



Office of the Conflict  
of Interest and Ethics  
Commissioner

Commissariat aux  
conflits d'intérêts et à  
l'éthique

## The 2016-2017 ANNUAL REPORT

in respect of the  
*CONFLICT OF INTEREST ACT*



June 8, 2017

Mary Dawson  
Conflict of Interest and  
Ethics Commissioner

## The 2016-2017 Annual Report

in respect of the  
*CONFLICT OF INTEREST ACT*

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June 7, 2017

The Honourable Geoff Regan, P.C., M.P.  
Speaker of the House of Commons  
Room 228-N, Centre Block  
Parliament of Canada  
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 Act* in relation to public office holders for the fiscal year ending March 31, 2017, for tabling in the House of Commons on June 8, 2017.

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

Sincerely,

Mary Dawson  
Conflict of Interest and Ethics Commissioner





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June 7, 2017

The Honourable George Furey  
Speaker of the Senate  
Room 280-F, Centre Block  
Parliament of Canada  
Ottawa, Ontario K1A 0A4

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 Act* in relation to public office holders for the fiscal year ending March 31, 2017, for tabling in the Senate on June 8, 2017.

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

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 2,250 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 to accommodate specific issues in 2011, 2013 and 2014.

The Members' Code applies to all 338 Members of the House of Commons. It was adopted by the House of Commons in 2004 and was amended in 2007, 2008, 2009 and 2015. The Members' Code is appended to the Standing Orders of the House of Commons.

Most rules and procedures set out in the Act and the Members' Code 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 advantages or benefits. The Act also contains a number of post-employment rules.

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

The main responsibilities of my Office are to:

- advise public office holders and Members on their obligations under the Act and the Members' Code;
- receive and review confidential reports of assets, liabilities, income and activities of reporting public office holders and Members 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 examinations and inquiries into alleged contraventions of the Act and the Members' Code.



I am also mandated, under both the *Conflict of Interest Act* and the *Parliament of Canada Act*, 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 Act and the other report relates to the Members' Code.



## II. OVERVIEW – Ten Years as Commissioner

The *Conflict of Interest Act* (Act) came into force on July 9, 2007. As I approach the end of my tenth year as Conflict of Interest and Ethics Commissioner responsible for administering the Act and the *Conflict of Interest Code for Members of the House of Commons* (Members' Code), I look back with satisfaction on my contribution as the first incumbent of this Office.

In the early years after my appointment, I took care to ensure that the Office was organized in a way that would effectively support my mandate. I also said I would aim to administer the Act and the Members' Code with clarity, consistency and common sense, and I have always sought to be as transparent as possible.

In my annual reports I have explained key advisory interpretations, summarized my decisions in examinations under the Act and inquiries under the Members' Code, and explained why some investigation files did not result in an examination or an inquiry. I am also as open with the media as I am permitted to be under the two regimes, as I believe that the media can help communicate existing ethics rules.

Over the years, my Office has instituted system improvements to help public office holders and Members achieve and remain in compliance. The automation of processes, including a system of reminders, and the launch of a declaration portal have all contributed to more efficient service delivery.

The Canadian ethics model emphasizes prevention. Throughout my mandate, I have put a major emphasis on the provision of advice, outreach and education. My Office has given presentations to organizations and offices whose members are subject to the Act and sends an annual letter to public office holders, including those who are not reporting public office holders. Each year, I have offered presentations to party caucuses and independent Members. In the past year, I initiated a series of email newsletters to Members explaining various aspects of their obligations under the Members' Code.

While my focus has been on prevention, I have enforced the Act and the Members' Code as required. In the past 10 years, I have issued 29 examination reports and six inquiry reports. In those reports, I have always sought to clarify and reinforce the requirements of the Act and the Members' Code. I have also used the reports to make recommendations on how the two regimes could be improved or strengthened.

I am pleased that key interpretations that I have made of such concepts as private interest, outside activity, friend, direct and significant official dealings, and post-employment provisions



have stood the test of time. Future commissioners will be able to draw on a body of work with solid precedents, procedures and interpretations when making their own determinations.

I have shared my experiences in administering the Act and the Members' Code with Members of the House of Commons through my annual reports and committee appearances. I also prepared comprehensive submissions for the five-year reviews of the Act and the Members' Code, noting the strengths of the two regimes and ways to further increase their effectiveness. I made 75 suggestions for improvements to the Act and 23 suggestions for improvements to the Members' Code, including some technical and translation improvements. No amendments to the Act resulted from the statutory review. The Members' Code was amended to reflect 10 of the suggestions that I had made.

Key recommendations that I have made over the years in relation to the Act include:

- Increasing transparency around gifts and other advantages, perhaps by lowering the threshold for disclosure;
- Broadening the scope of conflict of interest to extend it to “entities” rather than limiting it to persons;
- Narrowing the overly broad prohibition on engaging in outside activities and on holding controlled assets;
- Establishing more stringent rules relating to fundraising for ministers and parliamentary secretaries;
- Strengthening the Act's post-employment provisions by requiring some reporting during the cooling-off period;
- Introducing some disclosure and reporting obligations for non-reporting public office holders; and
- Harmonizing some of the provisions of the Act and the Members' Code.

Although the Act and the Members' Code, at their core, have functioned relatively well, there is room for improvement. I hope that future Parliaments will consider these and the many recommendations that I have made in my annual reports, and in my examination and inquiry reports.

It has been an honour to serve as Conflict of Interest and Ethics Commissioner. I take pride in the contribution that I have made in administering the Act and the Members' Code.

As always, I gratefully acknowledge the expertise, hard work and dedication of my staff. I have been fortunate to lead a strong team that contributes to the achievement of my mandate as Commissioner.



### III. APPLYING THE ACT

The *Conflict of Interest Act* (Act) applies to public office holders, defined in the Act as ministers, ministers of state, parliamentary secretaries and ministerial staff, as well as Governor in Council appointees such as deputy ministers, heads of Crown corporations, and members of federal boards, commissions and tribunals. My Office assists these individuals in achieving and maintaining compliance with the Act. As of March 31, 2017, my Office's records indicate that there were 2,254 public office holders, a number which is slightly higher than last year but remains lower than in previous years.

More than half of the public office holders (55%) work on a part-time basis, many as members of federal boards, tribunals and commissions. The number of public office holders who work on a part-time basis has consistently decreased over the years. These public office holders must comply with most of the rules of conduct, but are not subject to the Act's disclosure provisions.

The other group of public office holders, most of whom work on a full-time basis, are called "reporting public office holders" and are subject to a broader range of provisions under the Act. They must disclose to my Office detailed information about their assets, liabilities, outside activities and other interests, and may also be required to take additional compliance measures in order to meet their obligations under the Act. My Office guides and assists them in understanding their obligations and in undertaking all the necessary measures. As expected, the number of reporting public office holders has gradually increased over the year as the staffing processes in ministers' offices were completed.



Table 3-1 shows a breakdown by category of public office holders over five fiscal years.

Table 3-1: Number of Public Office Holders

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Reporting public office holders</b>	<b>1,094</b>	<b>1,123</b>	<b>1,128</b>	<b>923</b>	<b>1,012</b>
Ministers	27	26	27	31	31
Ministers of state	10	13	12	0	0
Parliamentary secretaries	27	31	30	35	35
Full-time ministerial staff	558	561	559	381	497
Full-time Governor in Council appointees	472	492	500	476	449
<b>Public office holders</b> who do not have reporting obligations (part-time Governor in Council appointees and ministerial staff working less than 15 hours a week)	<b>1,882</b>	<b>1,415</b>	<b>1,321</b>	<b>1,290</b>	<b>1,242</b>
<b>Total number of public office holders</b>	<b>2,976</b>	<b>2,538</b>	<b>2,449</b>	<b>2,213</b>	<b>2,254</b>

## Initial Compliance

The Act establishes an initial compliance process to be completed by all reporting public office holders within 120 days after their appointment. The first step in this process is a confidential disclosure to my Office, which must be submitted no later than 60 days after appointment and must contain detailed information on the reporting public office holder's assets, liabilities, outside activities and other interests.

My Office reviews this information and advises reporting public office holders of the measures they will need to take to meet their obligations under the Act. These measures may include, for example, publicly declaring certain assets, divesting controlled assets, establishing a conflict of interest screen or resigning from a corporate directorship. At the same time, my Office provides advice on managing potential conflicts of interest, if any, and, more generally, on maintaining ongoing compliance with the Act.

The initial compliance process is complete when the reporting public office holder signs a statement summarizing the steps he or she has taken to comply with the Act. This statement and all other necessary declarations are then placed in a public registry on the Office website for examination by the public.



Table 3-2 shows figures related to this initial compliance process over the last five fiscal years.

Table 3-2: Compliance with 60- and 120-day Deadlines

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Number of new reporting public office holders	290	359	317	633	315
Number of reporting public office holders who missed the <b>60-day</b> deadline	46	32	30	94	67
Number of reporting public office holders who missed the <b>120-day</b> deadline	11	19	17	22	77

My Office issues a series of reminders and provides assistance to reporting public office holders as the 60- and 120-day deadlines approach. Most of the 315 reporting public office holders appointed during 2016-2017 met both of these deadlines. The Act provides that a monetary penalty may be imposed for failure to respect this deadline. I usually allow a grace period, however, of up to a week before doing so. As well, when deadlines are missed because of delays in my Office, or because of other circumstances over which the reporting public office holders have no control, I do not impose a penalty.

