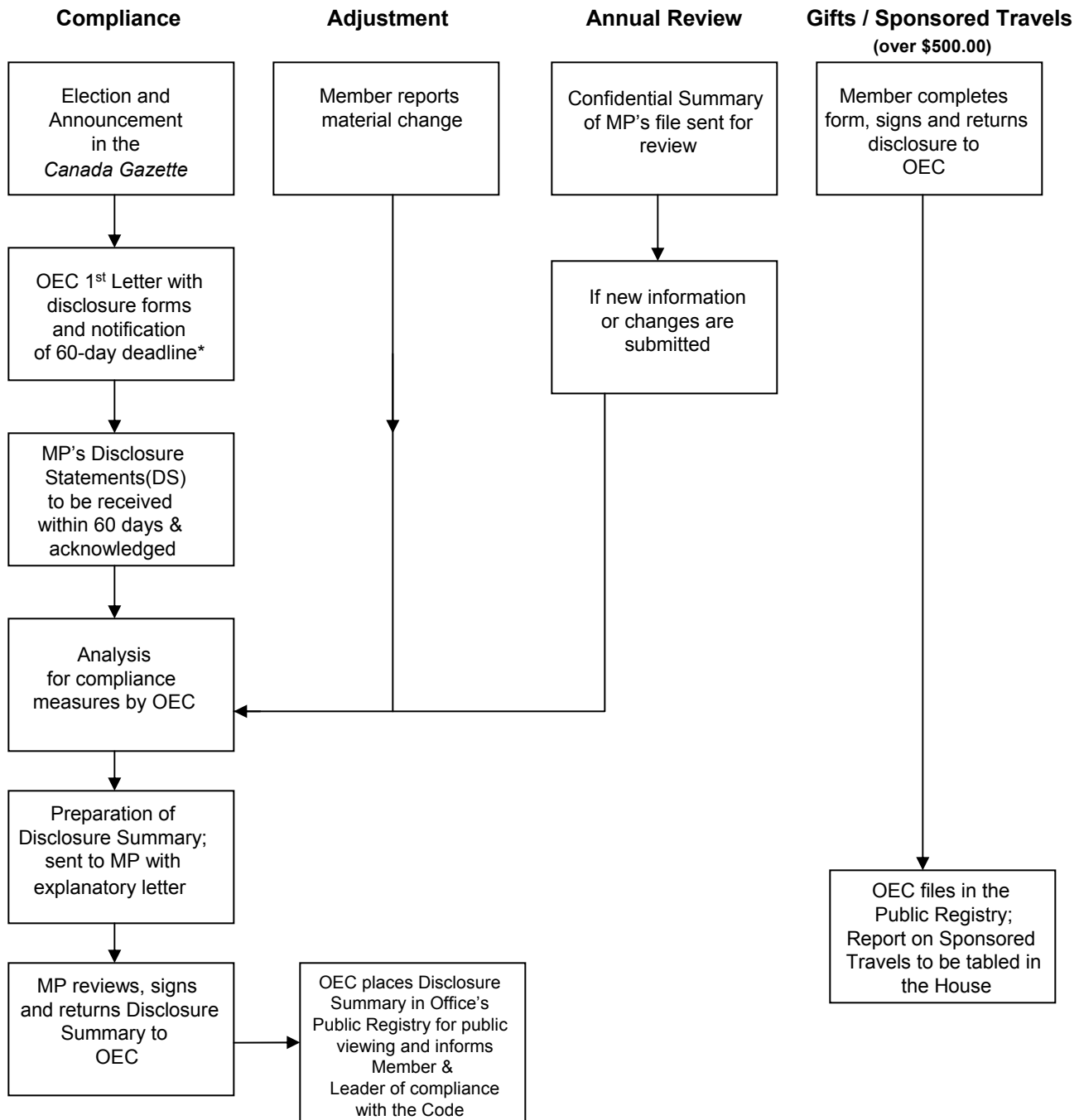
	2005
Net results	3,044,973
<i>Remove items not charged to Vote:</i>	
Amortization	(18,443)
Change in Allowance for employee benefits	(66,984)
Expenditures related to Justice Canada	(4,702)
	(90,129)
<i>Add items affecting appropriation:</i>	
Capital acquisitions	920,331
	920,331
Total appropriations used	3,875,175

9. Comparative figures

The Office of the Ethics Commissioner was created by the *Parliament of Canada Act* and came into force on May 17, 2004. No activities occurred prior to that date.

