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Chair

Mr. Blaine Calkins

Standing Committee on Access to Information, Privacy and Ethics

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[English]

• (1530)

[English]

The Chair (Mr. Blaine Calkins (Red Deer—Lacombe, CPC)):
Welcome colleagues.

Thank you very much to all those who had extenuating circumstances today on or near the Hill for making sure that this meeting could go ahead as planned.

We are at meeting number 57 of the Standing Committee on Access to Information, Privacy and Ethics. We are pleased to have with us today to deal with the main estimates, from the Office of the Conflict of Interest and Ethics Commissioner, Madam Mary Dawson, the commissioner. Accompanying her is Ms. Sandy Tremblay, the director of corporate management.

Colleagues, we will have opening remarks from the commissioner dealing with the main estimates. Then we'll proceed with our rounds of questions until the end of the first hour.

We thank you very much, Madam Commissioner, for being here. We look forward to your remarks.

[Translation]

Ms. Mary Dawson (Conflict of Interest and Ethics Commissioner, Office of the Conflict of Interest and Ethics Commissioner): Mr. Chair and honourable members of the committee, I thank you for inviting me to appear before you today as the committee considers my office's budgetary submission for the 2017-18 Main Estimates.

As you mentioned, I am accompanied today by Sandy Tremblay, Director of Corporate Management.

I will begin by briefly describing how I have organized my office and its operations to support my mandate of administering the Conflict of Interest Act, which applies to some 2,250 public office holders, and the Conflict of Interest Code for Members of the House of Commons.

I will next review our historical budgetary requirements, with reference to some of our activities in the past year, and to the internal management framework that I have put in place to ensure the effective, efficient and economical use of public resources.

Against this background, I will then discuss our current budgetary requirements.

My office conducts a range of activities in support of my administration of the act and the members' code. I've organized it into five divisions.

We provide confidential advice to members and public office holders, review their confidential reports, maintain internal records of that information, and administer a system of public disclosure. These activities are handled by the advisory and compliance division. It's our largest division, reflecting my primary goal of helping members and public office holders to meet their obligations through education and guidance.

In 2016-2017, beyond the initial compliance processes for the 315 new reporting public holders and some 200 members of the House of Commons, advisors in my office had almost 2,400 communications with members and public office holders.

We also undertake education and outreach and conduct public communications and media relations. These activities are conducted by the communications, outreach, and planning division, which also contributes to policy development, compiles research, and coordinates my office's interactions with Parliament and external organizations.

Although prevention is the major focus of my office, we also investigate possible contraventions of the act and the members' code. The investigations division has responsibility in this area. The legal services division also makes a critical contribution to examinations and inquiries, as well as providing strategic legal advice on all facets of my office's work.

Since I last appeared before you, I have released four examination reports. Two examinations and one inquiry are ongoing, and one examination is suspended. We dealt with 45 case files in the past fiscal year and had no remaining case assessments to complete at the end of the year.

Another activity area relates to the administrative structures, processes, and services required for the organization to operate. The corporate management division oversees the development and implementation of internal management policies and the delivery of services and advice on human resources, finance, information technology, information management, and the management of office facilities. It also administers service agreements with external partners.

General administrative and logistical support for all these activities is provided by my own small team in the commissioner's office. My office has a total of 50 indeterminate positions, two of which are currently vacant. Last year I reduced my already-small management team by one position, and it now includes just four senior managers. As well, two new positions were added to the office to enable us to fulfill compensation and financial management function internally.

Services in these areas were previously provided by Public Services and Procurement Canada and by the Library of Parliament under service agreements. We continued to contract with the House of Commons for information management and information technology services. We outsource other services to reduce costs where appropriate, such as classification, commissionaire services, the employee and family assistance program, and auditing.

As an officer of the House of Commons, my independence from the government of the day is assured in several ways, including my status as a separate employer. As an entity of Parliament, my office is not generally subject to legislation governing the administration of the public service or to Treasury Board policies and guidelines. I have, however, taken steps to ensure that we respect the principles followed in the public service and in Parliament to the greatest extent possible in staffing matters and other aspects of resource management.

● (1535)

In the past fiscal year, in addition to building our in-house compensation and financial management capacity, my office strengthened its internal management framework through a variety of measures. For example, we took steps to improve the way we organize and manage electronic records, implemented a more comprehensive security program, and purchased a video conferencing system that would enable us to conduct interviews remotely during examinations and inquiries.

We also entered into a new agreement with the Canada School of Public Service that gives our employees access to a wide range of learning opportunities.

When we were required to start using new content management software for our intranet site, we took the opportunity to reorganize and expand this key internal communications tool.

This fiscal year, while continuing the day-to-day work of administering the act and the members' code efficiently and effectively, we will build on recent initiatives in a variety of activity areas. This includes a major upgrade of our case management system and the replacement of our human resources and finance systems.

My office, which was created in July 2007, maintained an annual operating budget of \$7.1 million in its first five years of operation, with no increases. In years six and seven, I was able to offer small overall budget reductions. In each of the past two years, I sought and received a slight upward adjustment in order to cover an increase in contributions to the employee benefit plans, as determined by the Treasury Board. In 2016-17, my office was allocated an operating budget of \$6.97 million.

Even accounting for these variations, every year we have returned some surplus funds to the federal Treasury. Our estimated surplus for

2016-17 is in the order of \$600,000. I have always maintained a reserve to allow my office to respond to exceptional circumstances that could significantly impact our workload. The reserve is also intended to provide for IT projects associated, for example, with the office website, our client management database, the public registry, and our intranet.

This year, I am seeking a budget of \$6.9 million. This amount is slightly down from the \$6.97 million that my office received last year. The decrease results from lower employee benefit plan contributions. The employer contribution was reduced from 16.8% to 15.7% in accordance with the percentage set by the Treasury Board. I have budgeted for a reserve of \$400,000 in 2017-18, the same as last year.

Given the nature of my mandate, salaries remain by far our largest budgetary expenditure. Non-salary expenditures are mostly related to the standard costs of running an office and the costs of outsourced services.

[Translation]

I thank the committee again for inviting me to discuss the budgetary requirements of my office, and I direct its attention to the availability of detailed financial and other information on my office's website and in my annual reports.

This concludes my opening statement. I will be pleased to answer your questions.

● (1540)

[English]

The Chair: Thank you, Madam Commissioner.

We will start our seven-minute round of questions with Mr. Long, please.

Mr. Wayne Long (Saint John—Rothesay, Lib.): Thank you, Chair.

Thank you, Commissioner Dawson, for your submission today.

Obviously, some of us on this side have a business background. I've been through many budgeting processes and reviews. I am a former president of the Saint John Sea Dogs, a major junior hockey team. It's doing very well right now, by the way. Typically, our budgeting process was very extensive, basically from our equipment manager to our physiotherapists and their departments, and so on.

Could you brief the committee on the process of budgeting: who is involved, how inclusive it is, and how much input you have from your different levels? Could you share that with me?

Ms. Mary Dawson: Each year, my corporate services group will approach each section in my office and consult with them on the budget needs, and then pull them together and establish our budget.

I don't know if my corporate director would like to add anything to that.

Ms. Sandy Tremblay (Director, Corporate Management, Office of the Conflict of Interest and Ethics Commissioner): Salaries account for about 85% of our budget, so we start from that. The non-salary budget is not that high.

Basically, I meet with every director. We look at our strategic plan for the upcoming year just to see what's required, what's in the plan. We also go from the expenses in the previous year and we manage from that. Madame is involved throughout the whole process, as well as all the directors within all the divisions.

Mr. Wayne Long: When salaries are such a high percentage of your total budget, you obviously don't have a lot of flexibility. Can you give me some examples of internal benefits that you've derived by talking internally or doing some cost analysis? Have you found anything beneficial where you could save?

Ms. Mary Dawson: Do you mean where we can save money?

Mr. Wayne Long: Yes.

Ms. Mary Dawson: We don't spend a lot of money on administration.

Can you think of some examples?

Ms. Sandy Tremblay: In terms of some examples, because a lot of our non-salary budget goes towards service agreements that we have with outside providers, we'll look and analyze that. That's why, in the past year, we've actually brought back our financial services internally, just to make sure that we make the most of the resources we have.

Besides that, we don't have a lot of play. It's mostly with professional services, so we'll look at mostly IT projects and span that across the next three years to try to make sure that we use our budget appropriately.