Despite repeated reminders, 67 new reporting public office holders did not meet the 60-day deadline.

Fifty-one of the 67 individuals who missed the 60-day deadline filed their confidential reports less than one week after the deadline. Sixteen individuals missed the deadline by one week or more. In nine of these 16 cases, there was a delay in notifying my Office of the reporting public office holders' appointment, hence delaying my initial letter to them. In five of the other seven cases, I issued notices of violation and imposed penalties for failure to submit a confidential report within 60 days. I did not issue a notice of violation in two cases, because the delays were due to circumstances beyond the control of the public office holders involved.

Seventy-seven reporting public office holders failed to meet the 120-day deadline.

Forty-eight of the 77 individuals who missed the 120-day deadline to complete their initial compliance process exceeded the deadline by one week or more. In most cases, the delays were related to the high volume of initial compliance cases in my Office, complex measures that had to be put in place, or circumstances beyond the control of the reporting public office holders



involved. In five cases, however, I issued a *Notice of Violation* for failure to sign a *Summary Statement* on time, and imposed four penalties. In the fifth case, I was satisfied that the circumstances were beyond the individual’s control.

Usually, my Office is able to treat all initial compliance cases within a timeline that ensures that reporting public office holders meet the 120-day deadline. However, an unusually high number of ministerial staff members were appointed following the change in government in the latter part of 2015-2016. This led to delays in processing the initial compliance cases in the first quarter of 2016-2017.

In order to facilitate the process by which reporting public office holders meet their reporting requirements, a secure declaration portal was launched in October 2015, giving reporting public office holders the option of reviewing and approving their public declarations online. Ninety-three percent of the individuals who were directed to the portal in 2016-2017 have opted to use it. Public office holders are directed to the portal for the approval of their *Summary Statement* in the context of their initial compliance process, but are also invited to access the portal to submit their subsequent declarations, such as those related to a material change in relation to an asset or outside activity, or to disclose the acceptance of gifts or other advantages as required under the Act.

### **Maintaining Compliance**

Apart from the initial compliance process, my Office assists reporting public office holders in meeting their obligations under the Act throughout their term in office. This is done in part through the formal mechanisms set out in the Act that are described below. My Office also provides information and advice regarding the application of the Act to individual public office holders and to their organizations on an ongoing basis.

Apart from the initial compliance process, 24% of the other 1,753 communications my Office had with public office holders in 2016-2017 were related to a change in the reporting public office holder’s personal situation, more than half of which were prompted by the annual review process described below. Another 15% were related to post-employment obligations. Outside activities accounted for 8% of the communications, and gifts accounted for 23%. The other 30% were related to a wide range of matters, including advice on fundraising, letters of support, recusal, and more general questions on how to avoid conflict of interest situations. A small proportion of these communications were with individuals who communicated with my Office prior to the effective date of their appointment. Only 20 communications (less than one percent) were with public office holders who did not have reporting obligations.

<b>Communications with public office holders</b>	
2012-2013	1,748
2013-2014	1,731
2014-2015	1,792
2015-2016	1,843
2016-2017	1,753





## **Ongoing Reporting Requirements**

### ***Annual Review***

All reporting public office holders must review their compliance arrangements with advisors from my Office on an annual basis and update the information previously disclosed to my Office. In most cases, my Office now initiates this process by email rather than by regular mail. This has resulted in more timely responses.

The Act does not provide a timeline for completing the annual review process. However, I ask that reporting public office holders submit their updated information to my Office within 30 days.

As part of our continuing efforts to support reporting public office holders in meeting this obligation under the Act, my Office also sends reporting public office holders email reminders after the annual review documents are sent out, and then follows up by phone. In 2016-2017, my Office initiated 686 annual reviews and received 567 responses, some of which were related to annual reviews initiated in the latter part of the previous year. This number is relatively low in comparison to previous years. This reflects the fact that more than half of the reporting public office holders have been in their position for less than a year.

### ***Material Change***

Reporting public office holders must inform my Office of any material change to their circumstances within 30 days of that change. I have determined that, at a minimum, a change is material if it affects the information that is or should be made available for public inspection in the public registry or if the change results in a contravention of the Act. Despite the deadline, material changes are often not reported within the delay and often come to light during the annual review process.

I issued five notices of violation and imposed four penalties in 2016-2017 for failures to disclose a material change within 30 days. All four penalties were related to a purchase of controlled assets in breach of the Act. They were all identified during the annual review process.

### ***Gifts and Other Advantages***

Section 11 of the Act establishes an acceptability test for gifts and other advantages offered to public office holders. Where a gift or other advantage could reasonably be seen to have been given to influence the public office holder in the exercise of an official power, duty or function, it may not be accepted, regardless of its value. This test applies to gifts and advantages received by all public office holders, whether or not they are reporting public office holders.



There is an exception for gifts or other advantages that are received as a normal expression of courtesy or protocol, or that fall within customary standards of hospitality that normally accompany a public office holder's position. This exception applies in a variety of circumstances. For example, token gifts offered in appreciation for a speech or presentation made by a public office holder are usually acceptable. Such gifts are, however, still subject to the Act's disclosure and public declaration requirements.

Gifts and other advantages that pass the acceptability test can be accepted by public office holders but must be publicly declared by reporting public office holders if they are valued at \$200 or more. Multiple gifts accepted from a single source within a 12-month period must also be disclosed to my Office if the total value exceeds \$200, but only individual gifts valued at \$200 or more require a public declaration.

Table 3-3 provides details on interactions related to gifts or other advantages over the past five fiscal years.

Table 3-3: Interactions with Public Office Holders Relating to Gifts or Other Advantages

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Number of times advice was provided regarding gifts or other advantages	188	231	209	168	401
Number of reporting public office holders who publicly declared gifts or other advantages	29	25	33	23	52
Number of gifts or other advantages publicly declared	117	123	114	80	213
Number of gifts or other advantages valued at \$1000 or more forfeited and publicly declared	10	12	5	1	20

Twenty-three percent of the *Public Declarations of Gifts and Other Advantages* made in 2016-2017 were submitted through the online portal, allowing for more timely public declarations.



Gifts or other advantages that were found to be unacceptable or that were valued at under \$200 were not publicly declared. In cases where they were found to be unacceptable, they were refused, returned or paid for by the public office holder.

In 2016-2017, there was a significant increase in the number of requests for advice about gifts or other advantages, probably due in part to the fact that I issued two examination reports related to gifts during this period. These are discussed in detail in the [Investigations](#) section on pages 19 to 34. Disclosures of gifts or other advantages provide an opportunity for dialogue with individual public office holders about gift and other related rules.

When reporting public office holders voluntarily disclose the acceptance of a gift or other advantage to my Office after the 30-day deadline, it has been my practice, in order to encourage disclosure, to not issue a *Notice of Violation*. In those cases, reporting public office holders are reminded of their obligation to disclose. However, a *Notice of Violation* will be issued and a penalty may be imposed if a reporting public office holder persists in missing disclosure deadlines for gifts or other advantages.

When gifts or other advantages are not disclosed to my Office and the matter is brought to my attention, whether before or after the deadline for disclosure, I will follow up with the public office holder. If it appears that the gift or other advantage may not have been acceptable, I may commence an examination. Alternatively, if it is acceptable, I may issue a *Notice of Violation* if the deadline has passed. In 2016-2017, for the first time, I imposed a penalty for failure to make a public declaration of a gift within 30 days.

### ***Travel***

Section 12 of the Act prohibits ministers and parliamentary secretaries, their families and ministerial advisers or staff from accepting travel on non-commercial chartered or private aircraft for any purpose unless required in their capacity as a public office holder or in exceptional circumstances, or with the prior approval of the Commissioner.

The Prime Minister's *Open and Accountable Government* document sets out a more stringent rule than that in the Act. It states that ministers and parliamentary secretaries must not accept any sponsored travel (which would include all travel on non-commercial chartered or private aircraft for any purpose) except in exceptional circumstances, and only with the prior approval of the Conflict of Interest and Ethics Commissioner.

While my Office was consulted on average four times about such travel in previous years, in 2016-2017 there were 12 such consultations. In seven of these, general advice was sought. In the



five other cases, I granted approval for such travel but, at the same time, I informed those seeking my approval that a public declaration would be required under subsection 25(6) of the Act if they accepted the travel. In none of these cases, to the knowledge of my Office, was this travel accepted. Therefore, no public declarations of travel on non-commercial chartered or private aircraft were made in the public registry in 2016-2017.

### ***Outside Activities***

With limited exceptions, subsection 15(1) of the Act prohibits reporting public office holders from engaging in a range of outside activities, including employment or the practice of a profession, managing or operating a business or a commercial activity, serving as a director or officer in a corporation or organization, holding office in a union or professional association, serving as a paid consultant and being an active partner in a partnership.

The exceptions to subsection 15(1) are outlined in subsections 15(1.1), (2) and (3) of the Act. In all cases, the Commissioner must be of the opinion that an outside activity is not incompatible with the public duties of the reporting public office holder for the exceptions to apply. Acting as a director or officer in an organization of a philanthropic, charitable or non-commercial character is the most common type of exception that is requested. All exceptions are publicly declared in the public registry.

In 2016-2017, my Office received 135 requests for advice regarding outside activities, apart from those made during the initial compliance process. The adjacent chart shows an exceptionally high number for 2015-2016, which is explained by the volume of questions related to campaign activities during the election period.

