



Office of the Conflict  
of Interest and Ethics  
Commissioner

Commissariat aux  
conflits d'intérêts et à  
l'éthique

## The 2014-2015 ANNUAL REPORT

made under the  
*CONFLICT OF INTEREST CODE FOR  
MEMBERS OF THE HOUSE OF COMMONS*



June 9, 2015

Mary Dawson  
Conflict of Interest and  
Ethics Commissioner

## The 2014-2015 Annual Report

in respect of the

*CONFLICT OF INTEREST CODE FOR MEMBERS OF THE HOUSE OF COMMONS*

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June 8, 2015

The Honourable Andrew Scheer, M.P.  
Speaker of the House of Commons  
Room 224-N, Centre Block  
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Ottawa, Ontario K1A 0A6

Dear Mr. Speaker:

I am pleased to submit to you my report on the performance of my duties and functions under the *Conflict of Interest Code for Members of the House of Commons*, for the fiscal year ending March 31, 2015, for tabling in the House of Commons on June 9, 2015.

This fulfills my obligations under paragraph 90(1)(a) of the *Parliament of Canada Act*.

Sincerely,

Mary Dawson  
Conflict of Interest and Ethics Commissioner



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## I. INTRODUCTION

The Conflict of Interest and Ethics Commissioner administers the *Conflict of Interest Code for Members of the House of Commons* (Code) and the *Conflict of Interest Act* (Act). These two regimes hold Members and public office holders to standards that place the public interest above private interests.

The Code applies to all 308 Members of the House of Commons. It was adopted by the House of Commons in 2004 and was amended in 2007, 2008 and 2009. The Code is appended to the *Standing Orders of the House of Commons*.

The Act applies to current and former public office holders, including ministers, parliamentary secretaries, ministerial staff, ministerial advisers, deputy ministers and most full- and part-time Governor in Council appointees. There are approximately 2,400 public office holders subject to the Act, more than half of whom are part-time. The Act came into force in July 2007 and was amended in 2011 and 2013.

Most rules and procedures set out in the Code and the Act aim to minimize the possibility of conflicts arising between public and private interests. The rules of conduct also address a variety of other situations relating, for example, to gifts and benefits. The Act also contains a number of post-employment rules.

While the focus of both the Code and the Act is on prevention, I am mandated to investigate alleged contraventions of either.

The main responsibilities of my Office are to:

- advise Members and public office holders on their obligations under the Code and the Act;
- receive and review confidential reports of assets, liabilities, income and activities of Members and reporting public office holders in order to advise on and establish appropriate compliance measures;
- maintain confidential files of required disclosures;
- maintain a public registry of publicly declarable information;
- administer an administrative monetary penalty regime under the Act for failures to comply with certain reporting requirements; and
- conduct inquiries and examinations and into alleged contraventions of the Code and the Act.



Under the Act, I am also mandated to provide confidential advice to the Prime Minister about conflict of interest and ethics issues.

This is one of two annual reports issued by my Office. This report relates to the Code and the other report relates to the Act.



## II. OVERVIEW – Preparing to Respond to Potential Changes

This summer will mark eight years since the coming into force of the *Conflict of Interest Act*, which coincided with the start of my mandate as Conflict of Interest and Ethics Commissioner and the creation of my Office.

The structures, processes and systems that I have put in place since July 2007 to support the application of the *Conflict of Interest Code for Members of the House of Commons* and the Act have provided my Office with a solid foundation. My experience in applying both regimes over the years has enabled me to refine and strengthen that foundation. The maturity that my Office has now achieved as an organization allows us, I believe, to continue to build on our strengths and gives us the flexibility to respond to potential changes.

During the past fiscal year, my Office has been preparing for the possibility that changes to my mandate may result from the parliamentary reviews of the Code and the Act. My Office has also been getting ready for the 2015 federal election and the arrival of new Members that will follow the addition of 30 seats to the House of Commons and a number of announced resignations. My Office's strategic plan has been renewed to reflect these and other priorities.

To further enhance our ability to deal with change, I have ensured that the procedures, practices and precedents in every division of my Office are documented and that a solid management framework is in place for the Office as a whole.

My primary goal as Commissioner continues to be to assist Members and public office holders in meeting their obligations under the Code and the Act. Advisors in my Office help them comply through formal mechanisms set out in the two regimes, including the initial compliance process, the annual review process, and ongoing reporting requirements. Advisors also provide information and confidential advice to individual Members and public office holders beyond these formal mechanisms. In the past fiscal year, my Office has had over 4,000 communications with individuals subject to the Code or the Act, a volume that is expected to increase over the current fiscal year as a result of the upcoming election.

These activities were complemented by a range of outreach initiatives aimed at educating and informing Members and public office holders, including presentations to organizations and offices whose members are subject to the Act, offers to make presentations to party caucuses and independent Members, and written documents and website materials explaining various aspects of the Code and the Act. We have developed an integrated communications strategy to maximize the effectiveness of these and other initiatives.



While the major focus of my Office is on prevention, I have continued to enforce the Code and the Act by investigating possible contraventions, as appropriate. There were a total of 45 investigation files that were opened or remained open during the past fiscal year. Some of those files were opened as a result of formal requests from Members of the House of Commons, but I initiated other investigations myself as a result of information that came to my attention in a variety of ways. In 2014-2015, my Office released five examination reports under the Act on subjects that included preferential treatment, fundraising, outside activities and gifts.