Mr. Wayne Long: You talked about the last budget period. In 2016-17, you had a \$600,000 reserve.

Ms. Mary Dawson: Yes, \$600,000.

Mr. Wayne Long: Right, and this year you're—

Ms. Mary Dawson: No, it was \$400,000. We had \$600,000 left—

Ms. Sandy Tremblay: —the year before.

Mr. Wayne Long: That was the year before. So now it's \$400,000.

Ms. Mary Dawson: Yes.

Mr. Wayne Long: What are you budgeting for the reserve, moving forward? Is it \$400,000?

Ms. Mary Dawson: Yes, \$400,000.

Mr. Wayne Long: I'm just curious as to how you come up with that. You had \$600,000 in reserve.

Ms. Mary Dawson: Right.

Mr. Wayne Long: Now you've come up with \$400,000. Is it somewhat arbitrary? Could you give me some background on that?

Ms. Mary Dawson: Basically, we always seem to end up with a bit of a surplus. We thought \$600,000 was probably too much, so we've lowered it to \$400,000. The thing is that we never quite know what kind of contingency we might have, particularly for investigations.

Mr. Wayne Long: Right.

Ms. Mary Dawson: We've done everything we can. To access one cost-saving measure, we could have all our investigations virtually in the office. We have an internal system set up now

whereby we can, not televise them, but do them electronically. The reserve would be in the event that we should have to travel.

The other thing is the updating of our IT systems. There's always something that needs to be helped and we have some of those items coming up this year.

Mr. Wayne Long: Obviously, you're not asking for an increase, so you're saying that you currently do have the necessary financial resources, the budget resources, to carry out your mandate.

● (1545)

Ms. Mary Dawson: Yes. Uncharacteristically, it appears, we seem to have enough money to carry out our mandate.

Mr. Wayne Long: Okay.

One of the things I read was that an important part of your mandate is to raise awareness about the act and the code. Can you share with me your plans, what you're doing with respect to moving forward to raise awareness?

Ms. Mary Dawson: We have always maintained a lot of advisories, guidelines, and things on our website in many different areas. We send e-mails out to MPs and public office holders as necessary if there's a specific issue to be dealt with. We give talks to virtually anybody who requests one. We offer, once a year, sessions with each caucus.

What else do we do? We do lots of outreach. We meet with people from other countries as well who request to meet with us, because our system is generally well respected.

There are many things we do. We answer media requests constantly.

Mr. Wayne Long: Can you talk about your website? Are you updating the website?

Ms. Mary Dawson: Yes, we are constantly looking to improve our website.

Do we have a program next year on the website?

Ms. Sandy Tremblay: Yes, next year we're looking at updating the information on our website.

Mr. Wayne Long: What percentage of your budget is for promotion through social media?

Ms. Mary Dawson: It's hard to say. We look at our budget in terms of the different sections, and the section that looks after communications also has other responsibilities. It wouldn't be terribly expensive, because we're doing it on the Internet. Our presentations are normally in town. Very rarely we do them out of town, although sometimes we do, if we happen to be in a particular area. Of course, we can use the Internet to communicate now with any office. Actually, then, our communication expenditures are not expensive.

The Chair: Thank you, Mr. Long.

We now move to our next member, for seven minutes.

Mr. Kelly, please.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you.

Thank you for appearing today. I was glad to hear your comments about the sufficiency of your resources. I heard the comments about having a healthy contingency and being able to return money to the treasury. It sounds like prudent management. You're to be commended for that.

You spoke of contingencies and exceptional circumstances. These may come up from time to time. I have a question, though. We and our colleagues in the NDP have repeatedly asked the Prime Minister in the House whether he has met with you or not in relation to your investigation of his trip to the Aga Khan's island and his illegal use of a private aircraft.

Now, the Prime Minister—

Mr. Wayne Long: I have a point of order, Chair.

The Chair: On a point of order, I'll hear Mr. Long.

Mr. Wayne Long: I question the relevance of the question.

The Chair: I'd have to be allowed to hear the entirety of the question to determine whether there's relevance.

Mr. Kelly.

Mr. Pat Kelly: Thank you. I'll come to the point.

We are talking about exceptional circumstances. This is an unprecedented investigation, and we want to ensure that there are adequate resources. While we're trying to assess whether the office has adequate resources, we need to know whether he has met with you or whether there's a reason that he can't answer that question. We are talking about resources, and this is an unprecedented development in your office.

Ms. Mary Dawson: I'm going to start by explaining our process. When I do an examination or an inquiry, my standard process and almost the very first thing I do is to notify the person complained about and notify the person who complained that I'm proceeding. Then I contact the person complained about and say, "I'd like to set up a meeting." I ask for documentation and I then proceed through the investigation.

At the end of the process I have another set of activities. I let them see a lot of the evidence that they might want to respond to, and then I allow a final meeting.

That's the process, and I follow that process in every case.

With respect to whether I had a meeting with the Prime Minister or he with me, I'm not at liberty to disclose. There are confidentiality requirements in the act that say that I must carry out my investigations in private.

• (1550)

Mr. Pat Kelly: Is there any necessity for him to refuse to answer the question and to be clear to Canadians about whether or not he's had the meeting?

Ms. Mary Dawson: There is not an absolute rule, but we generally ask that people keep the activities and the inquiry questions and whatnot confidential, because we don't want to interfere with the investigation process. That, however, is a request. There is no rule in the act; we're very careful, however, to keep our investigative activities confidential.

Mr. Pat Kelly: I'm not asking you to answer whether the meeting has happened; we're just concerned about the Prime Minister's refusal to answer the question and wondering whether there's any reason he cannot.

I see that my friend is concerned about the relevance. This is highly relevant, because we are talking about estimates today. In trying to guess which investigation is suspended now and which is going to continue, I note that investigations need to have adequate resources to complete. I want to make sure that we have adequate resources to ensure that your office can do its work.

Ms. Mary Dawson: Right.

Mr. Pat Kelly: Would these be the types of exceptional circumstances that you have? Are you comfortable that your own contingencies will be able to see you through the current investigation that you have open, and perhaps the one that's suspended and might carry on?

Ms. Mary Dawson: I'm not sure what you mean. I don't know what exceptional circumstances have to do with the carrying on of an investigation; I'm sorry.

Mr. Pat Kelly: Well, it's unprecedented. You haven't investigated a sitting prime minister before—

Ms. Mary Dawson: Actually, as a matter of fact, I have. I investigated Mr. Harper.

Mr. Pat Kelly: Did you to this extent?

Ms. Mary Dawson: Yes. I did an investigation. Nobody seems to notice it, but I did and I issued a report. There's a report on the record.

Mr. Pat Kelly: In any event, then, you are confident that you have sufficient resources to carry on through the year—

Ms. Mary Dawson: Yes. I don't think there's a resource issue involved here.

Mr. Pat Kelly: That's good. As I said, we're pleased that you are able to continue and that you're able to return funds.

What is the funding breakdown in a typical year between investigations of former and of current office holders?

Ms. Mary Dawson: I'm sorry, of former and previous what?

Mr. Pat Kelly: I'm asking about the funding breakdown as you're budgeting between current and former office holders. You do investigate both.

Ms. Mary Dawson: Oh, gosh. Well, the only time I would investigate a former public office holder would be in post-employment. I'd say I've probably done three or four post-employment investigations that have been reported on, out of about 30 reports in total that I've done, if that's the breakdown you're looking for. Usually they're of sitting members.... I'm not allowed to investigate a former member, but I can investigate a former public office holder, including ministers and parliamentary secretaries.

Mr. Pat Kelly: All right.

With half a minute left, I think I'll...

The Chair: Certainly. Thank you very much, Mr. Kelly.

We now move on to Madame Trudel, for seven minutes, please.

[Translation]

Ms. Karine Trudel (Jonquière, NDP): Thank you.

Thank you very much to our witnesses for their presentations. I want to welcome them again.

Ms. Dawson, you are about to complete your mandate. I believe that you have been commissioner for over 10 years.

What is your plan for the transition with the individual who will replace you? Are there any measures in place in terms of budgets and forecasts? Will it lead to additional costs? Has that transition already been planned in this year's budget?

Ms. Mary Dawson: I don't think there will be any particular costs.

There is no transition period. Once my mandate is up, it's over. When a new person takes over the duties, their mandate begins immediately.