<b>Communications with public office holders regarding outside activities</b>	
2012-2013	98
2013-2014	102
2014-2015	132
2015-2016	273
2016-2017	135

I approved 118 separate outside activities in 2016-2017, including those that were approved during the initial compliance process. These activities were publicly declared in the public registry.

### **Fundraising**

Political fundraising, which I discussed in detail last year as a Matter of Note in my *2015-2016 Annual Report* under the Act, has continued to receive a lot of public attention this year. Section 16, the only provision in the Act on fundraising, was not engaged by the cases that were brought to my attention in public reports because section 16 only covers cases where a public office holder personally solicits funds. My recommendation that a more stringent rule be established for ministers and parliamentary secretaries with regard to fundraising still warrants attention.



## Compliance Measures

### *Divestment*

Section 27 of the Act sets out the appropriate procedure for the divestment of controlled assets. Controlled assets include all investments that are publicly traded on a stock exchange or over-the-counter, as well as commodities, futures and currencies that are traded on a commodities exchange. The Act requires that divestments be completed within 120 days of the date of appointment, either through an arm's-length sale or through the establishment of a blind trust. Controlled assets received by way of gift or testamentary disposition or in any other way over which a reporting public office holder has no control must be divested similarly within 120 days of receipt.

Controlled assets held by reporting public office holders must be divested, regardless of whether those assets could give rise to a conflict of interest in relation to their official duties and responsibilities. By way of exception to this requirement, the Commissioner may allow controlled assets that are of minimal value and that do not constitute any risk of conflict of interest to be retained, on the condition that no new controlled assets be acquired. This exception does not apply to ministers, ministers of state or parliamentary secretaries.

Table 3-4 summarizes divestment arrangements that took place in the last four fiscal years.

Table 3-4: Divestment Arrangements Established over the Last Four Fiscal Years

	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>
Number of reporting public office holders who divested by way of sale	22	31	37	46
Number of reporting public office holders who divested through one or more blind trusts	16	12	25	18
Number of reporting public office holders who were granted a minimal value exemption	57	56	52	66

Fifty-eight reporting public office holders had blind trusts at the end of 2016-2017, compared to 63 at the end of the previous fiscal year. The costs associated with the reimbursement of fees related to the establishment, administration or dismantlement of blind trusts in 2016-2017 totalled \$509,981 compared to \$513,119 in 2015-2016. Administrative costs reimbursed in one fiscal year may include amounts for fees incurred in a previous fiscal year.



In 2016-2017, eight of the 46 divestments by way of sale were made after the initial compliance process. Notices of violation were issued in five cases because controlled assets were acquired after the initial compliance period (which constitutes a material change) and were not disclosed to my Office within the 30-day period as required under subsection 22(5) of the Act. I imposed penalties for failure to report a material change within 30 days in four of these cases. In the fifth case, I was satisfied that the public office holder had exercised due diligence to avoid a contravention.

### ***Conflict of Interest Screens and Recusals***

Under section 29 of the Act, the Commissioner may determine appropriate compliance measures for individual public office holders in consultation with them. These arrangements are usually made during the initial compliance process, but can be made at any time.

During 2016-2017, 26 compliance measures under section 29 were made for 24 reporting public office holders. Nineteen of these compliance measures have been made public, including 13 that involved conflict of interest screens, three that involved an undertaking not to practise a profession, two that involved an undertaking in relation to controlled assets and one that involved a newly appointed prothonotary. The compliance measure that involved the prothonotary followed a decision that I made in 2011 that was to apply to prothonotaries as a group. This decision is explained in my *2011-2012 Annual Report* under the Act.

The other seven compliance measures were not made public for privacy reasons relating to family members. In each of these cases, I determined that a departure from my general practice of making compliance measures public was justified in the circumstances. These cases involved either assets not directly or wholly held by the reporting public office holder or undertakings relating to outside activities.

Conflict of interest screens are generally used if reporting public office holders are in a position where there is a significant possibility that they will be involved in discussions or decision making that could affect their own private interests or those of a relative or a friend or an organization with which they have been associated.

In cases where the possibility that a reporting public office holder would be involved in such discussions or decision-making processes is remote, a conflict of interest screen is considered to be unnecessary. However, reporting public office holders are advised that, if any such situation should arise, they must recuse themselves in accordance with section 21 of the Act.

My Office must be informed by a reporting public office holder within 60 days of any recusal. Recusals are publicly declared unless they fall within an exception relating to a



confidentiality requirement specifically referred to in the Act. Eight recusals were reported, six of which were made public, in 2016-2017. The two other recusals were not made public, in accordance with subsection 51(2) of the Act, because they involved a confidence of the Queen's Privy Council for Canada.

### ***Section 30 Compliance Orders***

Under section 30 of the Act, the Commissioner may order a public office holder to take any compliance measure that he or she determines is necessary to comply with the Act. Because compliance with the Act is a condition of a person's appointment or employment as a public office holder, compliance orders are made public on the Office website. I issued three compliance orders in 2016-2017. Two of the orders were related to initial compliance deadlines. Documents had remained outstanding despite many reminders and requests from my Office.

The third compliance order involved a reporting public office holder who had written to an administrative tribunal. Section 9 of the Act prohibits public office holders from using their position to seek to influence a decision of another person so as to further their private interests or those of relatives or friends or to improperly further another person's private interests. In a guideline I published in October 2013, entitled *Serving your constituents when you are a minister or a parliamentary secretary*, I stated that “[m]inisters and parliamentary secretaries, as well as their staff (ministerial, Hill or constituency), may not under any circumstances attempt to intervene in the decision-making process of an administrative tribunal on behalf of any constituent in any riding, or to expedite the processing of an application.”

### **Administrative Monetary Penalties**

The Act establishes an administrative monetary penalty scheme under which the Commissioner may impose penalties on reporting public office holders. The regime covers failures to report certain matters, generally within established deadlines.



Table 3-5 summarizes the number of administrative monetary penalties that I have imposed over the last five fiscal years.

Table 3-5: Administrative Monetary Penalties Imposed

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Failure to meet the 60- and 120-day deadlines for initial compliance or to submit all necessary information	4	2	1	2	9
Failure to report a material change	13	14	7	10	4
Failure to report the acceptance of an offer of outside employment within seven days	0	0	2	0	0
Failure to make a public declaration of gifts within 30 days	0	0	0	0	1
<b>Total</b>	<b>17</b>	<b>16</b>	<b>10</b>	<b>12</b>	<b>14</b>

I imposed 14 penalties in 2016-2017. The penalties under the Act relate to failures to meet deadlines. Depending on the circumstances, I do not always apply a penalty for a failure to meet a deadline, but I have consistently applied penalties if a substantive contravention is also involved.

In 2016-2017, I imposed penalties for failures to meet initial compliance deadlines on nine occasions where no substantive contraventions were involved, because meeting these deadlines is critical to ensuring that reporting public office holders comply with their obligations under the Act.

### **Post-Employment**

In 2016-2017, 473 public office holders left office, 226 of whom were reporting public office holders.





Table 3-6 summarizes the number of public office holders who have left office over the last five fiscal years, as well as the number of instances where advice was sought regarding post-employment obligations.

Table 3-6: Public Office Holders in the Post-Employment Period

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Reporting public office holders who left office	311	330	312	838	226
Public office holders who do not have reporting obligations who left office	333	732	350	146	247
Advice provided regarding post-employment obligations to public office holders	155	211	223	377	269
Disclosed offers of employment	49	56	69	115	68

My Office provided advice related to post-employment obligations on 269 occasions during 2016-2017. In 177 of these cases, the advice was sought after the public office holder had left office. One hundred and forty-nine of those public office holders had left office in a previous fiscal year. In most cases, the current or former public office holder seeking advice is or was a reporting public office holder.

Public office holders continue to have obligations under the Act once they leave office. Some post-employment rules apply indefinitely. These include general prohibitions against taking improper advantage of one's previous public office (section 33), switching sides (subsection 34(1)) and using insider information (subsection 34(2)). These prohibitions apply to all former public office holders, whether or not they were also reporting public office holders.

Other post-employment rules found in sections 35 and 37 of the Act only apply to former reporting public office holders during a cooling-off period. The cooling-off period lasts two years for ministers and ministers of state, and one year for all other reporting public office holders, including parliamentary secretaries.

In my *2015-2016 Annual Report* under the Act, I drew a distinction between a minister's office and a department when considering prohibitions during the cooling-off period. I concluded that ministers' offices and their respective departments are distinct, and that a former reporting public office holder may make representations to a department alone, provided that his or her previous direct and official dealings were only with the office of the minister responsible.



Because of the change in government, this past year I had occasion to consider whether a former reporting public office holder who had direct and official dealings with a minister's office and was subject to a cooling-off period could make representations to the new incumbent of a minister's office under subsection 35(2) of the Act, considering that there is no unfair advantage because of the change in governing party. I determined that ministers' offices, while distinguishable from departments, fall within the same organization after a change in government. Organizations are also referred to in subsection 35(2) of the Act. However, I can consider whether to waive or reduce the length of the cooling-off period under section 38 in such instances.

I have the discretion under section 38 of the Act to exempt a former reporting public office holder from the application of the post-employment cooling-off period, and under section 39 of the Act to waive or reduce the length of that cooling-off period. When waiving or reducing this period, I must consider, among other things, whether the public interest in granting the waiver or reduction outweighs the public interest in maintaining the prohibition. I granted two exemptions in 2016-2017. I note that there have only been nine instances since the coming into force of the Act in which I have granted an exemption, waiver or reduction of the cooling-off period.