I remain grateful for the support of my staff, without whom I could not fulfill my mandate as Commissioner, and I thank them for their invaluable contributions. I note that many employees who were already on staff when I was appointed, or joined shortly after, are still with me today. Their longstanding commitment to the work of my Office has resulted in a strong and experienced team. I appreciate their loyalty and look forward to working with them over the coming year.



### III. APPLYING THE CODE

The *Conflict of Interest Code for Members of the House of Commons* (Code) applies to all 308 Members of the House of Commons. This includes 39 ministers and 30 parliamentary secretaries, who are also subject to the *Conflict of Interest Act* (Act). My Office assists these individuals in achieving and maintaining compliance with the Code.

#### Initial Compliance

New Members must submit a confidential disclosure statement to my Office within 60 days after the notice of their election is published in the *Canada Gazette*. This statement must list all of the Member's assets, liabilities, sources of income and activities outside of Parliament. The statement must also disclose trusts from which the Member could derive a benefit or income, and benefits that could result from government contracts. Members must also make a reasonable effort to disclose the same information for their spouses or common-law partners and their dependent children.

My Office reviews this information and prepares a summary, which must be signed by the Member and placed on a public registry maintained by my Office. During the initial compliance process, my Office provides Members with advice on maintaining ongoing compliance with the Code throughout their term in office, and may recommend specific compliance measures. These measures usually relate to disclosures of private interests. Such measures could also be established after the initial compliance stage as a result of a material change.

The initial compliance process is complete when any compliance measures recommended by my Office at that time are put in place by the Member and the disclosure summary is placed on the registry for public inspection.

Although the Code states that there is a 60-day deadline for the submission of the confidential disclosure statement, it does not set any deadline within which the initial compliance process must be completed by Members. This is in contrast to the Act, which requires that reporting public office holders complete their initial compliance process within 120 days of appointment. During the initial compliance process, my Office maintains a Members' Compliance Status Report which identifies the various stages of the process for each Member's file on a specific day. This report is available on my Office's website.

In 2014-2015, by-elections were held on June 30, 2014 in four ridings (Trinity–Spadina, Scarborough–Agincourt, Macleod and Fort McMurray–Athabasca), and on November 17, 2014



in two other ridings (Whitby–Oshawa and Yellowhead). All six newly elected Members met the Code’s 60-day deadline to submit a confidential disclosure statement, and all six completed the initial compliance process by March 31, 2015.

## **Maintaining Compliance**

Beyond the initial compliance process, my Office assists Members in meeting their obligations under the Code throughout their term in office. This is done in part through formal mechanisms set out in the Code. These include the annual review process and the requirements that Members report and publicly disclose gifts or other benefits, sponsored travel and material changes, each of which is discussed separately below. In addition, my Office regularly communicates with Members to provide them with ongoing information and advice on the application of the Code.

### ***Ongoing Advice***

The number of communications with Members seeking information and advice or informing my Office of a change in their situations has declined over the last two fiscal years. These communications are often prompted by the annual review process. My Office also receives questions on a wide range of matters that are specific to individual Members. The most common requests for advice relate to gifts and other benefits.

<b>Communications with Members</b>	
• 2010-2011	486
• 2011-2012	264
• 2012-2013	605
• 2013-2014	534
• 2014-2015	499

In addition, my Office occasionally sends emails to all Members as a group, providing information and advice relating to specific provisions of the Code. An advisory opinion is usually then posted on our website.

### ***Annual Review***

All Members must review their compliance arrangements on an annual basis and update the information previously disclosed to my Office. Advisors from my Office assess any new information to determine whether new compliance measures are needed and provide confidential advice to Members as required.

As part of our continuing efforts to expedite all compliance processes under the Code, my Office pays particular attention to the annual review process. We send Members email reminders and then follow up by phone. This practice continues to ensure a more timely return of a greater number of annual reviews.

Annual reviews are initiated on a yearly basis on or around the date of signature of the initial disclosure summary following an election, unless the previous annual review was not completed until close to that date, in which case the initiation of an annual review is delayed.

In 2014-2015, my Office initiated 233 annual reviews with Members and received 216 responses, some of which were related to annual reviews initiated in the latter part of the previous year.

Although the Code does not impose any specific deadlines, I ask Members to complete this process within 30 days. I have recommended, in the context of the five-year review of the Code, that such a deadline be set out in the Code. The public registry on my Office's website identifies the date on which a Member's most recent annual review was completed.

As part of the annual review process, I send a questionnaire to Members to inquire about specific changes to their disclosures since their last annual review. This questionnaire often prompts Members to contact my Office for further advice on their obligations.

### **Ongoing Reporting Requirements**

The Code requires that Members file a statement disclosing gifts, sponsored travel, and any material change involving information that is required in the initial disclosure statement as set out below. All of these must be reported within 60 days.

### ***Gifts and Other Benefits***

Issues around the acceptability of gifts and other benefits continue to generate the most requests for advice. Members are prohibited from accepting any gift or other benefit that could reasonably be seen to have been given to influence them, regardless of its value, except where it is received as a normal expression of courtesy or protocol, or where it falls within customary standards of hospitality that normally accompany a Member's position. This exception will apply, for example, in the case of token gifts offered in appreciation for a speech or presentation made by a Member or a meal offered to a Member at a public event that he or she is attending in an official capacity.

#### **Advice relating to Gifts and other Benefits**

• 2010-2011	80
• 2011-2012	51
• 2012-2013	99
• 2013-2014	98
• 2014-2015	111



Any gift that is related to the Member's positions, or an accumulation of such gifts over a one-year period from one source, accepted by a Member and valued at \$500 or more must be disclosed to my Office within 60 days and publicly disclosed. Gifts or other benefits received in connection with sponsored travel, which is discussed below, are declared publicly as part of the sponsored travel rather than as a gift or other benefit. However, gifts received in connection with official travel that is not considered to be sponsored travel are disclosed and publicly declared as gifts.