No funding is set aside for an overlap, and I don't anticipate any issues in terms of funding.

• (1555)

Ms. Karine Trudel: Thank you.

Do you have any recommendations for us to improve the legislative and administrative framework of the Office of the Conflict of Interest and Ethics Commissioner in terms of the way its estimates are reviewed?

Ms. Mary Dawson: I have many recommendations. I have produced two reports—one on the code and one on the act—three or four years ago. Changes have actually been made to the code, but no amendments have been made to the act so far.

Ms. Karine Trudel: Over the course of the next year, what will be the main challenges for the Office of the Conflict of Interest and Ethics Commissioner, over the short and medium terms? Will any steps be taken?

What will be your particular challenges? How can you gauge your progress when it comes to that?

Ms. Mary Dawson: I think that the office is running very smoothly now. I don't see many problems.

I have received a lot of praise about on the office's management. As I said, I have made many recommendations on changes, but they mostly had to do with rules and not the office's management.

I am sure that the person who will replace me will find that the office is in good condition.

Ms. Karine Trudel: Does your budget enable you to gain insight into various issues and carry out full investigations?

Ms. Mary Dawson: I am sure I have the resources for that.

Thank you.

Ms. Karine Trudel: Thank you.

[English]

The Chair: Thank you.

Mr. Erskine-Smith, you have seven minutes, please.

Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.): Thanks very much, Commissioner, for appearing before us.

I just want to get some of the numbers right. We have \$6.9 million in proposed budget allocation. Salaries are 85% of that, as you said. That works out to \$5.8 million. Walk me through the amount of work. You said you have enough money. It strikes me that maybe there's more money than necessary. Maybe I have it wrong, but when I look at the 45 case files in the last year, I recognize that 200 new members came and there's a lot of work to be done there, but walk me through how that \$5.8 million gets spent and how it's used effectively and efficiently.

Ms. Mary Dawson: You should be careful. With respect to the case files, that's just the files relating to investigations. Most of our work is done in the advisory and compliance section, the advisory work. All the receiving of information when somebody becomes a public office holder or member, that's all done separately. That has nothing to do with the number of case files. We have over 2,000 files relating to individuals. The investigation section is very small. It takes a fair amount of time, but it's a small proportion of the number of people we're dealing with and the number of files we have.

I'm not sure I've answered your question.

Mr. Nathaniel Erskine-Smith: Partly, yes.

The 45 case files are part of the work and that was in the last year.

Ms. Mary Dawson: That's just looking at whether to start an examination of something.

Mr. Nathaniel Erskine-Smith: Right.

Ms. Mary Dawson: That's when we get a request in or information in that looks like maybe there's something we should be starting an examination or an inquiry on.

Mr. Nathaniel Erskine-Smith: Would it not be true with the compliance work? That's front end heavy, I would expect. You have 200 new office holders; everyone files disclosure reports. Presumably, there's a peak of work—

Ms. Mary Dawson: Yes.

Mr. Nathaniel Erskine-Smith: —and then there's a lot less work over the ensuing three years.

Ms. Mary Dawson: It's front end heavy, particularly after an election, but in fact, we have annual reviews of the material that's sent in. We have over 2,000, I think it is—a big number—requests that we get every year that aren't related to their filing of their documents at the beginning. There is turnover of staff like you wouldn't believe, both in the ministers' offices and other places, but primarily at the political level.

• (1600)

Mr. Nathaniel Erskine-Smith: Not to cut you off, but 2,000.... I'm just trying to get the bulk of it. So, we have 45 case files—that's a small slice of it. We have compliance at the outset when members are first elected. You said there are over 2,000 requests for members asking about compliance issues?

Ms. Mary Dawson: Yes, they ask, “Can I receive this gift?” or “Can I take that outside activity?” or “Can I do this, that, and the other thing?”

Mr. Nathaniel Erskine-Smith: Of the \$5.8 million that's spent on salaries, how many people are employed?

Ms. Mary Dawson: In my whole office?

Mr. Nathaniel Erskine-Smith: Doing that kind of work.

Ms. Mary Dawson: There are 50 in my office. The compliance unit is 18 people.

Mr. Nathaniel Erskine-Smith: Eighteen people. Is there a sense of how long these compliance requests take? I've experienced this, and it takes quite a lot of time.

Ms. Mary Dawson: Yes.

Mr. Nathaniel Erskine-Smith: Yet, it looks like there are a lot of resources to get these done in a pretty short period of time. Perhaps you could speak to those 18 people who deal with those 2,000 requests, and then perhaps you could speak to the remainder of the employees in the office and what they're busy doing. I understand the 45 case files and the 2,000 requests, and I want to get a better picture of the resources deployed.

Ms. Mary Dawson: All right. The 2,000 annual requests, plus the initial disclosure of documentation and putting it on the website and all that, that's the compliance unit; that's 18 people. I hate to use the term "investigations" because people are confused by that term, but when the examinations and the inquiries, when we're actually conducting a case.... There are usually four or five a year that we complete, if that—that's a good year. There's all the investigation involved in that, which uses up a lot of time. We have four lawyers and three investigators. The lawyers occupy themselves, as well, with other things, but primarily with the investigative work. There are seven people there.

Then we have the communications policy and outreach, where we have seven people. It's not their primary occupation, but a very busy occupation is answering media calls. We're very careful to answer the media calls as quickly as we can, plus public calls—the public calls in quite often. These are also the people who put the notices up on the website and do our general information, and they work up various policy options for things. That's that group.

Then there's the corporate group. There are about....

Ms. Sandy Tremblay: There are 11 people.

Ms. Mary Dawson: They look after the various corporate activities that have to be looked after.

Then there's another group.

Ms. Sandy Tremblay: Yes, your office.

Ms. Mary Dawson: Oh, my office. How could I forget them? We manage stuff.

Mr. Nathaniel Erskine-Smith: I have one last question. Just doing the math, with about 2,000 requests and 18 people, that's approximately 110 requests per person. However, some of these requests are simply, "Can I accept this gift?" So how long could that consideration take?

Ms. Mary Dawson: Yes.

Mr. Nathaniel Erskine-Smith: It seems as though they could do a lot more work, based upon the resources you have.

Ms. Mary Dawson: That's only incidental work, in a sense. Their main work is working on how people are going to comply with the act with their initial compliance submissions. That usually takes months—or not usually, but very frequently. If there are people who own a lot of property or something such as that, sometimes it takes a fair bit of working through. Then there's the management of setting up trusts and things for people with controlled assets, all that stuff.

When I talk about the 2,000 things, those are extrinsic to the regular day-to-day work.

Mr. Nathaniel Erskine-Smith: Right.

Ms. Mary Dawson: When you consider that the annual reviews happen every year, that is continuous.

Mr. Nathaniel Erskine-Smith: Right.

Ms. Mary Dawson: There are bumps when there's an election. As a matter of fact, we took on several part-timers to deal with that bump. It is not only the people elected but the ministerial offices and everything, and the staff.

I was intrigued to notice a year or two into my mandate that the ministerial staff actually number more than the Governor in Council appointees. They are a very large group.

Mr. Nathaniel Erskine-Smith: That's interesting.

I think I'm out of time.

The Chair: You are, Mr. Erskine-Smith. Thank you very much.

We'll now move to the five-minute round, beginning with Mr. Jeneroux, please.

Mr. Matt Jeneroux (Edmonton Riverbend, CPC): Perfect. Thank you very much.

Thank you for being here, and your staff as well for preparing for today. A lot of work goes into this.

You're almost finished your term. When does it finish?

● (1605)

Ms. Mary Dawson: My appointment ends on July 8.

Mr. Matt Jeneroux: You have said you're not seeking another reappointment.

Ms. Mary Dawson: I haven't applied.

Mr. Matt Jeneroux: You haven't applied.

Ms. Mary Dawson: I've withdrawn. It's a complicated situation, but no, I have said that I was not applying for—

Mr. Matt Jeneroux: Okay. I just want to make that clear.

In terms of your resources, you have a number of investigations under way right now. What happens to those investigations once you've finished on July 8?

Ms. Mary Dawson: That's a bit of a question. I'm struggling to get as many completed as I can. I've put one out within the last couple of weeks, and my aspiration is to finish the ones that I'm in the middle of.

Mr. Matt Jeneroux: Can you give us an idea of how many of those there are?