#### **IV. INVESTIGATIONS**

My Office administers two investigative regimes, one under the *Conflict of Interest Act* (Act) and the other under the *Conflict of Interest Code for Members of the House of Commons* (Members' Code). I can initiate an examination under the Act after receiving a request from a Senator or a Member of the House of Commons, or on my own initiative. An inquiry under the Members' Code can be initiated after receiving a request from a Member, upon resolution of the House of Commons or on my own initiative. Examinations and inquiries are not initiated unless thresholds of probability set out under the Act or the Members' Code are met.

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

In the case of examinations or inquiries initiated on my own initiative, information concerning possible contraventions of the Act or the Members' Code may come to my attention in a variety of 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 that a contravention of the Act or the Members' Code has occurred. In most cases, this requires preliminary fact-finding, after which I determine whether an examination or inquiry is warranted or whether any other action should be taken.

#### **Overview of Investigation Case Files under the Act and the Members' Code**

Over the past fiscal year, 37 new case files were opened and eight case files were carried over from previous fiscal years. One of the case files carried over, the Carson examination, opened in April 2011 and suspended in November that same year, remained suspended at the end of the 2016-2017 fiscal period.



Table 4-1 compares all the investigative activity over the past five fiscal years.

Table 4-1: Case Files under the Act and the Members' Code

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Case files opened	32	28	39	28	37
Case files carried over from previous fiscal year	16	13	6	8	8
<b>Total</b>	<b>48</b>	<b>41</b>	<b>45</b>	<b>36</b>	<b>45</b>

Although the number of case files opened this year has increased in comparison to last year, the number of case files in progress in a given fiscal year has remained relatively constant over the last five years.

Table 4-2 sets out the sources and subjects of the case files in progress over the past fiscal year under the Act and the Members' Code. Thirty-one of the 45 case files in progress were self-initiated. Twelve of the 14 remaining case files resulted from requests from Members, including 11 under the Act and one under the Members' Code. The two other case files resulted from referrals from the Public Sector Integrity Commissioner.

Table 4-2: Sources of Information and Subjects of Case Files under the Act and the Members' Code

Source of information	Subject is a current or former minister or parliamentary secretary		Subject is another public office holder	Subject is a Member	Total
	Act	Member's Code	Act	Member's Code	
Members of the general public	10	0	12	6	28
Office of the Conflict of Interest and Ethics Commissioner	0	0	1	0	1
Media reports	1	0	1	0	2
MP requests	10	1	1	0	12
Referrals from the Public Sector Integrity Commissioner	0	n/a	2	n/a	2
<b>Total</b>	<b>21</b>	<b>1</b>	<b>17</b>	<b>6</b>	<b>45</b>



Thirty-eight of the 45 case files in progress in 2016-2017 were opened under the Act and seven under the Members' Code.

No requests for examinations have ever been made by Senators under the Act. I only received directions from the House of Commons under the Members' Code once, in 2008, to give further consideration to an inquiry report tabled in 2008.

### Case Files in Progress under the Act in 2016-2017

Table 4-3 sets out the nature and the number of concerns raised in 2016-2017 and shows the number of those concerns raised in the four previous fiscal years. Individual case files sometimes address concerns relating to more than one provision of the Act. While the numbers show that the allegation of furthering a private interest was, as usual, the nature of the concern most often raised, the number of allegations relating to fundraising increased substantially this year compared to previous years.

Table 4-3: Concerns Addressed

Nature of concern (sections of the Act)	Number of concerns				
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Furthering a private interest (section 6 or 9)	15	12	7	15	12
Fundraising (section 16)	2	4	1	3	9
Duty to recuse (section 21)	1	4	1	4	7
Preferential treatment (section 7)	9	5	5	2	5
Post-employment rules (section 33, 34 or 35)	4	5	11	6	5
Gifts or other advantages (section 11)	5	3	11	4	5
Insider information (section 8)	1	4	1	3	4
Outside activities (section 15)	2	2	2	3	3



## Case Files Closed under the Act in 2016-2017

My Office closed 34 case files under the Act in 2016-2017. I released three public reports. The remaining 31 case files were given careful consideration but closed when they were found not to warrant an examination.

Table 4-4 summarizes the circumstances in which case files were closed over the past five fiscal years.

Table 4-4: Why Case Files Were Closed

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Reports released following an examination	3	1	3	2	1
Joint reports released following an examination and an inquiry	0	1	0	0	0
Reports resulting from a referral by the Public Sector Integrity Commissioner	2	1	2	0	2
Discontinued examinations	3	0	1	2	0
Case files closed under the Act after consideration without examination	19	18	23	21	31
<b>Total</b>	<b>27</b>	<b>21</b>	<b>29</b>	<b>25</b>	<b>34</b>

For those case files that are closed after consideration without proceeding to an examination, my Office normally informs the subject of the case that concerns have been raised. However, I may decide not to do so where there is no evidence provided to support the allegation or where the matter is outside the scope of my mandate. On the other hand, when the requester has made public the allegation against the subject as well as the fact that he or she has contacted me about it, I would normally inform the subject that I am not looking into the matter, if that is the case. My Office also contacts the individual who raised the matter, once the case file has been closed, in order to inform him or her of how the matter was resolved unless, of course, the source was anonymous.

Details on the 31 case files that did not lead to an examination are provided later in this section under the heading [Overview of Case Files Closed Without Proceeding to an Examination](#) on pages 30 to 34.



In some cases, whether or not I proceed to an examination, my Office also provides compliance advice to the subject of the case file, which could result in changes to his or her compliance arrangements.

### **Case Files Carried Over under the Act into 2017-2018**

Four of the case files under the Act that were in progress in 2016-2017 have been carried over into the 2017-2018 fiscal year. All four case files had resulted in ongoing examinations.

Two of these examinations were completed shortly after the end of 2016-2017. They resulted in *The Toews Report* and *The Wright Report*, both of which are summarized below.

As has been reported by the media, a third ongoing examination relates to the conduct of the Right Honourable Justin Trudeau, P.C., M.P., Prime Minister of Canada, in relation to his stay at and travel to His Highness the Aga Khan's privately owned island.

The fourth case file remained suspended pursuant to section 49 of the Act at the end of 2016-2017. The Carson examination, suspended in November 2011, relates to the post-employment obligations of Mr. Bruce Carson under the Act.

### **Reports Issued under the Act**

As referred to above, I released three public reports under the Act in 2016-2017 and two shortly after the end of 2016-2017. All five reports are summarized below.

#### ***The Vennard Report***

In September 2016, I released a report under the Act following an examination of the conduct of Dr. Linda Vennard, Canadian Radio-television and Telecommunications Commission (CRTC) Commissioner for Alberta and the Northwest Territories, in connection with gifts that she accepted.

In January 2016, I received a referral from the Public Sector Integrity Commissioner under the *Public Servants Disclosure Protection Act* that raised three concerns about Dr. Vennard's conduct. Based on information obtained during my preliminary inquiries, I had no reason to believe that Dr. Vennard had breached her obligations under the Act in relation to these concerns, so did not pursue them further.

My inquiries provided information, however, that raised another concern on my part. It appeared that Dr. Vennard had accepted gifts from a CRTC stakeholder. I therefore decided to



examine the matter under subsection 11(1) of the Act, which prohibits public office holders from accepting any gift that might reasonably be seen to have been given to influence them in the exercise of an official power, duty or function.

In July 2015, Dr. Vennard, a newly appointed Commissioner, accepted a bouquet of flowers and a box of chocolates that had been sent to her at the CRTC office in Calgary on her birthday by representatives of companies that operated two radio stations commercially branded as RED FM, including one in Calgary. She had only recently met them. The only connection that the representatives had with Dr. Vennard was as stakeholders of the CRTC.

I found that the gifts given to Dr. Vennard by the representatives of RED FM might reasonably be seen to have been given to influence her. As broadcasting licensees, the representatives of RED FM were stakeholders of the CRTC. I further found that those gifts did not fall within the exception to the Act's acceptability test relating to gifts that are received as a normal expression of courtesy or protocol or gifts that are within the customary standards that normally accompany the public office holder's position.

I therefore concluded that Dr. Vennard contravened subsection 11(1) of the Act by accepting the bouquet of flowers and box of chocolates from the representatives of RED FM.

### ***The Bennett Report***

In November 2016, I reported the findings of my examination under the Act into the conduct of Mr. Ian Bennett when he was President and Chief Executive Officer of the Royal Canadian Mint (Mint), in connection with gifts that he received from Brinks Canada. The matter was raised in a disclosure referred to me by the Public Sector Integrity Commissioner.

In February 2014, Brinks Canada hosted a dinner to mark Mr. Bennett's retirement from the Mint and presented him with a model of a ship resembling the *Bluenose*. It was alleged that Mr. Bennett's acceptance of these gifts contravened section 11 of the Act. That section prohibits public office holders from accepting any gift that might reasonably be seen to have been given to influence them in the exercise of their official powers, duties or functions.

Brinks Canada was a longtime stakeholder and supplier of the Mint and, in November 2013, at the time of the invitation, there were several ongoing contracts being negotiated between the two organizations, including one that Mr. Bennett signed several days after the retirement dinner.

I determined that while the dinner and model ship may truly have been given in recognition of Mr. Bennett's career and his retirement after a long-standing good business relationship,





Mr. Bennett had accepted the gifts in the context of that ongoing business relationship. I noted that no other supplier was involved in any retirement celebrations for Mr. Bennett.