Table 3-1 sets out a five-year comparison of the number of public declarations of gifts and benefits made and the number of Members who made these declarations.

Table 3-1: Public Declarations of Gifts or Other Benefits

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Declarations of gifts or other benefits	37	20	39	40	26
Number of Members who publicly declared gifts or other benefits	15	14	24	19	17

### *Sponsored Travel*

Subsection 15(0.1) of the Code expressly permits Members to accept sponsored travel that arises from or relates to their positions, effectively exempting it from the general rules on gifts or other benefits. Sponsored travel includes all benefits received in connection with the travel, including accommodation and, as noted above, gifts and other benefits.

Where the cost of any sponsored travel accepted by a Member exceeds \$500 and is not wholly or substantially paid from the Consolidated Revenue Fund or by the Member personally, his or her political party or any interparliamentary association or friendship group recognized by the House, it must be disclosed to the Commissioner and publicly declared within 60 days after the end of the trip.

Public declarations of sponsored travel are posted on the Office's website as soon as they are received. The Code also requires that the Commissioner submit, by March 31 of each year, a list of sponsored travel by Members during the previous calendar year. The 2014 list was tabled on March 26, 2015.

I have noted in previous reports that there is no acceptability test for sponsored travel, as there is for gifts and other benefits. I have recommended in the context of the five year review of the Code that such an acceptability test be added, which would prohibit the acceptance of sponsored travel if it could reasonably be seen to have been given to influence the Member in the exercise of his or her official duties.

Table 3-2 sets out a five-year comparison of the number of public declarations of sponsored travel and the number of Members who made these declarations.

Table 3-2: Public Declarations of Sponsored Travel

	2010	2011	2012	2013	2014
Declarations of sponsored travel	99	73	85	110	87
Number of Members who declared sponsored travel	68	59	65	71	57

### *Material Change*

Members are required to file a statement with my Office reporting any material change to the information that is included in their initial disclosure statement within 60 days after the change. Generally speaking, a material change is one that might affect the Member's obligations under the Code. A change that would require a public declaration or a modification to an existing public declaration is always a material change.

In 2014-2015, my Office received 24 requests for advice relating to possible material changes. Of these communications, 20 resulted in public declarations of a material change. Members who have questions regarding whether a change to their personal situation constitutes a material change under the Code are encouraged to contact my Office because new compliance measures may be necessary to meet their obligations under the Code.

Table 3-3 sets out a five-year comparison of the number of public declarations of material change made and the number of Members who made these declarations.

Table 3-3: Public Declarations of Material Changes

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Declarations of material change	10	27	33	25	20
Number of Members who declared a material change	10	18	30	22	20



## **Matters of Note**

### ***Public Reporting of Gifts or Other Benefits***

In the last year, I had occasion to consider situations involving invitations to fundraising or other political events, given by a riding association or a political party to Members who are also reporting public office holders subject to the Act.

Under the Code, where the gift rule refers to “gifts or other benefits”, the definition of “benefit” excludes benefits received from a riding association or a political party. The above-mentioned invitations are therefore excluded from the application of the gift rules of the Code.

Because Members who are also ministers or parliamentary secretaries are subject to both the Code and the Act, I had to examine this matter under the Act, where there is no similar exclusion from the meaning of “gifts or advantages.” For this reason, these invitations would, on a technical reading, require public declarations to be made under the Act.

I determined, after a review of the appropriate rules, that, in light of its purposes, the Act would not have intended that the gifts in question be publicly declared. Consequently, I have not required public declarations under subsection 25(5) of the Act in these situations.

This matter is discussed in further detail in the 2014-2015 annual report relating to the Act under the heading Matters of Note.

### ***Public Registry***

As mentioned in last year’s annual report, my Office launched, in April 2015, a new version of its online registry of publicly declarable information submitted by Members of the House of Commons and by reporting public officer holders. The maintenance of a public registry by my Office is a requirement under both the Code and the Act. The update of the public registry had two main purposes. The first was to simplify the internal process by which the declarations of the Members and reporting public office holders are made public, and the second was to improve how the information is displayed, making it easier for the general public to read and understand it. This is especially true for information relating to ministers and parliamentary secretaries, who make public disclosures under both the Code and the Act.

Considerable efforts were made by my staff over the last 12 months to define the business requirements and functionality of this new registry, which is now integrated with the



case management system used by my Office. The new registry includes a number of improvements, in particular enabling users to find information more easily. Although the interface of the previous public registry was bilingual, the declarations were published in the original language in which they were made by the Member or by the reporting public office holder. The new version of the public registry allows my Office to display a translation of each declaration, so that the site is fully bilingual.

The Office called on the expertise of internal and external resources of the House of Commons' information technology group to develop the registry. The first phase of the project was delivered on schedule. The next phase will result in a portal that will enable stakeholders to submit their public declarations electronically.





#### IV. INVESTIGATIONS

My Office administers two investigative regimes, one under the *Conflict of Interest Code for Members of the House of Commons* (Code) and the other under the *Conflict of Interest Act* (Act). An inquiry under the Code can be initiated after receiving a request from a Member of the House of Commons, upon resolution of the House of Commons or on my own initiative. An examination under the Act can be initiated after receiving a request from a Senator or a Member of the House of Commons, or on my own initiative.