Ms. Mary Dawson: Yes. There are two examinations and one inquiry, and there's one examination on hold, on suspension, because of the requirement. It's still in the legal system. That's in regard to Mr. Carson. That has been suspended for about five years now. The other three are what I have left.

Mr. Matt Jeneroux: Being generous, you have four investigations.

Ms. Mary Dawson: Yes, or three really.

Mr. Matt Jeneroux: There are three, and the one that's suspended.

Ms. Mary Dawson: I don't expect that one to be resolved quickly.

Mr. Matt Jeneroux: After you leave, there's a new person appointed to your position. Is there a transition period?

Ms. Mary Dawson: No.

Mr. Matt Jeneroux: There no requirement for one, but is there—

Ms. Mary Dawson: There's no capacity for one.

Mr. Matt Jeneroux: Okay, there's no capacity for one.

If you have four investigations under way, I guess there's potential, then, that those have to start from the beginning.

Ms. Mary Dawson: Yes. I think it's unfortunate.

For example, that investigative report work is similar, in a sense, to the judicial system and the judicial requirements. Most statutes, and some that aren't even judicial that are similar to mine, have a provision in their legislation that allows the individual who started an investigation to complete it.

I do not have that—

Mr. Matt Jeneroux: You don't have that.

Ms. Mary Dawson: —provision in my act.

Mr. Matt Jeneroux: So once you're done, July 8, essentially you walk away.

Ms. Mary Dawson: I'm no longer—

Mr. Matt Jeneroux: You were about to say “free”.

Ms. Mary Dawson: —authorized to deal with it.

Mr. Matt Jeneroux: Okay. I don't want to put words in your mouth, but I thought you were mouthing the word “free”.

Ms. Mary Dawson: I'm trying to finish them.

Mr. Matt Jeneroux: “Finish” was maybe where you were heading.

What I'm trying to get at is that we now have a Prime Minister who is under investigation who will be appointing a new person—or yourself—who would then be investigating the Prime Minister who appointed him.

I'd hoped there was a bit of a transition period so you could finish it up, but it appears there's not.

Ms. Mary Dawson: Well, the only thing then is an interim appointment again, I guess, to finish them up. I don't know when a new person will be identified, either. I don't have any idea how the process is proceeding.

Mr. Matt Jeneroux: Are you hoping, then, for a bit of an interim transition period?

Ms. Mary Dawson: Well, let me put it this way: I'm willing to complete those files.

Mr. Matt Jeneroux: You're willing to do it, yes. Well that would be fair, considering that the Prime Minister is under investigation and he appoints the person.

Okay, I'll switch gears; I have about a minute left.

You talked about the number of media requests you're getting, and you've spoken through the media about the difference and the struggle between the mandates the Prime Minister has put in place and coinciding them with the act. Essentially, the Prime Minister stands up in the House of Commons and says that he has rules for cabinet, but they are not necessarily reflected in the act.

Is that something you're hoping to bring together before you leave?

Ms. Mary Dawson: I don't have the power to do that. Those rules are simply Prime Minister's rules. They were Mr. Harper's rules as well, and the Prime Minister has changed them slightly.

Mr. Matt Jeneroux: Just to clarify, they were not to the extent we're seeing right now. There seem to be new rules daily that have been put in place by this Prime Minister, so...

Ms. Mary Dawson: No, most of them are the same. There are a few additional ones.

Mr. Matt Jeneroux: I disagree on that, because there are—

Ms. Mary Dawson: We're talking about the accountability guide, are we?

Mr. Matt Jeneroux: Yes, we're talking about the stuff that he's put in his mandate letters to his ministers.

Ms. Mary Dawson: Oh, his mandate letters; I'm sorry. No, I don't know about these.

•(1610)

The Chair: Thank you very much, Mr. Jeneroux.

We now move on to Monsieur Dubourg, for five minutes.

[*Translation*]

Mr. Emmanuel Dubourg (Bourassa, Lib.): Thank you, Mr. Chair.

I would first like to say hello to Ms. Dawson and her companion, Ms. Tremblay.

Thank you for joining us and for answering our questions.

You said that you conduct investigations. Budget-wise, you say that you sometimes also travel.

Could you please tell us under what circumstances your employees are asked to travel to carry out an investigation?

Ms. Mary Dawson: It happens very rarely. I had to go to Toronto once for an investigation. That said, we can usually do that kind of work here, in Ottawa.

Mr. Emmanuel Dubourg: Okay.

Previous questions allowed us to see how well you are managing the budget. There is always a fairly substantial amount in reserve, which you give back at the end of the year.

What could you improve in your organization—for example, when it comes to the web—to make the system more user-friendly or to ensure better adherence to rules by people?

Are there any areas that can be further improved?

Ms. Mary Dawson: Yes. We focused a lot on those issues and we are always making improvements. I cannot list all of them. My companion could talk about them a bit.

Mr. Emmanuel Dubourg: Yes, it would be a pleasure to find out a little more.

Ms. Sandy Tremblay: For next year, we have our strategic plan. We really want to improve customer service. When it comes to our website, we want to update the information. The rest of it really has more to do with internal operations. We are trying to figure out how we can do more with less. I must say that, with our current budget, we don't have a lot of flexibility. We have to distribute the budget. We establish our strategic plan and carry out our projects over a three-year period.

Mr. Emmanuel Dubourg: Thank you.

I have one last question, Ms. Dawson.

As you have been in this position since the very beginning, the transition—when it does take place—will be the first one.

What would you recommend to your successor?

Ms. Mary Dawson: I don't know. I think I am doing a pretty good job, and I think that the work will continue to be well done. I have a very good team.

Mr. Emmanuel Dubourg: Okay.

Ms. Mary Dawson: I have made many decisions. We record each of them, so we have accumulated plenty of precedents.

Every individual will have new ideas, I assume, but I cannot know what they will be.

Mr. Emmanuel Dubourg: You led all those investigations or all those requests.

Do you think the team's procedures are well implanted, so that future decisions will be similar? Will they be in line with your philosophy?

The office is steeped in your way of doing things. Do you think that way of doing things will continue with the next person?

Ms. Mary Dawson: I hope so. I think that I have done a good job.

We have Internet guides. All my annual reports also contain a lot of information on our procedures. I hope that the person who replaces me will learn about that. That is all I can tell you.

Mr. Emmanuel Dubourg: Thank you for your contribution.

The Chair: Thank you, Mr. Dubourg.

[*English*]

We now move to Mr. Kelly for up to five minutes.

Mr. Pat Kelly: Thank you, Mr. Chair.

I'll continue somewhat in the same vein as Monsieur Dubourg and ask about the experience with the short-term renewals that have occurred. I heard in your answer to Mr. Jeneroux's question that you would very much like to see the work through if you can. It sounded like you weren't shutting the door to further extensions, but it may well be the last time we have you here at committee. Perhaps you could comment on the process of the short-term renewals and whether or not your office ought to perhaps have a longer one-time term. Would that be a way to deal with questions about renewal and handing off current files to a new person?

• (1615)

Ms. Mary Dawson: My first appointment was for seven years. That was a good length. Then I was reappointed for two, and then there was a new system instituted for appointments. I can make a few comments about the new system, I suppose.

I find the requirement for the incumbent to apply a bit unusual. I think it's unfortunate, because it's always up to the government to decide whether they want to retain the person or whether they are fed up with them and want to look for a new person. There's nothing to stop searches going on a little in advance of the termination of the time. So I think it's unnecessary to require an application from the incumbent. It's an awkward situation.

With respect to the interim appointments, I think they're necessary because sometimes they simply need a bit of time. But I think it's unfortunate when there's a series of them, which raises a bunch of questions from people about legitimacy and whatnot. I'm sorry that it has taken this long for the system to get ironed out, because there are a number of cases where interim appointments are being made. I think they do raise questions because the interim appointment is at pleasure, as opposed to being for a specific term where you have to be removed by Parliament.

Are those the kinds of comments you're looking for?

Mr. Pat Kelly: Yes, and I guess the concern might be the appearance of a conflict of interest around when the applicant is asked to apply, and when you're in the midst of an investigation.

Ms. Mary Dawson: Yes, but you know when you consider it, anybody who is an interim appointment, whether it's me or some new person, is still an interim appointment under the same uncertainty. Interim appointments aren't great, but I recognize that they need to be made sometimes.