Because Mr. Bennett's acceptance of the gifts of a dinner and a model ship from Brinks Canada occurred in the context of an ongoing business relationship involving contracts between the Mint and Brinks Canada, I found that the gifts might reasonably be seen to have been given to influence him in the exercise of his official functions.

I considered whether the exceptions provided in subsection 11(2) of the Act might apply and concluded that they would not. In particular, I found no evidence to suggest that Mr. Bennett had a friendship with any of the participants at the dinner.

I therefore concluded that, by accepting the gifts from Brinks Canada, Mr. Bennett contravened section 11 of the Act.

### ***The Philpott Report***

In December 2016, I released the findings of my examination under the Act of the conduct of the Honourable Jane Philpott, P.C., M.P., Minister of Health, in connection with her use of driving services offered by a political supporter.

I received a request from a Member of the House of Commons to examine Dr. Philpott's use of driving services offered by Executive Limousine & Livery Service Inc., a company owned by Mr. Reza Shirani. It was alleged that Mr. Shirani was an active volunteer and supporter of the Minister's partisan activities. The media had also reported that the rates billed to Dr. Philpott were much higher than the rates charged by other driving services.

Section 7 of the Act prohibits public office holders, in the exercise of an official power, duty or function, from giving preferential treatment to any person or organization based on the identity of the person or organization that represents the first-mentioned person or organization.

I found that there was no special relationship between Dr. Philpott and Mr. Shirani that suggested preferential treatment. Furthermore, I found that Dr. Philpott had not chosen to use Mr. Shirani's driving services because of his membership in the Liberal Party of Canada or his involvement in her campaign. I therefore concluded that neither Mr. Shirani nor his company had received preferential treatment and that Dr. Philpott did not contravene section 7 of the Act.

Subsection 6(1) of the Act prohibits public office holders from making a decision or participating in making a decision related to the exercise of an official power, duty or function if they know or reasonably should know that, in making the decision, they would be in a conflict of



interest. The Act provides that a public office holder is in a conflict of interest when he or she exercises an official power, duty or function that provides an opportunity to further his or her private interests or those of his or her relatives or friends or to improperly further another person's private interests.

I found that Mr. Shirani was not a friend of Dr. Philpott nor did they have any family connections. I also found that Dr. Philpott, in exercising an official power, duty or function, had not *improperly* furthered Mr. Shirani's private interests or those of his company in light of my finding that there was no preferential treatment in the context of section 7.

As well, I determined that the amounts charged by Mr. Shirani's company were not so disproportionate as to constitute an impropriety in the choice of supplier. In making that determination, I recognized the need for Dr. Philpott to be assured of reliable transportation to meet her busy schedule as well as Dr. Philpott's efforts to ensure that the rates were appropriate.

Consequently, I concluded that in hiring Mr. Shirani's company, Dr. Philpott did not contravene subsection 6(1) of the Act.

### ***The Toews Report***

In April 2017, I reported the findings of my examination under the Act of the conduct of the Honourable Vic Toews, P.C., in relation to his post-employment obligations.

In March 2015, I received an examination request from a Member of the House of Commons related to Mr. Toews' post-employment obligations under the Act. I did not conduct an examination pursuant to that request, as it did not set out reasonable grounds for the belief that a contravention had occurred. In looking into the matter, however, my Office became aware of other information that gave me reason to believe that Mr. Toews had contravened subsections 34(1) and 35(1) of the Act, so I launched this examination on my own initiative.

I examined Mr. Toews' involvement in matters involving two different First Nations.

### ***Norway House Cree Nation***

One matter related to subsection 35(1) and Mr. Toews' dealings with Manitoba's Norway House Cree Nation.

During Mr. Toews' last year in office, while he was Senior Regional Minister for Manitoba, he met in August 2012 and again in September 2012 with Norway House Cree Nation



representatives regarding a possible amendment to the Keenanow Trust flood agreement and a proposed amendment to Schedule II of the *First Nations Goods and Services Tax Act*.

In October 2013, less than two years after his last day in office, Mr. Toews provided consulting services on a number of issues for the Norway House Cree Nation through a company owned by his spouse.

Subsection 35(1) prohibits former reporting public office holders from entering into a contract of service with, accepting an appointment to a board of directors of or accepting an offer of employment with, an entity with which they had direct and significant official dealings during their last year in office. This prohibition applies to former ministers for a cooling-off period of two years after their last day in office.

Mr. Toews had dealings with the Norway House Cree Nation during his last year in office that constituted “direct and significant official dealings.” The dealings were official because they related to government business and activities. They were direct because Mr. Toews met personally with the group’s representatives. And, they were significant because of their importance to the Norway House Cree Nation.

I determined that, during his cooling-off period, Mr. Toews provided services under a contract of service with the Norway House Cree Nation, an entity with which he had direct and significant official dealings during his last year in office. I therefore found that Mr. Toews contravened subsection 35(1) of the Act.

#### *Peguis First Nation*

The other matter related to subsection 34(1) and Mr. Toews’ dealings with the Peguis First Nation after he left office.

In 2007, while he was President of the Treasury Board, Mr. Toews approved the transfer of the Kapyong Barracks land, a portion of Canadian Forces Base Winnipeg (South), to the Canada Lands Company. In 2008, the decision to transfer the property was challenged in court by several First Nations, including the Peguis First Nation, and Mr. Toews was named a respondent in the legal proceedings. The Federal Court ruled in 2012 that Canada had failed to appropriately consult First Nations, and set aside the transfer. That ruling was upheld by the Federal Court of Appeal in August 2015.

Mr. Toews acted on behalf of the Peguis First Nation by providing strategic advice to their legal counsel, Mr. Jeffrey Rath, and by meeting with municipal and provincial officials on the



Kapyong matter. Mr. Toews provided strategic advice in connection with the Kapyong settlement proposal in at least several discussions with Mr. Rath and was involved in the drafting of a portion of the settlement proposal.

Subsection 34(1) prohibits former public office holders, including ministers, from acting for or on behalf of any person or organization in connection with a proceeding, transaction, negotiation or case to which the Crown is a party and with respect to which the former public office holder had acted for, or provided advice to, the Crown. Such actions are referred to colloquially as “switching sides.” This prohibition applies indefinitely.

In providing strategic advice on a proposed settlement agreement in relation to the Kapyong matter, and in participating in its drafting, Mr. Toews switched sides. He acted for or on behalf of a party that was seeking relief against a decision in which he had been involved as a minister of the Crown.

I therefore found that Mr. Toews contravened subsection 34(1) of the Act.

### ***The Wright Report***

In May 2017, I released a report following an examination of the conduct of Mr. Nigel Wright, former Chief of Staff to then Prime Minister Stephen Harper, in relation to a transfer of funds he made to Senator Mike Duffy to pay back claimed living expenses.

Senator Duffy’s living expenses were the focus of extensive media coverage and the subject of an independent examination by the Deloitte accounting firm ordered in February 2013 by the Senate Standing Committee on Internal Economy, Budgets and Administration, then chaired by Senator David Tkachuk.

Mr. Wright viewed Senator Duffy’s living expense claims as a political issue that could embarrass the government, and believed it was his duty as Chief of Staff to manage that issue and to ensure that the claimed living expenses received by Senator Duffy were paid back. In February 2013, Senator Tkachuk proposed that if Senator Duffy sent Deloitte a letter admitting his mistake and asking what amount should be repaid, then the examination of his expenses would be discontinued.

Mr. Wright approved Senator Tkachuk’s proposal and instructed his staff to prepare a repayment scenario, whereby Senator Duffy would repay the funds and publicly acknowledge that he had made an error resulting from ambiguities in the rules. In return, the Prime Minister’s Office would defend Senator Duffy’s constitutional residency qualification, which would allow him to continue to sit in the Senate.



In the course of negotiations, Senator Duffy said he did not have the funds to pay the money back. Mr. Wright contacted Senator Irving Gerstein, who chaired the Conservative Fund Canada, to see if the Fund could cover Senator Duffy's housing allowance claims. Senator Gerstein confirmed to Mr. Wright that the fund would cover the claims, then estimated at \$32,000, as well as his legal fees.

However, when it was later determined that the amount to be repaid, including interest, was actually more than \$90,000, Mr. Wright decided he would cover the payment himself, on condition that the same amount be immediately submitted to the Receiver General for Canada to reimburse the expense claims.

Subsection 6(1) prohibits public office holders from making a decision or participating in making a decision related to the exercise of an official power, duty or function if they know or reasonably should know that, in making the decision, they would be in a conflict of interest. Public office holders are in a conflict of interest when they exercise an official power, duty or function that provides an opportunity to improperly further another person's private interests.

I found that Mr. Wright managed the political issue in his capacity as Chief of Staff and his decisions were therefore made squarely within the exercise of his official powers, duties and functions as a public office holder. He furthered Senator Duffy's financial interests by removing the need for Senator Duffy to use his own funds to reimburse the living expenses. I noted the prohibition against giving compensation to senators under subsection 16(3) of the *Parliament of Canada Act* in determining this payment to be improper. I also determined that Mr. Wright should reasonably have known that taking the decision to give Senator Duffy the funds placed him in a conflict of interest.

Section 9 of the Act prohibits public office holders from using their position as public office holders to seek to influence others in order to improperly further the private interests of a third party.

I had already determined, in relation to subsection 6(1), that Mr. Wright acted in his capacity as a public office holder and that he was improperly furthering Senator Duffy's private interests. By asking Senator Gerstein if the Conservative Fund Canada could provide \$32,000, thought at the time to be the amount Senator Duffy should reimburse, Mr. Wright clearly sought to influence both of those third parties so as to improperly further Senator Duffy's private interests.