When a Member makes a request under the Code, or a Member or Senator makes a request under the Act, he or she must, among other requirements, set out reasonable grounds for believing that a contravention has occurred. If the requirements are met, the Commissioner must, in the case of the Code, conduct a preliminary review to determine whether an inquiry is warranted or, in the case of the Act, conduct an examination.

Information concerning possible contraventions of the Code or the Act also comes to my attention in a variety of other ways, such as media reports and communications from the general public. In those instances, the information is reviewed to determine whether the concerns fall within the mandate of this Office and whether I have reason to believe a contravention of the Code or Act has occurred. In most cases, this requires preliminary fact-finding, after which I determine whether an inquiry or examination is warranted or whether any other action should be taken.

#### Overview of Investigation Files Under the Code and the Act

Over the past fiscal year, my Office opened 39 new investigation files and six files were carried over from previous fiscal years. Four of the files that were carried over resulted in reports that are described in some detail in this year's annual report under the Act, namely *The Lynn Report*, *The Glover Report*, *The Finley Report* and *The Bonner Report*. The remaining two files, the Carson and Wright examinations, remain suspended.

Table 4-1: Comparison of Investigative Activity over the Past Five Fiscal Years

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Files opened	33	30	32	28	39
Files carried over from previous fiscal year	6	11	16	13	6
<b>Total</b>	<b>39</b>	<b>41</b>	<b>48</b>	<b>41</b>	<b>45</b>



As shown in table 4-2 below, of the 45 files that were opened or remained open during the last fiscal year, 10 resulted from requests from Members, including four under the Code and six under the Act. Two files related to referrals from the Public Sector Integrity Commissioner. The remaining files were opened as a result of information received from other sources. No requests for examinations were made by Senators and I did not receive any directions from the House of Commons to conduct an inquiry. Nine of the 45 files related to the obligations of Members of the House of Commons under the Code.

Table 4-2: Sources of Information and Subjects of Files

Source of information	Subject is a current or former minister or parliamentary secretary		Subject is any other public office holder	Subject is a Member	Total
	ACT	CODE	ACT	CODE	
Office of the Conflict of Interest and Ethics Commissioner	1	0	14	2	17 <sup>1</sup>
Members of the general public	4	0	5	2	11
MP requests	2	0	4	4	10
Media reports	2	0	2	1	5
Referrals from the Public Sector Integrity Commissioner	1	n/a	1	n/a	2
Senator requests	0	0	0	0	0
Resolutions of the House of Commons	n/a	0	n/a	0	0
<b>Total</b>	<b>10</b>	<b>0</b>	<b>26</b>	<b>9</b>	<b>45</b>

### Files Open Under the Code in 2014-2015

The table below sets out the nature of the concerns in 2014-2015 in relation to open files under the Code. Individual files sometimes address concerns relating to more than one provision of the Code.

<sup>1</sup> Twelve of the 17 files were opened as a result of information obtained incidentally during one examination. This is described in more detail later in this report under the heading Matters of Note – Gifts or Other Advantages.



Table 4-3: Nature of Concerns

Nature of concern	Number of concerns of this nature in 2014-2015
Actions that could be perceived as making, or seeking to influence, decisions that would improperly further a private interest (section 8 or 9 of the Code)	5
Gifts (section 14 of the Code)	4
Duty to recuse (section 13 of the Code)	2

### Files Closed Under the Code During the Past Fiscal Year

My Office closed eight files under the Code in the past fiscal year.

I did not issue any inquiry reports under the Code in the past fiscal year, nor did I launch any inquiries under the Code.

In the case of almost all files that are closed without an inquiry, my Office informs the subject of the file that concerns have been raised about him or her. Where it is appropriate to do so, my Office will also follow up with the individual who raised the matter once the file has been closed, to inform him or her of how the matter was resolved.

In some files, whether or not I proceed to an inquiry, my Office provides compliance advice to that individual and changes may be made to his or her compliance arrangements as a result of that advice.

Table 4-4: Comparison of Files Closed Under the Code in the Past Four Fiscal Years

	2011-2012	2012-2013	2013-2014	2014-2015
Reports released following an inquiry	1	0	0	0
Joint reports released following an examination and an inquiry	0	0	1	0
Files closed under the Code without proceeding to an inquiry or public report	4	5	14	8
<b>Total</b>	<b>5</b>	<b>5</b>	<b>15</b>	<b>8</b>



## Overview of Files Closed Under the Code During the Past Fiscal Year

The eight files under the Code that were closed in the past fiscal year without proceeding to an inquiry are described below.

- My Office received information from a member of the public alleging political intervention by a minister, a deputy minister and a Member of the House of Commons resulting in the withdrawal of a monetary penalty. I found no evidence to support this allegation. I subsequently received a referral from the Public Sector Integrity Commissioner, under section 68 of the Act, with respect to the same matter. Upon receiving such a referral, I am required to release a report even if I ultimately decide not to proceed to an examination. Accordingly, although I did not proceed to an examination under the Act, I released a report under the Act entitled *December 2014 Report*. This report is described in the 2014-2015 annual report under the Act under the heading Reports Issued.
- I conducted preliminary reviews into allegations made by two Members of the House of Commons that another Member had solicited political donations from lobbyists. After completing the preliminary reviews, I concluded that inquiries into the matter were not warranted.
- It was reported in the media that a Member of the House of Commons was accepting gifts that might reasonably be seen to have been given to influence the Member in carrying out the Member's parliamentary functions. Soon after my Office started to look into the matter, other media reports emerged confirming that no gifts had actually been accepted by the Member. In the absence of any additional evidence, the file was closed.
- It had been reported by the media that a Member of the House of Commons requested separate inquiries in relation to the participation of two other Members in votes in the House of Commons on an amendment to a bill with the allegation that the amendment in question could further the private interests of one of the Members and the private interests of a member of the other Member's family. After completing the preliminary reviews, I determined that inquiries into the matter were not warranted.
- I became aware of information obtained incidentally during the course of an examination that a Member of the House of Commons may have attended a social event as the guest of an organization that was registered to lobby the House of Commons. My Office contacted the Member. It was determined that the Member had



accepted the invitation and attended the event, but had no official duties or functions that could be exercised in relation to the donor. I therefore was not concerned that the invitation might reasonably be seen to have been given to influence the Member in the exercise of his responsibilities.