Mr. Pat Kelly: Indeed. You're not concerned that the process itself also interferes with your budget planning if the new appointee eventually is picked, and that in the process of getting up to speed and perhaps being able to fill your place, there might be an issue around resources?

Ms. Mary Dawson: I don't think there's a budgetary issue there at all. I think the systems are in good shape and the budget is there, but every transition is a period of some confusion and getting used to people. When I came in, it took me a year or two to get the office in the shape I thought it should be in, but I think it's in much better shape now. I don't think there's a real problem.

Mr. Pat Kelly: I'm pleased to hear that. The new appointee may want to do things their own way, too.

Ms. Mary Dawson: Who knows?

Mr. Pat Kelly: I certainly hope that we will end up with a smooth transition and that you will be able to have an opportunity to complete the work that's under way and not be put in a position where there's an awkward transition, especially with the current investigation.

Ms. Mary Dawson: Well, I've said that I'd be willing to help in any way I can.

The Chair: You have about 10 seconds. I think we're good.

I'll now move to Mr. Saini for five minutes, please.

Mr. Raj Saini (Kitchener Centre, Lib.): Good afternoon, Ms. Dawson. Thank you very much for coming to this committee. Your comments are always well taken.

I have a few questions. I want to go back to your earlier point about the \$600,000 surplus you had. I see that the internal services component of your budget has gone down by \$300,000, or close to that. Can you just explain where the difference is compared to last year?

Ms. Mary Dawson: Which services?

Mr. Raj Saini: The internal services, as it says in this document.

Ms. Mary Dawson: The budget for that has gone down.

Mr. Raj Saini: Yes, there is a \$300,000 decrease.

• (1620)

Ms. Mary Dawson: I'm going to give that one to Sandy.

Ms. Sandy Tremblay: The \$600,000 lapse was a result of the \$400,000 reserve that we had, and the extra \$200,000 lapse was basically due to the vacant positions during the year. In terms of the corporate management, it went down a little. As was mentioned earlier in the speaking notes, we decreased some of the resources because we had a service agreement with the Library of Parliament for financial services. We brought this in-house. We're actually saving about \$80,000 a year on that.

We are trying to look.... There are other things. Every three years, we do an employee engagement survey, an employee satisfaction survey. We did one last year, so this year it's not in our budget. There are a few things that play out like that, depending on.... In IT services, some projects for this year.... Last year we had more in terms of corporate services. Next year we also have a big project in the compliance and advisory group, where we'll be upgrading the case management system.

Mr. Raj Saini: The other question I have is on the statutory part of the budget. It seems there is a bit of fluctuation: it was \$600,000 one year, \$792,000 this year, and then the estimate is \$723,000. Why such a fluctuation?

Ms. Sandy Tremblay: Sorry, could you repeat that?

Mr. Raj Saini: In your budgetary statement here, the total of the statutory for 2015-16 was \$600,000; in 2016-17 it went up to \$792,000; and now your estimate for next year is \$723,000. The fluctuation is about 20% to 30%.

Ms. Sandy Tremblay: The fluctuation here is on the employee benefits plan.

Mr. Raj Saini: So that's where it is.

Ms. Sandy Tremblay: Yes, we have no say in it. The percentage that the employer has to pay is determined by the Treasury Board. That's why we see a fluctuation. Basically, in the main estimates we're asking for the same operational budget.

Mr. Raj Saini: Okay. You also mentioned that you had brought some information technology into your office, as opposed to contracting it out.

Ms. Sandy Tremblay: We brought in the compensation services and the financial services, not the information technology.

Mr. Raj Saini: The reason I ask is that cybersecurity is obviously an issue across the whole government. Is there a mechanism or something that you have in place for cybersecurity?

Ms. Sandy Tremblay: For cybersecurity, we have an agreement with the House of Commons IT department, which takes care of that for us.

Mr. Raj Saini: The final question I have is for Commissioner Dawson. You are celebrating your 10th anniversary this year. You've obviously had experience over those 10 years, not only working within Canada but also witnessing the regimes in other countries. Just as a general commentary, how would you characterize Canada's policy in your department as compared to those of other countries?

Ms. Mary Dawson: I think we are one of the leaders. We are sought for information. We do have differences in our approaches. For example, comparing ourselves with the American system, there is much heavier concentration on penalties in the United States than we have here. I happen to believe that penalties are not the most important thing. What I believe is that it is the transparency and the publication that matter.

There are differences among different regimes, but I think our system is quite a good one, comparatively speaking. There is always room for change.

Mr. Raj Saini: You would characterize our system as a world-leading system.

Ms. Mary Dawson: Yes, I would.

Mr. Raj Saini: Thank you very much.

The Chair: Thank you, Mr. Saini.

Madame Trudel, you have some more questions.

[Translation]

Ms. Karine Trudel: Yes, I have a short question that is a bit more technical for you, Ms. Dawson. It's about investigations.

Earlier, my colleague talked about the new person who will be appointed as commissioner. That person will have the option to continue unfinished investigations or not. Did I understand correctly?

Ms. Mary Dawson: I think so. This issue isn't very clear, but the new commissioner will likely need to review certain aspects of the investigations. Actually, I don't know. I think my successor will want to hear directly from some of the witnesses. He or she will make the decision.

•(1625)

Ms. Karine Trudel: If the new commissioner doesn't continue an incomplete investigation, could a new investigation be requested? Will new facts need to be presented? Will the investigation be simply interrupted, which means that it won't proceed further?

Ms. Mary Dawson: There's no provision in the code or the act for this. The issue must be addressed. The new commissioner could likely resume an investigation at the halfway mark. It will depend on what he or she wants to do.

Ms. Karine Trudel: Thank you.

[*English*]

The Chair: Thank you very much, Madame Trudel, for very good questions.

Madam Commissioner, this may be the last time you appear before the committee in your current capacity as commissioner. As someone who has been here about the same amount of time, I want to thank you for your long-tenured service. It's not easy to do a high-profile job under constant scrutiny, and I think you've comported yourself in the highest regard. On behalf of this committee and all committees before it, I want to thank you very much for your service in making our Parliament more open, transparent, and accountable and for the good work you've done.

Thank you very much.

Ms. Mary Dawson: Thank you for your kind remarks.

The Chair: I would also like to take this moment to introduce Madame Mona Fortier, who is new to our committee and new to the House of Commons.

Welcome to the committee.

Mrs. Mona Fortier (Ottawa—Vanier, Lib.): Thank you very much.

The Chair: We're excited to have you here.

Madame Trudel, I believe you're going to be a member of this committee now, as we've had some changes. We are now no longer the only committee on Parliament Hill that consists only of men, and that is a good thing. Thank you very much.

Madam Commissioner, we wish you all the best as you continue. We know from past experiences that previous commissioners in various other areas are always called upon to give their advice and their opinions to this committee. While I don't think you'll be back in your current capacity, I have every feeling that you'll be back in your next capacity guiding this committee and our Parliament.

Thank you very much.

Ms. Mary Dawson: Thank you very much.

The Chair: I will now suspend for a few moments, and we'll proceed to the second hour.

•(1625)

_____ (Pause) _____

•(1630)

The Chair: Colleagues, we're now going to resume our meeting.

Joining us today for the second hour of our committee, we are pleased to have, from the Office of the Commissioner of Lobbying,

Madam Shepherd, the commissioner. With her is Mr. Charles Dutrisac.

Did I pronounce that correctly?

Mr. Charles Dutrisac (Director of Finance and Acting Chief Financial Officer, Office of the Commissioner of Lobbying): It's close enough.

The Chair: Charles will work, won't it?

He is the director of finance and acting chief financial officer.

We're very pleased to have you here, Commissioner. We'll allow you up to 10 minutes, give or take—whatever you need—for your opening comments and then we'll proceed to our rounds of questioning.

Thank you very much for being here. The floor is yours.

[*Translation*]

Ms. Karen Shepherd (Commissioner of Lobbying, Office of the Commissioner of Lobbying): Good afternoon, Mr. Chair and committee members.

I'm pleased to be here today to discuss the main estimates and outline the priorities for the coming fiscal year. I'm joined by Charles Dutrisac, director of finance and acting chief financial officer.

My mandate has three components. The first is to maintain a registry of lobbyists. The second is to develop and implement educational programs to foster awareness of the Lobbying Act. The third is to ensure compliance with the act and the Lobbyists' Code of Conduct.