I therefore found that Mr. Wright contravened both subsection 6(1) and section 9 of the Act.



## **Discontinued Examinations**

No examinations were discontinued this fiscal year.

## **Overview of Case Files Closed Without Proceeding to an Examination**

A total of 31 case files were closed under the Act without proceeding to an examination. A separate case file is opened for each individual public office holder in relation to whom a request is made. A case file may include more than one complaint against that public office holder where more than one complaint is made by the person requesting the examination.

### ***1. Case Files Related to Ministers or Parliamentary Secretaries***

In 2016-2017, my Office closed 18 case files involving current or former ministers or parliamentary secretaries without proceeding to an examination. Eight of these dealt with fundraising activities.

Ten of these case files were opened as a result of information received from members of the general public, and eight were opened as a result of concerns raised by Members of the House of Commons.

#### ***1.1 Fundraising***

The eight case files relating to fundraising involved requests received in respect of one or the other of two ministers and a parliamentary secretary. The matters covered in these requests had been referred to in media reports suggesting that funds might have been solicited in a manner that could place the subject of the request in a conflict of interest under the Act. After looking into these requests, I determined that the prohibition against fundraising in section 16 of the Act was not engaged in any of them because there was no evidence that the minister or the parliamentary secretary had personally solicited funds from a person or organization.

#### ***1.2 Preferential treatment***

In three of the eight requests that dealt with fundraising, it was also alleged that a minister had provided preferential treatment to donors following fundraising activities. In support of that allegation, two Members of the House of Commons provided my Office with documentation that included news releases and excerpts of media articles. After examining the documentation provided and looking further into the matter, I found no information to suggest that the stakeholders had received preferential treatment from the minister, and so informed the Members who made the requests. I subsequently received another request from a member of the public in respect of the same matter and informed the member of the public of my decision not to look further into the matter.



### ***1.3 Furthering private interests***

In two cases, one raised by a Member of the House of Commons and another by a member of the public, concerns were raised about a minister making a decision in a matter that furthered his or her private interests in contravention of sections 4 and 6 of the Act. I looked into the matter and determined that these situations were not covered by the Act, since there was no evidence that private interests were at stake.

In another case, a member of the public raised concerns in respect of several ministers furthering private interests by participating in the appointment of certain Governor in Council appointees, arguing that the resulting appointment would likely not be independent of the government. I did not pursue this matter because the interests of the ministers, on the assumption put forward, would not be private interests within the meaning of the Act.

### ***1.4 Acceptance of gifts and travel***

I received requests from two members of the public and one from a Member of the House of Commons alleging that a minister had accepted gifts and travel from a stakeholder in contravention of the Act. I informed all complainants that I had already commenced an examination relating to the matters raised. That examination will be reported on in due course.

### ***1.5 Seeking to influence a decision of another person***

In one case, a member of the public raised concerns about the appropriateness of a letter of support that a parliamentary secretary had written to a municipal body on behalf of two constituents. Since the letter of support had not been directed to a federal administrative body, I determined that it was appropriate for the parliamentary secretary to assist his or her constituents in that instance and that, therefore, there was no contravention.

### ***1.6 Other matters***

In one case, a Member of the House of Commons raised concerns under the Act with respect to the activities of an individual appointed by the Government of Canada as a special envoy to an international body. After looking into the matter, I informed the Member that the position was not covered by the Act.

Another concern was raised by a member of the public with respect to a minister's housing expenditures. However, upon reviewing the information provided, it became clear that the matter was under the jurisdiction of the Board of Internal Economy and did not fall under the Act.

In a third case, a Member of the House of Commons alleged that a parliamentary secretary might be using his title to solicit funds. After considering the information provided, I concluded that there was no evidence that the parliamentary secretary had had any involvement in the solicitation of funds.



## **2. Case Files Involving Public Office Holders other than Ministers or Parliamentary Secretaries**

My Office closed 13 case files under the Act involving public office holders other than ministers or parliamentary secretaries without proceeding to an examination.

Twelve cases related to information I had received from members of the general public. They dealt with the furthering of private interests, outside activities, post-employment and using insider information. The other case resulted from concerns raised within my Office about a reporting public office holder having possibly failed to arrange his or her private affairs in a manner to prevent the individual from being in a conflict of interest. There were no requests from Members of the House of Commons.

### **2.1 Furthering private interests**

In one case, it was alleged that a public office holder was in a conflict of interest because the public office holder had furthered the private interests of a family member. The information gathered by my Office confirmed that the public office holder had not furthered any private interests.

In three other cases, it was alleged that three reporting public office holders who were members of a tribunal were biased. I had determined in other instances that a bias is insufficient to fall within the scope of a private interest within the meaning of the Act. As there were no private interests at stake in any of the matters that were under consideration, I did not pursue these matters.

### **2.2 Outside activities**

In one of the cases that dealt with furthering private interests, a concern was also raised that the reporting public office holder may have contravened the Act by participating in outside activities. However, my Office, in gathering information, did not discover any outside activities that were prohibited by the Act.

In another case, the concern related to the conduct of a public office holder in relation to the public officer holder's outside activities. The Act does not prohibit the outside activities of public office holders who are not reporting public office holders. Since the allegation did not raise any concern involving a conflict of interest, I did not pursue this matter further.

Another concern was raised that a reporting public office holder might be engaging in outside activities in anticipation of leaving his or her position. Since the information provided was purely speculative, I determined that there was no basis for pursuing the matter.





### **2.3 *Post-employment***

One case dealt with a request that I reconsider a concern previously raised with my Office that a former reporting public office holder, who used to be a member of an administrative tribunal, was representing clients before that tribunal. In reviewing the new information provided, I determined that it did not relate to the original request; nor did it raise any other post-employment obligations as the former reporting public office holder was long past the one-year prohibition period.

Another case raised a concern as to whether a former reporting public officer could enter into a contract with the public sector entity of which he was a former member. As a practical matter, I have always treated the movement of former reporting public office holders among federal public sector entities as not being caught by the prohibition on contracting set out in subsection 35(1) of the Act unless there are specific issues arising from the relationship between the two entities. No such issues existed in this case. Consequently, I did not look any further into this matter.

A third case dealt with an allegation that a former reporting public officer holder may have taken improper advantage of his previous public office by using his contacts to obtain funding. Based on the information gathered by my Office, there was no evidence that the former reporting public office holder had received any such funds or attempted to do so.

### **2.4 *Insider information***

In two cases, it was alleged that two public office holders sitting as board members of a Crown corporation may have been using information obtained as a result of their position to assist them with bids through their private corporations. There was no evidence that either public office holder could have acquired information in the course of their roles on the Crown corporation that would have assisted them with their bids. The Crown corporation did not have any dealings with the contracting authority.

In another case, I received an anonymous complaint alleging that a reporting public office holder allowed a relative to access resources and information from the reporting public office holder's office that furthered the private interests of the relative. After reviewing the information submitted by the reporting public office holder in response to the anonymous complaint, I did not have sufficient evidence to believe that a contravention occurred and could not request further evidence.

### **2.5 *General duty to arrange affairs***

A concern was raised within my Office that a reporting public office holder might have contravened section 5 of the Act by failing to implement a conflict of interest screen which



would have prevented the reporting public office holder from being lobbied by a relative. After looking into this concern, I decided not to proceed to an examination because the event took place before the initial compliance period had been completed and because the reporting public office holder had since resigned as a result of the incident.

### ***3. Case Files under the Members' Code***

In 2016-2017, my Office closed six of seven case files under the Members' Code involving Members of the House of Commons. My 2016-2017 annual report under the Members' Code provides a brief description of those files.

One case file under the Members' Code that resulted in an inquiry into the conduct of the Right Honourable Justin Trudeau, P.C., M.P., Prime Minister of Canada, in relation to his stay at His Highness the Aga Khan's privately owned island has been carried over into 2017-2018.



## V. OUTREACH AND COMMUNICATIONS

The work of my Office in administering the *Conflict of Interest Act* (Act) and the *Conflict of Interest Code for Members of the House of Commons* (Members' Code) is supported and strengthened by outreach to public office holders and Members, and communications targeted at wider audiences.

My Office has undertaken a range of initiatives aimed at helping public office holders and Members understand their obligations under the Act and the Members' Code, educating and informing other stakeholders and the Canadian public about the two regimes and my role and mandate in applying them, facilitating my reporting to Parliament and exchanging information with other jurisdictions.

### **Reaching Out to Public Office Holders and Members**

The number of communications between my Office and public office holders and Members increased again in 2016-2017, as we continued to build on and expand the outreach initiatives undertaken earlier in my mandate.

#### ***Public Office Holders***

In the past fiscal year, my staff and I gave 16 presentations to organizations and offices whose members are subject to the Act. These included ministerial staff, honorary consuls and members of boards and tribunals.

My Office reviewed and revised as appropriate a number of public documents: the *Summary of Rules for Public Office Holders*; the *Summary of Rules for Reporting Public Office Holders*; the *Summary of Rules for Ministers and Parliamentary Secretaries*; and the *Summary of Rules for Ministerial Staff*. These fact sheets, which were created early in my mandate, set out the requirements of the Act that apply to the different types of public office holders.