APPENDIX IV

Process in support of the Conflict of Interest Code for Members



* In 2004, this date was December 3rd.

APPENDIX V

Results of Survey of
Members of the House of Commons**RESPONSES TO SURVEY / RÉPONSES AU SONDAGE**
April / Avril 2005

Question 1: Based on your own experience, how would you rate the services provided to you, as Member of the House of Commons, by my Office, on the following scale: / Selon l'échelle suivante et en vous basant sur votre expérience, comment évalueriez-vous les services qui vous ont été offerts, en tant que député, par mon Bureau :

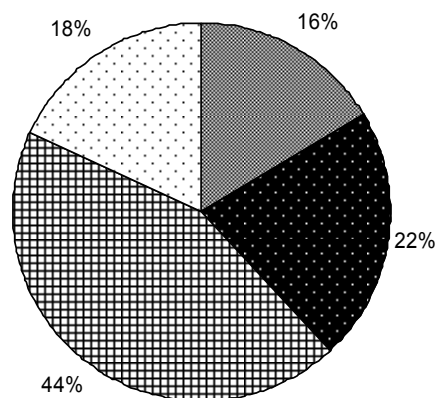
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- | | |
|---|---|
| ■ 1 - Poor - Unacceptable / Pauvre - Inacceptable | ▣ 3 - Satisfactory / Satisfaisant |
| ■ 2 - Acceptable | □ 4 - Very satisfactory / Très satisfaisant |

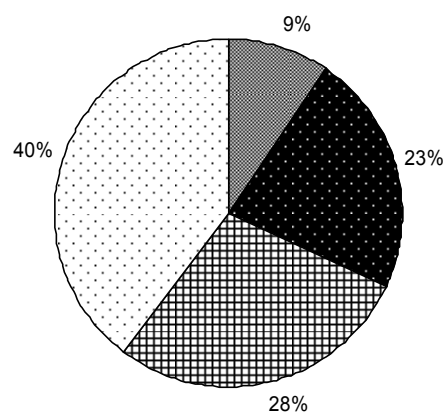


V-1

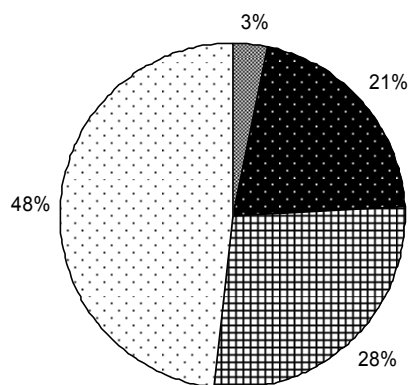
- a) Analysis of personal compliance measures with respect to the Code's requirements /
L'analyse des mesures de conformité personnelle en regard avec les exigences du Code.



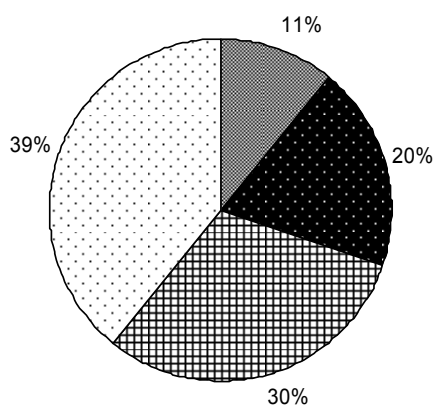
b) Confidentiality and usefulness of advice / La confidentialité et l'utilité des conseils.



c) Courtesy and respect in delivery of services / La courtoisie et le respect dans la livraison des services.



d) Timeliness of response / Le délai de réponse.



V-2