[*English*]

Overall, the 2017-18 main estimates for my office provide for about \$4.4 million, which is essentially the same amount as last year. I have a complement of 28 full-time employees, and salaries continue to represent about two-thirds of my expenditures.

As I have previously said before this committee, I run a lean but effective organization. In past years I was able to streamline operations without compromising the effectiveness of my office and my ability to deliver on my mandate.

•(1635)

[*Translation*]

Some of the accomplishments I want to highlight for last year include an increased number of new registrations in the registry. This is partly the result of the Office of the Commissioner's outreach and education activities over the years. There are more registrations, and the registrations are disclosed on time.

[*English*]

Another achievement I am proud of is my office's entry onto social media platforms. Using YouTube, Twitter, and LinkedIn is valuable for reaching out to more people.

Finally, three individuals were convicted in court this year of offences under the Lobbying Act, demonstrating that there are significant consequences to breaching the act. This brings the total to four individuals convicted under the Lobbying Act.

Looking to 2017-18, I am pleased to share our plans for this fiscal year. My focus continues to be on initiatives that offer value for money to Canadians and on improving the efficiency of our operations. I have chosen to expand the use of technology to improve services and enhance transparency in a cost-effective manner.

[Translation]

The first program I want to talk about is the registry of lobbyists. The registry is the primary source of information on who is lobbying federal public office holders and the topics addressed. A team develops and maintains the online registry. A dedicated team also provides guidance and advice to support registrants. I've allocated seven full-time employees and about one million dollars to this program.

[English]

One of the priorities this year is to improve the accessibility and usability of the registry of lobbyists and my website. This year we will lay the groundwork to make both work better on cell phones and tablets. Part of the website renewal includes a content review and incorporating more plain language into the site. New features will be added to the registry, including better search functions.

Reaching out to lobbyists, public office holders, and other stakeholders to educate them about the requirements of the Lobbying Act and the Lobbyists' Code of Conduct is an important component of the work conducted by my office. I believe individuals are more apt to comply with the act and the code when they understand their obligations. As public officer holders are the targets of lobbying, the program also provides outreach to them to ensure that they are aware of the lobbying regime and their obligations.

My staff and I conduct a wide range of outreach and education activities, including group presentations, individual meetings, and webinars for new registrants. These online presentations are a cost-effective method to reach people, particularly when they are located outside of Ottawa.

I also publish interpretation bulletins on the act and guidance on the code on my website in order to provide clarification to stakeholders. I continue to look for ways to make outreach and education activities more effective. The evaluation of my outreach and education program is under way and should be completed by the summer. This evaluation may offer new ideas and avenues for improvement.

[Translation]

One tool that I improved is the website. As I mentioned earlier, I'm laying the ground work to update and renew our website, incorporate more plain language, improve the accessibility and usability of the site, and incite greater compliance.

A budget of about \$900,000, including salaries for seven full-time equivalent employees, has been allocated to the outreach and education program.

The third component of my mandate is to ensure compliance with the Lobbying Act and the Lobbyists' Code of Conduct. My team conducts administrative reviews and investigations into suspected or alleged breaches of the act or the code. Suspected breaches may be

identified internally through the review of media reports and other public sources of information. Allegations may also come from complaints I receive from external sources.

• (1640)

[English]

I take all allegations seriously and will initiate an administrative review to find out more about suspected breaches. When an allegation is founded, I decide on the appropriate compliance measure, including whether a formal investigation is necessary. Since becoming commissioner, I have initiated 173 administration reviews, have tabled 10 reports on investigation in Parliament, and have referred 14 cases to the RCMP.

My office also reviews requests for exemptions from the five-year post-employment prohibition on lobbying. I grant exemptions when doing so would not be contrary to the purposes of the act. Since the coming into force of the act in 2008, my office has completed 79 exemption reviews, and I have granted 38.

My investigations directorate continues to leverage technology to improve compliance monitoring and verification activities. This coming year, we will roll out a new automated system to verify the accuracy of monthly communications reports. Designated public office holders will be able to review selected monthly communication reports quickly by confirming their accuracy directly in a web browser.

A budget of about \$1.1 million, including salaries for eight full-time employees, has been allocated to manage the compliance and enforcement program.

[Translation]

Finally, a range of internal services support the programs I've just described and enable me to meet my corporate obligations.

A budget of about \$1.4 million has been allocated to internal services. This amount includes the salaries for six full-time employees. It also covers the cost of agreements I have with other organizations to provide services, such as staffing and other human resource services, financial management, and support for the information technology infrastructure.

[English]

Approximately two-thirds of the operating budget allocated to internal services is spent to acquire services from other government institutions. This approach has been adopted by most small organizations, because it provides access to a broad set of expertise in a cost-effective and timely manner. It also allows me to meet my accountabilities as deputy head under the Financial Administration Act.

In 2017-18 my office will continue to strengthen its management accountability framework. My office will also continue to collaborate with counterparts and other agents of Parliament.

In 2016 the office expanded its service agreement with the Office of the Privacy Commissioner with respect to hosting IT services. The office will implement its IM/IT strategy to streamline internal operations and procedures and support more efficient and effective delivery of my mandate. This will help to establish a strategy to improve business intelligence opportunities and support reviews and investigations through a better integration of the case management system with other office activities and applications.

I would like to conclude my remarks by confirming that I am able to meet the demands of my mandate with my current funding. I do this by making the appropriate trade-offs to deliver on my mandate effectively and efficiently.

This may become more difficult to do in the near future. Over the years there are fewer discretionary funds available. Increased pressures, such as demands by government departments to contribute to central services, the relocation of the office scheduled for 2019, or changes to the act following a legislative review could impact my office's ability to deliver on its mandate.

My seven-year term ended in June 2016, but I've been commissioner for almost nine years. My appointment has been extended twice, until June 2017, to allow for the selection of a new commissioner.

I am proud of all that I have accomplished. I have built a strong team of professionals that is committed to upholding the Lobbying Act. My accomplishments have only been possible thanks to their dedication and professionalism.

•(1645)

[Translation]

Mr. Chair, I welcome any questions you or the committee members may have.

[English]

The Chair: Thank you, Ms. Shepherd. We appreciate your opening remarks.

We'll now move to our seven-minute round.

We'll start with Mr. Saini, please, for up to seven minutes.

Mr. Raj Saini: Good afternoon, Commissioner Shepherd. Thank you very much for coming here today and for your nine years of service.

One of the things you've written about in your departmental plan is about how you want to incorporate more technology into day-to-day operations. Could you give us some examples of how you want to do this? What will be the effect of doing this on the shorter-term and longer-term finances?

Ms. Karen Shepherd: One thing, given where we stand now, because we're running a lean and efficient organization, is using the technology as well as we can to improve things. For example, in the case of the registry, which is our main tool, and the website, the work now is to make them more mobile-friendly. On the registry side, the wealth of information in the registry is great, but we have continued over the years to make improvements to the search function. This year we're looking at putting in a thesaurus so that the search function is better.

As I was saying in my opening remarks, we're looking at better integrating the case management system with other activities in the organization, because that will help with the business intelligence on the compliance side and some of the preventive measures we are doing. We're looking at the cost of doing all of that.

Mr. Raj Saini: Staying with the departmental plan, one of the benchmarks you haven't reached yet is the exemption review for office holders.

I think you wanted to make sure you dealt with all the case files within 60 days. Is that true?

Ms. Karen Shepherd: Yes.

Mr. Raj Saini: There seems to be a bit of a difference. It's not a large difference, but could you give us some hard numbers, so that we know exactly how many reviews you are doing?

How many reviews are you doing in a year?

Ms. Karen Shepherd: It's about 40 to 50, if I include the administrative reviews, investigations, and the exemptions.

I think there was just one case in which we didn't make the 60-day goal, and it was actually over the Christmas holidays when we missed the day of getting it out. That's what it worked out to.

Mr. Raj Saini: Okay.

The other thing I noticed in the expenditures was that from year to year there has been a reduction in the amount of money you are spending on registering lobbyists. Obviously you're either saving money or you're not spending money. Can you tell me why the cost of this aspect of your mandate, actually registering the lobbyists, is going down?

Ms. Karen Shepherd: The money allocated to each of the programs varies. What happens in any given year depends on the priorities. If there is money for development going into the registration system or the case management system, it would affect cost, but the money that's been going in has largely been the same.