I have continued my long-standing practice of sending an annual letter to public office holders who are not reporting public office holders, most of whom are appointed on a part-time basis. This was my seventh such letter. The letter, which went out in November, was accompanied this year by the *Summary of the Rules for Public Office Holders* and an information sheet about the rules relating to gifts, an area that always generates a lot of questions. My Office tends to have little contact with public office holders who are not reporting public office holders, as they are not subject to the Act's reporting requirements or its specific prohibitions against holding controlled assets and engaging in outside activities.



## *Members of the House of Commons*

In the fall of 2016, I instituted a series of regular email communications with Members of the House of Commons in order to remind them of their obligations under the Members' Code. In early December, I sent Members an email about the gift rules, along with links to information on my Office website. In early March, I sent them an email on sponsored travel, also with links to material available on the website.

I continued my practice in the past fiscal year of offering presentations to the caucuses of all recognized parties in the House of Commons, as well as to other party caucuses and independent Members. None accepted my offer in 2016-2017.

Under the Members' Code, Members are required to disclose certain information about the private interests of their spouses or common-law partners and dependent children. My Office gave a presentation to the Parliamentary Spouses Association in October 2016 to familiarize the spouses and common-law partners with Members' obligations in this area.

## **Parliamentary Activities**

My Office conducts a variety of parliamentary activities.

### *Reports to Parliament*

In 2016-2017, I issued six reports. They included my 2015-2016 annual reports under the Act and under the Members' Code, which I released in June 2016, and the *List of Sponsored Travel 2016*, which I submitted to the Speaker of the House of Commons for tabling on March 24, 2017.

I also released three examination reports under the Act in 2016-2017, which are discussed on pages 23 and 25 of this report, along with two examination reports released shortly after this reporting period. No inquiry reports were issued under the Members' Code in 2016-2017.

### *Committee Appearances*

The House of Commons Standing Committee on Access to Information, Privacy and Ethics has oversight responsibility for my Office and reviews our annual spending estimates, as well as matters related to my reports under the Act.

On May 3, 2016, I appeared before that Committee to discuss my budgetary estimates for 2016-2017. I was also invited to appear before it on October 27, 2016, to share some comments



and observations based on my experience in administering the Act and the Members' Code since 2007.

The House of Commons Standing Committee on Procedure and House Affairs has responsibility for the Members' Code and recommends changes to it. I was not invited to appear before that Committee in the past fiscal year.

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

### **Other Parliamentary Activities**

I submitted a draft guideline on gifts under the Members' Code in April 2016 to the House of Commons Standing Committee on Procedure and House Affairs. I am required to do this under section 30 of the Members' Code for approval before any guideline can come into effect. This matter remains in abeyance.

In November 2016, I sent that Committee a letter informing it of how my Office has interpreted the scope of the obligation under section 31 of the Members' Code to "destroy all documents relating to a Member." Section 31 reads as follows:

*31. The Commissioner shall retain all documents relating to a Member for a period of 12 months after he or she ceases to be a Member, after which the documents shall be destroyed unless there is an inquiry in progress under this Code concerning them or a charge has been laid against the Member under an Act of parliament and the documents may relate to that matter.*

Section 31 is worded very broadly ("all documents relating to a Member") and could be interpreted to mean that all documents in which a Member is mentioned should be destroyed, including those of precedential value or those that are already in the public domain. This would create an arduous task and is not in keeping with generally accepted record management practices. I have concluded that section 31 should be interpreted to mean only the destruction of confidential disclosures that a Member of Parliament makes to my Office in the fulfilment of his or her obligations under the Members Code. This interpretation protects the privacy of Members while preserving documents of precedential value. I have not had any reaction from the Committee and continue to implement this obligation in accordance with my interpretation.

My Office participated in the Parliamentary Officers' Study Program again in 2016-2017. The program involves the Senate, the House of Commons, the Library of Parliament and the



Office of the Conflict of Interest and Ethics Commissioner. It offers an opportunity for senior parliamentary staff from foreign legislatures and other Canadian jurisdictions to learn about the functioning of the Parliament of Canada and, in turn, to reflect on their own practices. My Office made a presentation to the Parliamentary Officers' Study Program in April 2016.

In March, I spoke at a seminar organized by the Canadian Study of Parliament Group, a group dedicated to enhancing the understanding of parliamentary government and institutions, as part of a panel called "The Relationship Between Parliament and the Agents of Parliament."

### **Working with Others**

Throughout my mandate, my staff and I have worked with my counterparts and other individuals in Canada and from around the world, exchanging information and discussing issues in the conflict of interest and ethics field.

I continue to take an active part in the Canadian Conflict of Interest Network (CCOIN), whose members 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, held in Edmonton.

My Office continues to be an active member of the Council on Governmental Ethics Laws (COGEL). In December 2016, I attended its annual conference in New Orleans, Louisiana. I was on three panels organized as part of the conference, two providing ethics updates and one focusing on the provision of advice. COGEL conferences provide an opportunity to learn about international developments in the ethics field and to share our experience.

In September 2016, at the Public Sector Ethics Conference in Toronto, I took part in a panel called "The State of Public Sector Ethics: Exploring Emerging Issues and Challenges in the Field."

This past January, I made a presentation to a public sector ethics class in the Master of Public Administration program at Queen's University.

I received an invitation from the Association Parlementaire de la Francophonie to speak at an ethics training seminar in Madagascar in November. I could not accept the invitation, but sent a written submission. I also received an invitation to speak at an event in Brussels organized by Transparency International EU in December, which I also had to decline, but I provided some clarifications on my administration of the Act and the Members' Code.



Last November, I was invited to appear before the Committee on Institutions of the Quebec National Assembly, in the context of its review of the *Report on the Implementation of the Code of Ethics and Conduct of the Members of the National Assembly*. Time constraints did not allow me to attend in person but I provided a written submission.

I also met with and made presentations to three international delegations visiting Ottawa. One delegation, in April 2016, was from the South Africa Department of Public Service and Administration. In August, a delegation from the U.S. House of Representatives' Committee on Ethics and its Committee on House Administration visited. In December, I briefed a delegation that was led by the government of Mali's Minister of Labour and Public Service. In March 2017, my Office met with members of the Public Accounts Committee of the National Assembly of the Republic of Kenya.

As in previous years, my Office also responded to several information requests from international organizations. These included requests for information from the Korea Legislation Research Institute about controlled assets, blind trusts, the disclosure process and recusals, and the Liberia Revenue Authority about creating a link between our offices. My Office also responded to a Member of the National Assembly of France about the hiring practices relating to parliamentary assistants and a request from an Australian parliamentary employee who inquired first about the Commissioner's parliamentary privilege and then about the Commissioner's use of sanctions. Finally, my Office responded to a questionnaire from the Organisation for Economic Co-operation and Development focussed on the process for handling complaints from the public.

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

The number of requests for information my Office receives from journalists and members of the public increased again this year. I believe that the actions taken by my Office have contributed to a growing level of public awareness over the years about the Act and the Members' Code and the role of my Office in applying them.

My Office strives to respond in a timely manner to requests from the media and the public. We have established service standards to help us achieve and measure our response times: three hours, or within an agreed-upon deadline, for media requests; and two business days, or within an agreed-upon deadline, for requests from members of the public. We established a target to meet these standards in 75% of the cases. In 2016-2017, the first year for which we collected relevant data, my Office exceeded its target and met its service standards in 83% of cases for media requests and in 81% of cases for public inquiries. We continue to strengthen our internal processes for responding to inquiries.



The following table tracks the number of general inquiries received by my Office over the past nine fiscal years. We do not have complete data for 2007-2008 as my initial term as Commissioner began in July 2007.

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

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Media	28	17	44	102	185	213	140	143	315
Public	429	581	544	593	839	1,097	597	1,373	2,066

In 2016-2017, my Office received and responded to 315 media inquiries, more than double the number in the previous year, I participated in four media interviews, and there were 426 media mentions of the Office. Of note, in November, I participated in an interview with Ukrainian Television about Canada's ethics regimes.

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. My approach is for the Office to be as forthcoming with information for the media as is permitted under the Act and the Members' Code. My Office regularly issues news releases, media statements and backgrounders.

In the past fiscal year, we have been taking a more proactive approach when inaccurate information about my Office's administration of the Act and the Members' Code appears in the media. In November 2016, for example, I wrote an op-ed article that was published by the *National Post* in response to a column on the subject of political fundraising that misinterpreted sections 7 and 16 of the Act. I explained the sections and outlined recommendations that I had made to strengthen the Act in relation to fundraising.

The number of inquiries from members of the public by email, telephone, fax and letter mail increased this year to 2,066. They included inquiries related to mandate, such as requests for information about the scope of the application of the Act and the Members' Code and requests for documents issued by my Office.

Many of the inquiries from members of the public relate to complaints that I have received. Others relate to allegations about Members raised in the House of Commons. In the past fiscal year, my Office and the regimes that I administer were mentioned in 48 out of 122 Question Periods. Other inquiries are prompted by media reports about alleged conflicts of interest involving public office holders.





In responding to these inquiries, my Office provides as much information as is permitted under the Act and the Members' Code. When appropriate, we also direct those requesting information to the Office website for additional information about the Act or the Members' Code.

As in past years, many of the inquiries from members of the public were related to matters that are beyond my mandate. More than half of the inquiries were from individuals who had a complaint or concern but did not know which office to turn to. In these situations, after explaining my role, my Office tries to direct the member of the public to the person or organization best placed to assist them.