- My Office received information from a member of the public, speculating that a Member of the House of Commons was making inappropriate requests of a ministerial office. The subject matter of the request did not relate to any of the Member's obligations under the Code as it did not have anything to do with furthering a private interest.

### **Files Carried Over Under the Code into 2015-2016**

Only one of the nine files under the Code was still under consideration at the end of the fiscal year, pending a determination as to whether an inquiry was warranted.

### **Files Under the *Conflict of Interest Act***

During the past fiscal year, 36 of the 45 open investigation files related to obligations of public office holders under the Act.

My Office closed 29 of those files under the Act in the past fiscal year. Five resulted in public reports. One was a self-initiated examination under the Act that was subsequently discontinued without the release of a report. I closed the remaining 23 files under the Act without proceeding to an examination. My 2014-2015 annual report under the Act provides a description of the files that were closed under the Act during that fiscal period.

Seven of the files under the Act that were open in 2014-2015 have been carried over into the 2015-2016 fiscal year. Five of those seven files resulted in examinations under the Act: three ongoing and two suspended. The remaining two ongoing files under the Act are still under consideration, pending a determination as to whether an examination is warranted.







## V. OUTREACH AND COMMUNICATIONS

My Office continues to work proactively to strengthen awareness and understanding of Canada's federal conflict of interest regimes and my role and mandate in applying them.

In the past fiscal year, we have undertaken a variety of outreach and communications initiatives. These initiatives have been aimed at helping Members and public office holders of the House of Commons understand and fulfill their obligations under the *Conflict of Interest Code for Members of the House of Commons* (Code) and the *Conflict of Interest Act* (Act) and the, educating and informing the Canadian public, and exchanging information with other jurisdictions.

### **Reaching out to Members and public office holders**

My Office has continued to implement my commitment to education of, and outreach to, Members and public office holders of the House of Commons by making presentations to groups subject to the Code and the Act, and by producing documents that explain various aspects of both regimes and their application.

#### ***Members of the House of Commons***

I have continued my practice of offering annual presentations on the Code to the caucuses of all recognized parties in the House of Commons, and offered individual meetings to other party caucuses and to independent Members.

Under the authority provided in subsection 26(4) of the Code, I have issued two advisory opinions. The first was published in April 2014 and related to an offer from an entity seeking Members' participation in a program. The second was published in November and concerned the acceptability of gifts offered in conjunction with lobby days.

As mentioned above, I issued a backgrounder on investigations under both the Code and the Act that contains information for participants in the process.



## ***Public Office Holders***

In the past fiscal year, my staff and I have responded to 16 requests for presentations to organizations and offices whose members are subject to the Act. These include ministerial staff, citizenship judges, honorary consuls, members of the Parole Board of Canada and the Social Security Tribunal, and the boards of trustees of the Canadian Museum of History, the Canadian War Museum, and the Canada Science and Technology Museums Corporation.

In April 2014, I issued an update of the information notice entitled *Categories of Assets*, which defines and describes exempt assets, controlled assets and declarable assets and how they are to be treated for purposes of the administration of the Act. It is one of a series of information notices that discuss various aspects of the Act and its application in order to help public office holders comply with it. In January of this year, I issued a backgrounder on investigations under both the Code and the Act that contains information for those participating in the investigation process whether as the subject of an investigation, as a witness or as counsel representing a subject or witness.

In November, for the fifth consecutive year, I sent an annual letter to non-reporting public office holders who are not reporting public office holders, accompanied by a summary of the Act's rules for public office holders. I also enclosed an attachment summarizing the provisions of the Act related to gifts and other advantages.

## **Parliamentary Activities**

As an independent Officer of Parliament, I report directly to Parliament through the Speaker of the House of Commons. My Office conducts a variety of parliamentary activities in support of this reporting relationship.

## ***Reports to Parliament***

In the past fiscal year, I have issued eight reports. Among them are the *List of Sponsored Travel 2014*, which I submitted to the Speaker of the House of Commons for tabling on March 6, 2015, and my 2013-2014 annual reports under the Code and the Act, both of which I released on June 5, 2014.

The other five reports were examination reports under the Act: *The Lynn Report*, which I issued in June 2014; *The Glover Report*, which I released in November 2014; *Referral from the Public Sector Integrity Commissioner: December 2014 Report*; *Referral from the Public Sector*

*Integrity Commissioner: The Bonner Report*, published in February 2015; and *The Finley Report*, issued in March 2015. These are discussed in the Investigations section of this report.

There were no inquiries to report under the Code.

### ***Committee Appearances***

I am occasionally summoned to appear before parliamentary committees to testify about matters related to my Office and its work.