Mr. Raj Saini: In a point that you made on the departmental plan in your opening comments, you said that you had expanded some of your service agreements with the Office of the Privacy Commissioner. Why was that?

Ms. Karen Shepherd: When we moved the registry over, we were looking at cost efficiencies. In looking also at IT security with the Privacy Commissioner, moving the registry over worked really well; it was quite successful. It's a very good, protected environment. Wanting to have more control over it and to be in a better-protected environment is the reason we decided to move all of our IT services over. It's been a very good arrangement.

Mr. Raj Saini: Okay.

The Chair: You have three and a half minutes left.

Mr. Raj Saini: Wow! You're answering all of my questions so quickly.

Ms. Karen Shepherd: I can slow down.

Mr. Raj Saini: Let me ask one more question. This was supposed to be ready in case there was more time.

One thing I notice in the budget is that you have depreciation of tangible assets. I'm curious as to what tangible assets you have in your office to depreciate. Is it just equipment? I think there's a separate line item for computer equipment.

Ms. Karen Shepherd: I may ask my CFO to get into some of the details of some of our equipment.

Mr. Charles Dutrisac: Mr. Chair, the tangible assets are the development of our software, LRS, which has accumulated over the years. It's coming to the end of the life cycle, and that's why it's diminishing quite considerably.

Right now we're continuing to develop the software with the application, and we're reinvesting as of 2016-17. Before, it was just more maintenance.

Does that respond to your question?

• (1650)

Mr. Raj Saini: That's fine.

Here is one final question. Commissioner Shepherd, you've been in this position for nine years now. You've had an opportunity to work with other regimes around the world, in other jurisdictions. Do you have any advice or can you offer any comparisons for the way you feel we're doing in Canada?

Ms. Karen Shepherd: Canada continues to be one of the strong regimes, when you look at the OECD standards. We're quite high because we meet all of them, which is why countries are continuously coming to see us.

As I've mentioned in other appearances, I think the act could be improved, when I look, for example, at what some of my colleagues have in the provinces, by giving the commissioner the ability to issue administrative monetary penalties or perhaps to do compliance agreements. I have found in the nine years that it's good to have a continuum, to have the appropriate compliance measure for the alleged breach—something going from educating and monitoring to the heavier ones, such as referrals to the RCMP, which have led to convictions, or reports to Parliament, which affect the reputation of the lobbyist. It would be good to have something in between for the various breaches.

Mr. Raj Saini: I'll make this the final question.

In the European Union, do they have one structure, or are there structures all around, in each separate country?

Ms. Karen Shepherd: There is an EU standard, and other countries have their own. Recently, Scotland came over to visit, because they're putting in lobbying legislation. It's my understanding that Germany is looking at doing something as well. Countries are looking at doing their own, but there is one for the EU as a whole.

Mr. Raj Saini: The reason I mention it is that with CETA there may be some differences that need to be understood, because you're dealing with two separate things, with the European Union and CETA coming on board. I think it would be beneficial if we were somewhere on the same track.

Would you agree with that point?

Ms. Karen Shepherd: To be honest, when I've looked at various regimes I've always said it's what actually works for the objectives of

the country in question. What works well federally here in Canada may not work even within some of the provinces. When I've given advice to other countries that have looked at the lobbying regime and the great model we have in Canada, it's that it's a question of what works.

I think, before changing the Canadian model or putting the Canadian models in common, it would be a question of what objectives were wanting to be accomplished that would mainly determine what the model should look like.

Mr. Raj Saini: The question wasn't really about changing the Canadian model. It was making sure that we're on an equal footing with Europe—

Ms. Karen Shepherd: Okay; I'm sorry.

Mr. Raj Saini: —because it's coming up.

You said we already have a strong regime, so I don't want to touch that.

Thank you very much.

The Chair: Thank you very much, Mr. Saini.

We now move to Mr. Jeneroux, please, for seven minutes.

Mr. Matt Jeneroux: It's nice to have you back, Commissioner. Thank you for taking the time to come before us, and to your staff for helping to prepare for today.

I want to clarify a few things.

When is your end date?

Ms. Karen Shepherd: I'm scheduled to end at the end of June.

Mr. Matt Jeneroux: The end of June? Do you have a specific date?

Ms. Karen Shepherd: I believe it's June 29.

Mr. Matt Jeneroux: Okay, and there's no transition period for you either? With the Ethics Commissioner too, we saw that there's no transition period as well. Is it in your act that there's a transition period with a new commissioner?

Ms. Karen Shepherd: I'm committed to ensuring a smooth transition. I think you're asking me if I would be physically sticking around, and I don't have an answer for that.

What I'm doing is putting something in place so that when a new commissioner comes in, they're able to take over. For example, my office has been preparing a binder with a breakdown of all the committees within the organization and the key documents the new commissioner should be looking at. We have an audit committee, so there's information on the audit committee. We were joking around the other day about how the binder has gotten so big now that there is now the background binder and the information.

I'm very proud of the work I've been doing, thanks to my office. There are clear procedures and so on; they are well documented. It's a strong, dedicated team. There are strong managers in the team and experts who are getting themselves ready and prepared, and we're working to set up things so there's a smooth transition for somebody walking into the office.

Mr. Matt Jeneroux: That's great.

I'll come back to a bit of that, but I wanted to get to how many investigations you have ongoing right now.

Ms. Karen Shepherd: I might have to come back to you, but I think there are roughly three investigations. A number of reviews and investigations are going on at the same time, so there are a number of matters that we are looking into, but I don't have the exact breakdown.

• (1655)

Mr. Matt Jeneroux: Earlier, you said "40 to 50" reviews, but those aren't necessarily investigations.

Ms. Karen Shepherd: No.

As I think I've explained the process before in committee, when a matter comes to my attention, whether it's something we have found in the office through media monitoring or a complaint, we'll look into the matter first and do an assessment as to whether it actually falls within the mandate of the office. Then there's the administrative review, the fact-finding stage, which will lead into whether we have a need to do formal investigations or not. That 40 or 50 also include the exemption reviews.

Mr. Matt Jeneroux: Okay.

Getting back to the investigations, you have three to four investigations?

Ms. Karen Shepherd: I can't remember exactly how many are open, but I can get back to you if you would like.

Mr. Matt Jeneroux: It's probably fine. I was just curious about a ballpark figure. Of those investigations, we understand on our side of the House that a number of the cash-for-access fundraisers are being investigated, but you've said that you have adequate resources to continue the investigations...? I believe you said that earlier.

Ms. Karen Shepherd: I do, yes.

Mr. Matt Jeneroux: Okay.

Getting back to the some of the transition I talked about earlier, you have, let's be frank, the Prime Minister appointing your successor. The Prime Minister is, I believe, being actively investigated. How does the office prepare for that? Do you have a team that's going to continue to work on these investigations now that the Prime Minister's own appointee is going to come in to investigate essentially him...?

Ms. Karen Shepherd: Well, what I can say is what I said about its being a well established office. There is a director of investigations with four senior investigators and a compliance officer working. Those individuals will still be around and carrying out the work. They have the highest professional integrity, so everything is in place for them to continue with files and to provide my successor, as they do me, with comprehensive files that are well documented and with thorough analysis.

Mr. Matt Jeneroux: Okay.

With these investigations that are ongoing, you have a dozen of the cash-for-access ones that have recently been reported. Are you investigating each of those individually, or is that a single investigation in your resources that are being used?

Ms. Karen Shepherd: I'm sorry. Could you repeat the question?

Mr. Matt Jeneroux: Yes.

There's a report in the media about a dozen cash-for-access fundraisers. Are you and your office investigating those as one investigation, or is this something that you're breaking into each, single instance, I guess, in looking at how you're managing your resources?

Ms. Karen Shepherd: As I said before, when I was here at the last meeting I was asked whether I was looking into the situation, and I confirmed that I was. Because the act requires that I look at these in private, I'm not able to comment further on how we're looking at them, but I can assure the committee that, as I've always said, I take all allegations seriously and the matter is being addressed, and we need sufficient resources to look into all matters that are there.

Mr. Matt Jeneroux: Okay. I guess it's hard, then, to look at your estimates, knowing the amount of money that you're spending on investigations but not knowing if it turns into 12 investigations or if it's one. I'm sorry, but I'm going to press you on it just a bit more. Can you give us a bit better idea of that?