### **Public Communications**

My Office has strengthened and expanded its use of Twitter. I created a bilingual Twitter account in June 2013 as the initial component of a broader social media strategy. Now that my Office has an established presence on Twitter, we have started taking steps to further develop our Twitter activity in order to provide general information on the regimes that I administer. In February of this year, we sent our first “storytelling” tweets, a series of six tweets, with text images, about sponsored travel. We are also using more infographics and tweeting more frequently.

### **Framework for Future Action**

I continue to explore new ways to reach out to Members of the House of Commons, public office holders and the Canadian public to increase awareness of the Office and the conflict of interest regimes that I administer.

Communications and outreach priorities for 2017-2018 include evaluating the Office website and developing new criteria for its design and accessibility, renewing our social media strategy, operationalizing the crisis communications plan, surveying Members of the House of Commons to gauge their satisfaction with our services and renewing our parliamentary engagement strategy.





## **VI. ADMINISTRATION**

### **Accountability**

As an entity of Parliament, my Office operates under the *Parliament of Canada Act*, and is not generally subject to legislation governing the administration of the public service or to Treasury Board policies and guidelines.

My Office has a sound internal management framework in place to ensure the prudent stewardship of public funds, the safeguarding of public assets and the effective, efficient and economical use of public resources.

I also take steps to ensure that our resource management practices are, to the greatest extent possible, consistent with those found in the public service and in Parliament. To this end, employees of the Office are part of 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 of the work of my Office. We publicly disclose our annual financial statements and reports on annual expenditures for travel, hospitality and conferences, and they are easily accessible through the Office website.

Since 2010-2011, my Office's financial statements have been audited on an annual basis by an independent external auditor. No concerns have been raised and the financial statements have always been positively received by the auditing firms. The auditor also assesses the policies and procedures that the Office has in place for financial reporting and safeguarding assets, and no deficiencies have been noted.

### **Human Resources Management**

As an Officer of the House of Commons, my independence from the government of the day is assured in several ways, including by my status as a separate employer. My Office is not subject to the *Public Service Employment Act* or the *Public Service Employment Regulations*, but has its own *Terms and Conditions of Employment*.

The staff turnover in the Office remained low in 2016-2017, with five employees leaving the Office. Two of them accepted indeterminate employment in the federal public service, one took a position outside the public service, one retired and one was affected by workforce adjustment as the position was no longer necessary.



To fill the four vacant positions, I appointed two employees from newly launched staffing processes and two from previously established pools of qualified candidates. Two positions currently remain vacant. We plan to launch new staffing processes for the positions of Compliance Advisor and Investigations Officer to replenish the pool of qualified candidates.

My Office discontinued its service agreement with the Library of Parliament, which provided us with financial management services. As the Library would only have been able to maintain those services for another year and could no longer provide a deputy chief financial officer with an accounting designation, I decided to bring our financial management services in-house by creating and filling a financial services manager position in the Office.

My Office also discontinued its service agreement with Public Services and Procurement Canada for compensation services and created a compensation advisor position to offer the services internally. The conditions of employment for my Office are different from those in the public service and there was a high level of turnover among the compensation advisors assigned to us, resulting in the need for frequent training. By having access to an in-house compensation advisor, employees have access to better-quality and faster service.

Other services continue to be outsourced to reduce costs where appropriate, including classification, commissionaire services, the Employee and Family Assistance Program, information technology, information management, security and auditing.

My Office has entered into a new agreement with the Canada School of Public Service that gives employees access to a wide range of learning opportunities.

In May 2016, my Office conducted its second employee satisfaction survey, which revealed a high degree of employee satisfaction. The last such survey, which itself showed high satisfaction levels, was conducted in 2013. A comparison of the results demonstrated improvements in some areas and continued satisfaction in many others. A need for improvement was identified in only one area: the implementation of strategies for the acceptance of individual differences among team members. In response, a mandatory information session on informal conflict resolution and harassment prevention was provided to all managers and employees.

In order to continue to be able to attract and retain employees and to provide the best conditions for them, we will be reviewing the new collective agreements negotiated for represented employees of Parliament and for represented public servants and will be amending our current *Terms and Conditions of Employment* as appropriate.



## **Financial Management**

An operating budget of \$6.971 million was allocated to my Office for 2016-2017. Given the nature of my mandate, salaries represent by far its largest expenditure. Non-salary expenditures are mostly related to the cost of service agreements and the standard costs of running an office.

A table broadly outlining the financial information for my Office for the 2016-2017 fiscal year is provided in the [Appendix](#) under the heading Financial Resources Summary. Detailed financial information can be found on the Office website.

My Office continues to operate within its allocated budget. I maintain a reserve to allow my Office to respond to exceptional circumstances that could significantly impact its workload, including information technology projects.

## **Information Management and Information Technology**

My Office continues to contract with the House of Commons for information management and information technology services.

The transfer of financial management services from the Library of Parliament to my Office meant that the various financial software applications used by the Library of Parliament had to be installed in-house. The most critical applications were installed in March in order to ensure that they would be operational by April 1, 2017.

I am investing resources in the development of a new system to manage financial and human resources services. The current applications employ older technology and are therefore increasingly difficult to operate. The new system, which includes financial and human resources modules, is already in use by the House of Commons and the Parliamentary Protective Service, thus providing a cost-effective solution. The system's finance module is expected to be implemented in 2017-2018 while the human resources module is planned for release in 2018-2019.

My Office continues to improve the way we organize and manage electronic records, including emails. For example, we have initiated a pilot to replace the Office's shared electronic drive by a document management system that will make it easier to store and retrieve information, while offering strong access controls through user rights. This is in line with innovations made in the public service and will improve efficiency while ensuring the security of information. We will also be introducing an email management standard to ensure the proper filing, retention and disposal of email records.



The Office's electronic case management system, which maintains relevant information on public office holders and Members, will undergo a significant upgrade this year, leading to improvements in how we electronically manage stakeholder information and operational cases. We will also take the opportunity to review and reassess the processes and procedures used by my Office in administering the *Conflict of Interest Act* and the *Conflict of Interest Code for Members of the House of Commons*, improving them where appropriate.

My Office has purchased a videoconference system. This new equipment has helped reduce the costs of examinations and inquiries by giving the Office the ability to conduct high-quality interviews remotely.

Our intranet site is an important communications tool for employees. When the House of Commons' Information Services advised my Office that they were moving to new software to manage the information on the site, we took the opportunity to reorganize and expand our intranet as well.

## **Security**

Over the past 10 years, I have worked to establish, maintain and strengthen my Office's internal management framework. To ensure the safety of employees, the protection of assets, the delivery of services and to align our efforts with the approach taken with other parliamentary entities, my Office implemented a more comprehensive security program in the past fiscal year. It includes:

- a policy on security management;
- a standard on security screening;
- a standard on information technology security;
- a business resumption plan;
- a procedure for the recovery of property and relinquishment of privileges for employees leaving the Office; and
- a procedure for emergency response.

Because of our ongoing partnership with the House of Commons for information technology services, we continue to have access to reliable and secure network infrastructure. Effective measures have been put in place to keep separate the Office's information and that of the House of Commons.

As a precautionary measure, my Office asked the House of Commons to update the 2008 Threat and Risk Assessment for its network infrastructure. There have not been any issues



of concern to date. The Threat and Risk Assessment was initiated by the House of Commons in December 2016 and is currently underway.

My Office is in the process of putting in place an agreement with the Parliamentary Protective Service for security services, including patrol and first response services.







## VII. LOOKING AHEAD

As I submit my last annual reports to Parliament as Commissioner, I recall the theme of my very first report, *A Year of Transition*. The year to come will involve another transition.

The *Conflict of Interest Act* (Act) came into force on July 9, 2007 and that same day I assumed the responsibility of administering the Act and the *Conflict of Interest Code for Members of the House of Commons* (Members' Code). I was honoured by the trust and confidence that Members of the House of Commons placed in me when they adopted the resolution supporting my appointment at that time and again in 2014.

It is important that Canadians be assured that the most senior appointed and elected officials are held to a high standard of conduct. As Commissioner, I have done what I can to ensure that this objective is being met.

I believe that I will have left in place a mature office equipped with the processes and procedures required to administer and enforce the Act and the Members' Code and to ensure the highest standards of public sector governance.

My experience suggests that the two regimes, at their core, are working well, but there is room for improvement. I hope that Parliament will in the future consider the recommendations that I have made in the context of the five-year reviews of the Act and the Members' Code and elsewhere.

I conclude this report by reiterating what an honour and privilege it has been to serve as Conflict of Interest and Ethics Commissioner. I have enjoyed my interactions with Members of Parliament and with public office holders. I am grateful for the support that I have received throughout the years from my staff.

I wish the new Commissioner every success as he or she takes on this important responsibility.





**APPENDIX – FINANCIAL RESOURCES SUMMARY** (from page 45)

	<b>(thousands of dollars)</b>				
<b>Program Activity</b>	<b>2015-16 Actual Spending</b>	<b>2016-17</b>			<b>Alignment to Government of Canada Outcomes</b>
		<b>Main Estimates</b>	<b>Total Authorities</b>	<b>Actual Spending</b>	
Administration of the <i>Conflict of Interest Act</i> and the <i>Conflict of Interest Code for Members of the House of Commons</i>	5,157	6,178	6,178	5,595	Government Affairs
Contributions to Employee Benefit Plans	600	792	792	638	
<b>Total Spending</b>	5,757	6,970	6,970	6,233	
Plus: Cost of services received without charge	1,084	n/a	n/a	1,138	
<b>Net Cost of Department</b>	6,841	6,970	6,970	7,371	

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>.