The House of Commons Standing Committee on Access to Information, Privacy and Ethics has oversight responsibility for my Office and reviews its annual spending estimates, and may review any matter related to the Act. The House of Commons Standing Committee on Procedure and House Affairs has responsibility for the Code.

In May 2014, I appeared before the Standing Committee on Access to Information, Privacy and Ethics to discuss my budgetary estimates for 2014-2015. I also appeared before the Committee in June to discuss my nomination for re-appointment to the position of Conflict of Interest and Ethics Commissioner for another two years.

In February 2015, I appeared before the Standing Committee on Procedure and House Affairs during its review of the *Conflict of Interest Code for Members of the House of Commons*.

I have not been summoned to appear before either committee to discuss my annual reports since 2010.

### ***Reviews of the Code and the Act***

The Standing Committee on Procedure and House Affairs initially launched a five-year review of the Code in 2012. Section 33 of the Code requires the Committee to conduct a comprehensive review of its provisions and operations every five years. The previous review had been conducted in 2007. I appeared before the Committee in May 2012 and provided it with a written submission outlining my recommendations for possible changes to the Code.

As I noted in my 2013-2014 annual report in respect of the Code, the Committee suspended its review later in the spring of 2012. It is my understanding that it did so in order to pursue other priorities.



In February 2015, the Committee relaunched the five-year review. I was summoned to appear before the Committee again in February 2015 in relation to the review, and was also invited to provide the Committee with a new written submission updating my previous submission and including any new recommendations. My recommendations in the second submission targeted six areas: rules of conduct, administering the Code, managing investigations, harmonizing the Code and the Act, and regulating partisan and personal conduct.

The Standing Committee on Access to Information, Privacy and Ethics launched a statutory review of the Act in January 2013. I provided the Committee with a written submission outlining my recommendations for changes to the Act, and appeared before the Committee four times during its review to discuss my recommendations. The Committee reported to Parliament on the statutory review in February 2014, and I discussed its report in my 2013-2014 annual report under the Act.

I note that the government tabled its response in the House of Commons in June 2014. In its response, the government indicated support for the Committee's recommendations, but did not provide details about specific amendments to the Act. I look forward to learning the specifics of the government's plans.

### ***Other Parliamentary Activities***

My Office participated in the Parliamentary Officers' Study Program again this past fiscal year. Normally offered twice a year, once in English and once in French, the program gives senior representatives of foreign parliaments and Canadian legislatures the opportunity to learn about how the Parliament of Canada functions and, in turn, to reflect on their own practices. This year, an additional executive-level program was initiated.

In May 2014, I made a presentation to the executive-level program participants, and a member of my staff gave presentations during the program's regular October and February sessions. In these presentations, we provided information about the Code, the Act and the Canadian parliamentary ethics framework, as well as responding to questions.

### **Working with Others**

My staff and I have continued to work with my counterparts and with other individuals in Canada and from around the world, exchanging information and discussing issues in the conflict of interest and ethics field. These exchanges provide an opportunity to share our expertise and remain abreast of current issues and developments.

I continue to take an active part in the Canadian Conflict of Interest Network (CCOIN), the members of which are federal, provincial and territorial conflict of interest and ethics commissioners. My Office carries out a coordinating role for the network by gathering and disseminating within it information and materials from various Canadian jurisdictions. Last September, I participated in CCOIN's annual general meeting, which was held in Winnipeg, Manitoba.

In September and October, my Office participated in two training sessions and two working sessions on parliamentary affairs for employees in the offices of agents of Parliament.

In December 2014, I attended the annual conference of the Council on Governmental Ethics Laws (COGEL) in Pittsburgh, Pennsylvania. My Office is a member of COGEL, an international organization of government ethics administrators.

As in previous years, my Office hosted several international delegations. We welcomed visiting academics from Australia in April 2014, a parliamentarian from the Philippines in May, and two delegations from South Africa in October and November.

We responded to several surveys and other information requests from international organizations, including the Organisation for Economic Cooperation and Development, the World Bank, France's High Authority for Transparency in Public Life, and the Hong Kong Legislative Secretariat. We also responded to a request for information from the Commonwealth Parliamentary Association.

### **Inquiries from Media and Members of the Public**

My Office has continued to receive requests for information from journalists and members of the public, and has responded to such requests. I believe that the actions taken by my Office have contributed to a growing level of public awareness over the years about the Code and the Act and the role of my Office in applying them. In the past fiscal year, there were 318 media mentions of my Office. While this number can fluctuate quite significantly from year to year, depending on what stories are popular in the media, the overall trend line is upwards.

In the past fiscal year, we received 140 media inquiries to which we have responded, and I participated in eight media interviews. While these figures can also fluctuate, I believe that the overall increase in media inquiries since my Office was created reflects heightened and sustained awareness among journalists about Canada's federal conflict of interest regimes. By way of



contrast, we received only 28 media requests during my Office’s first full year of operation in 2008-2009. My approach to media relations requires my Office to be as forthcoming with information as we are permitted to be under the two regimes. We regularly issue news releases, media statements and backgrounders, and respond to queries from journalists on a range of matters.

We received almost 600 inquiries from members of the public by email, telephone, fax and letter mail, down from approximately 1,100 the previous fiscal year. They included inquiries related to my mandate, such as requests for information about the application of the Code and the Act, requests for documents issued by my Office, and requests for information about ongoing investigations and compliance matters. We also received information from members of the public about possible contraventions of the Code and the Act.

As in past years, many of the inquiries from members of the public consisted of requests for information, action or assistance that were not related to my mandate. In keeping with my objective of increasing public awareness about the application of the Code and the Act, my staff responded to those inquiries by providing information clarifying my mandate and, where possible, referred the correspondents to bodies better suited to respond to the issues raised.

The following table tracks the number of inquiries received by my Office over the past seven fiscal years.

Table 5-1: Inquiries from the Media and Members of the Public

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Media	28	17	44	102	185	213	140
Public	429	581	544	593	839	1097	597

### Public Communications

I have continued to take steps to build the profile of my Office and its mandate in order to increase awareness and understanding of the Code and the Act.

In the fall of 2014, my Office implemented a two-pronged expansion of its use of Twitter. One component involved significantly increasing the number of individuals and organizations that the Office follows. The other involved sending regular tweets about various aspects of my

mandate, with links to specific information on the Office website, in addition to tweeting about report releases and other Office activities. We also created several hashtags relating to the Code and the Act.

In April 2014, I issued three fact sheets whose intended audience includes members of the media and the general public. The first provides an overview of the Act, the second provides an overview of the Code, and the third provides information on the role and mandate of the Conflict of Interest and Ethics Commissioner.

In May 2014, I led a day-long workshop at Concordia University in Montreal as part of the Workshops on Social Science Research series. I did so again in May 2015.

### **Framework for Future Action**

I recognize that effective communications and outreach planning is important to my Office's success in applying the Code and the Act. It contributes to education, transparency and accountability, as well as to compliance with the conflict of interest regimes, while enhancing confidence and trust in elected and appointed public officials.

Now that my Office has reached a certain level of maturity as an organization, I have led in the past fiscal year a significant expansion and update of our communications and outreach strategy, which now incorporates specific components on parliamentary outreach, social media, education and training, and domestic and international outreach. I look forward to reporting on the progress of initiatives identified in this renewed strategy in the future.







## **VI. ADMINISTRATION**

### **Accountability**

As an entity of Parliament, my Office operates under the *Parliament of Canada Act*. Legislation governing the administration of the public service does not usually apply to my Office. Nor do Treasury Board policies and guidelines.

To ensure sound resource management, my Office has established a solid internal management framework over the last eight years. Recently, the *Directive on the Procurement of Goods and Services* was implemented to document existing practices and define roles and responsibilities, although the procurement of goods and services is relatively limited given the mandate and operating budget of the Office. Furthermore, the *Delegation of Human Resources Management Authorities* instrument, which was implemented at the Office in 2010, was updated in 2014 to reflect other new policies and guidelines that my Office developed.

I also make sure that our resource management practices are consistent with those found in the public service and in Parliament. To this end, employees of the Office have joined networks and working groups that focus on the management of resources both in the public sector and in Parliament.

Transparency continues to be a guiding principle for the work of my Office. Annual financial statements, quarterly financial reports and status reports on travel, as well as conference and hospitality expenses, are publicly disclosed and easily accessible through my Office website.

Since 2010-2011, the annual financial statements for my Office have been audited by an independent auditor. No concerns have been raised and the financial statements have consistently been positively received by the auditing firms.

External partners provide expertise in the area of information technology and security (House of Commons), accounts payable and external reporting (Library of Parliament) and compensation (Public Works and Government Services Canada). This results in greater efficiency and an additional level of scrutiny in the management of resources.

### **Human Resources Management**

Employee turnover remains low in my Office: one employee accepted a one-year assignment in the public service; another employee left the Office to pursue a career opportunity;



and one employee retired. As of March 31, there were four vacant positions. Staffing processes are underway for two of these positions, while another will be launched later this year. There is no short-term plan to staff the remaining vacant position because of funding pressures.

Some turnover is expected in the coming year as a result of planned retirements and new employment opportunities outside the Office. In some cases, these changes may lead to some organizational restructuring.

Employee development is a priority at my Office. The job shadowing program continues to attract interest. In 2014-2015, five employees participated in this program. Furthermore, two employees were assigned new responsibilities in another division within the Office for development purposes. These initiatives allow employees to learn new skills, gain experience, and support the Office's efforts in the area of succession planning.

In my 2013-2014 annual reports, I referred to the plan to implement competency profiles for all positions at my Office by the summer of 2014. These profiles were finalized in August 2014 with the assistance of a consultant and in close consultation with employees and managers. The competencies and associated behaviours identified in the profiles now constitute the basis for staffing and succession planning, and will be considered for performance assessment and training commencing in 2015-2016.

## **Financial Management**

An operating budget of \$6.9 million was allocated to my Office for 2014-2015. Given the nature of my mandate, salaries represent the most important expenditure against my budget. Non-salary expenditures are mostly related to the cost of shared services agreements and the standard costs of running an office, such as telecommunications, mail delivery, computer equipment and licences, and office supplies.

Measures implemented internally to reduce spending continue to produce expected results. These measures include the use of email, rather than traditional mail, to communicate with our stakeholders; the use of webcasts to participate in conferences, resulting in reduced travel costs; and the centralization of certain purchases and functions.

A table broadly outlining the financial information for the Office for the 2014-2015 fiscal year is provided in the Appendix under the heading Financial Resources Summary. Detailed financial information can be found on our website.

My Office continues to spend less than its allocated budget, in part as a result of the measures just mentioned, but also because of the decision not to immediately fill positions that have become vacant during the year. I maintain a reserve within my Office to cover unexpected operational pressures, such as an increase in investigation activities. I also use this reserve to internally fund projects and initiatives that lead to greater efficiency, such as the new public registry.

In the fall of 2014, my Office conducted an internal exercise aimed at applying the principles introduced in the *Guide on Internal Services Expenditures: Recording, Reporting and Attributing* released by the Treasury Board Secretariat. More specifically, we wanted to ensure that expenditures made to support the needs of the programs administered by the Office are properly coded to internal services. As a result, minor adjustments to coding practices will be implemented, effective April 1, 2015. The budget allocation between program and internal services is now fully consistent with the approach being promoted by the Treasury Board Secretariat.

### **Information Management and Information Technology**

The ongoing partnership with the House of Commons for information technology services continues to produce positive results for my Office. We have access to a reliable and secure network infrastructure. Solid measures have been put in place to segregate the information of the Office from that of the House, and vice versa.

Over the years, my Office has put in place good practices and systems to ensure that employees have access to complete and accurate information necessary for the performance of their duties. For example, a function-based records classification structure is used to classify paper documents. An integrated case management system introduced in 2012 tracks the status of all activities related to stakeholders and allows users to add and view related documents, such as emails and letters. Stakeholders' information is also maintained in paper files that are created according to the above-mentioned classification structure and kept up to date and stored in a secure filing area.

My Office will continue to improve the way it organizes and manages electronic records, including emails. For example, we plan to introduce a convention for naming our electronic records. The shared electronic drive is being reorganized to make it easier to find information. An information management policy will be introduced early in 2015-2016, along with tools and training, to facilitate the transition to a more consistent approach to managing information, regardless of its format.



## Security

My Office relies on a number of partners to ensure the security and safety of its employees and other assets. A security plan was developed in the summer of 2014 that included the identification and assessment of risks faced by the Office, and the establishment of priorities to address some of these risks.

Security bulletins were introduced in my Office in September 2014 to communicate important information on internal practices and management expectations related to security. Over the next year, the Office plans to implement a policy on security management and a resumption plan to follow emergencies.

## VII. LOOKING AHEAD

The year ahead promises to be a busy one for my Office, with an anticipated election, possible changes to the *Conflict of Interest Code for Members of the House Commons* (Code) and the *Conflict of Interest Act* (Act), the launch of the renewed public registry, and the pursuit of a number of other important priorities.

The 2015 federal election is set to take place later this year, bringing with it a significant impact on the work of my Office. The addition of 30 new ridings, and the fact that a number of incumbents have declared their intention not to seek re-election, will result in an increase in the number of new Members subject to the Code. In addition, the election may result in changes to the ranks of those subject to the Act. My Office is anticipating the election by putting in place plans and procedures to ensure the appropriate, effective and timely outreach to new and returning Members and public office holders, in order to help them meet their obligations.

It is also possible that the next year could bring changes to the Code and the Act. The Standing Committee on Procedure and House Affairs recently re-launched its review of the Code, originally initiated in 2012. Whenever changes are made to either the Code or the Act, my Office is prepared to ensure their effective implementation. Following the completion of the five-year review of the Act, the Government tabled its response, agreeing with some of the recommendations raised in the report of the Standing Committee on Access to Information, Privacy and Ethics. To date, no changes have been implemented.

Another key priority that was implemented early in the new fiscal year is the launch of the renewed public registry. My Office previously maintained separate registries under the Code and the Act. The new registry combines the two, making it possible for visitors to more quickly and easily access information about individuals covered by either or both of the regimes. The second phase of the registry, to be implemented later this year, will give Members and public office holders access to a portal system that will enable them to file their public declarations electronically.

Other priorities that my Office will pursue over the next year include finalizing and implementing new communications and outreach initiatives that are designed to increase knowledge and awareness of the Code and the Act among target audiences, including Members, public office holders, and other interested stakeholders such as the public. We will continue succession planning to ensure that all processes and procedures continue to be documented, corporate memory preserved and organizational flexibility enhanced.



Finally, we will of course continue to provide Members and public office holders with advice and support to ensure they meet their obligations under the Code and the Act. Our investigations work into possible contraventions of both regimes continues.

The pursuit of these priorities will support my Office in its effective administration of the conflict of interest rules for Members and public office holders, in order to maintain and enhance the trust and confidence of the Canadian public in the conduct of their elected and appointed officials. I look forward to continuing to work with Members and public office holders in the coming year in support of that goal.



## VIII. APPENDIX – FINANCIAL RESOURCES SUMMARY (from page 28)

Program Activity	(thousands of dollars)				Alignment to Government of Canada Outcomes
	2013-2014 Actual Spending	2014-2015			
		Main Estimates	Total Authorities	Actual Spending	
Administration of the <i>Conflict of Interest Code for Members of the House of Commons</i> and the <i>Conflict of Interest Act</i>	5,336	6,178	6,178	5,608	Government Affairs
Contributions to Employee Benefit Plans	699	760	760	669	
<b>Total Spending</b>	<b>6,035</b>	<b>6,938</b>	<b>6,938</b>	<b>6,277</b>	
Plus: Cost of services received without charge	1,060	n/a	n/a	1,044	
<b>Net Cost of Department</b>	<b>7,095</b>	<b>6,938</b>	<b>6,938</b>	<b>7,321</b>	

The budget process for the Office of the Conflict of Interest and Ethics Commissioner is established in the *Parliament of Canada Act*. The Speaker of the House considers the estimates for the Office and transmits them to the President of the Treasury Board for inclusion in the estimates of the Government of Canada. The Standing Committee on Access to Information, Privacy and Ethics has within its mandate the role to review and report on the effectiveness, management and operations together with the operational and expenditure plans relating to the Office.

Complete financial statements can be found on our website at <http://ciec-ccie.parl.gc.ca>.