Ms. Karen Shepherd: There have been a number of events... First of all, as Commissioner of Lobbying, to proceed further I need to determine whether lobbyists were actually present at any of the events. I think that would be a fair answer to your question. There has to have been a lobbyist present and lobbying to have occurred for this to be an issue for the office, so I guess—

Mr. Matt Jeneroux: In your—

Ms. Karen Shepherd: I'm sorry. If I may...?

Mr. Matt Jeneroux: Okay.

Ms. Karen Shepherd: To get at your question of sufficient resources in looking at estimates, as shown on the website, we do triage files when proceeding to make sure that things that are considered a priority are dealt with.

Mr. Matt Jeneroux: Okay. On your website, "Reports on Investigation" are named "Lobbying Activities of" a certain individual, so that would lead me to believe that there would be essentially 12 investigations ongoing. I guess you don't need to comment more on that. I'm just trying to connect the dots here on our side.

Lastly, there was something on the media. You mentioned that media requests are a part of your office—

• (1700)

Ms. Karen Shepherd: Media monitoring, yes.

Mr. Matt Jeneroux: Media monitoring, correct.

With regard to the Santis Health incident, where there was a lobbyist from the Minister of Health's office who moved to Santis Health and seemed to exclusively be able to lobby health care clients, it seems to go outside the mandate of what the Lobbying Act looks at. I'm hopeful that's something that is being looked at in your office and that can be decided by the time you finish your mandate on June 28.

Ms. Karen Shepherd: Okay.

The Chair: Thank you very much, Mr. Jeneroux.

We now move to Madam Trudel.

[*Translation*]

You have the floor for five minutes.

Ms. Karine Trudel: Thank you.

Welcome, and thank you again for appearing before the committee.

I want to make sure that I understood the remarks made by my colleague earlier regarding investigations. The issue was whether to conduct 12 investigations or a single investigation. I want to know whether I understood the simultaneous translation.

How do you determine whether to conduct 12 separate investigations for one subject or one complete investigation for the same subject, when there's reason to conduct 12 investigations? I want further explanations, and I want to know whether I understood your response.

Ms. Karen Shepherd: When an allegation is brought to my attention, I look at the situation first. I can verify, for example, whether a number is different. I must first look at each event and verify whether lobbyists are present. If they aren't, I look at the case more superficially.

Strictly speaking, I didn't say there were a dozen investigations, since there may be a certain number of circumstances. I look at each allegation to determine the process to follow.

I then verify whether the person went to the event and whether the person allocated funds in accordance with the provisions set out in the Canada Elections Act.

[*English*]

In other words, did they give as they were allowed to donate, as per the Canada Elections Act?

[*Translation*]

The other point is the ban on politics and lobbying. Some political activities don't include obligations. One of our bulletins describes the specific circumstances in these cases. Certain activities, such as fundraising, constitute a right, so there may not be any obligation. However, the situation is different when it comes to organizing an event. In each case, we need to verify whether lobbyists are present and look at all the circumstances.

Ms. Karine Trudel: Thank you.

Earlier, when we met with the commissioner, she was asked about the continuity of investigations.

Will the investigators finish the investigations in progress and your predecessor's investigations?

Ms. Karen Shepherd: Yes. The registry of lobbyists was established before I arrived. When I became the commissioner, I resumed certain administrative reviews and some investigations. My successor will do the same thing. He or she will resume and finish the cases in progress and make the necessary decisions in the new cases.

Ms. Karine Trudel: Let's talk about the discretionary funds mentioned in the conclusion of your presentation. You said it would

be difficult to comply with your mandate in the near future, because "over the years, there are less discretionary funds available."

Ms. Karen Shepherd: Yes.

Ms. Karine Trudel: I want to hear more about this.

There is also the relocation of the Office of the Commissioner, which is scheduled for 2019. Does your budget need to be increased? How should we prepare for this relocation? How does this relate to the discretionary funds?

• (1705)

Ms. Karen Shepherd: The discretionary funds amount to about 8% of my budget, or approximately \$300,000. We've learned that, over the years, there have been carry forward funds.

We're allowed to carry forward 5% of unused funds in the budget. Our funds have started decreasing because we need to use them more and more. The different central services, for example, are perhaps more effective for the government. However, when it comes to smaller organizations, the budget is affected.

Regarding the relocation in 2019, my colleagues from two other organizations will be here Thursday. They can talk a bit more about it. If I understood correctly, the relocation cost each of these organizations \$2 million or \$3 million dollars. In our case, I still don't know the exact amount. When the \$300,000 in discretionary funds are exhausted, even if we obtain a mortgage, it will have a major impact. It could affect up to 10% of our annual budget. This will limit our projects and priorities.

Ms. Karine Trudel: Thank you.

[*English*]

The Vice-Chair (Mr. Nathaniel Erskine-Smith): You still have 45 seconds, if you wish.

Ms. Karine Trudel: No, thanks.

The Vice-Chair (Mr. Nathaniel Erskine-Smith): I'm so very generous.

Mr. Ehsassi, you have seven minutes.

Mr. Ali Ehsassi (Willowdale, Lib.): Thank you, Mr. Chairman.

Commissioner Shepherd, I want to join my colleagues in congratulating you for your 10 years of public service as a commissioner.

My first question has to do with convictions under the act. I understand that this year we had three convictions, and in total we've only had four. What would you attribute the increase in convictions to?

Ms. Karen Shepherd: Over the years, since becoming commissioner, I have referred 14 files to the RCMP. For a variety of reasons, some of them were returned. I decided, if I had reasonable grounds, to continue with the code investigations. In terms of the convictions this year, of the last seven, four have led to convictions and three are still with the RCMP.

The office has worked with the RCMP in educating them on the lobbying file. I believe that the other files were as well documented and thorough in their analysis. I think the reason some of them were not looked at in the past, if I recall correctly, was that a "significant part" of duties was hard to prove, or else it was the timing of when things were brought to the RCMP's attention in terms of their being able to secure a successful conviction. Those were some of the reasons in the past.

We have seen with these that there are convictions. The first time somebody was charged and pled guilty, it was \$7,500. I think I mentioned that the last time I was here. Now we've seen fines of \$20,000 for one individual, and \$50,000, and I think \$9,000 for another individual. All three of them were appealed. The one for \$20,000, though, was recently upheld at the appeal court.

Mr. Ali Ehsassi: Great. Thank you.

In your response, you were saying that if there was anything you would like to see improved, it would be to take a few lessons from the provincial models and introduce new monetary penalties.

Could you elaborate on that so we have a better sense of it?

Ms. Karen Shepherd: Both British Columbia and Alberta have the ability to issue administrative monetary penalties. I think when you're looking at administrative monetary penalties, it's more about trying to correct behaviours than about penalizing things. That's when you get into the courts.

It's about the commissioner having the ability to look at something such as late filings. When you look at transparency and the impacts of late filings, whether or not something is put online on time, those are not things that would warrant going to the RCMP, which is why I introduced the education and monitoring. We do follow up after a year and monitor those individuals who were subject to education and monitoring. If someone were continuously to be a repeat late filer and have a number of monthly communications that were late, I still wouldn't see that as something the RCMP would probably go after, because at the end of the day, transparency would have been achieved, and registrations would be up on the website.

We're looking at having a stronger regime and having the commissioner be able to say there is a penalty here if you continue to be late. I would see continuing to use a lot of the messages we do now and looking at each case, determining the merits and deciding whether the appropriate measure is just to educate and monitor.

I've also seen that the City of Ottawa now uses what it calls compliance agreements, in which, as I understand it, both parties agree that there's been a breach and that they will endeavour not to do it again. The commissioner agrees that they will not proceed further. There's a signed agreement.

Elections Canada, I believe, uses something as well.

That's another avenue. When the act is coming up for review, I think those are examples of how the act could be strengthened on that side to help the commissioner have a better continuum of tools.

• (1710)

Mr. Ali Ehsassi: That makes eminent sense.

Thank you for that.

I noticed that the position of deputy commissioner is vacant.

Ms. Karen Shepherd: Yes.

Mr. Ali Ehsassi: Why is that? When do we expect to see change there?

Ms. Karen Shepherd: He decided that it was time for retirement. That's the short answer. He enjoyed what he was doing, but it was time to retire.

I feel that with a new commissioner coming in, the importance of the deputy position is huge. Usually you want to be able to choose who your own deputy is, someone who would you and so on. For that reason I haven't commence a staffing process. In the short term, we're managing well. I have the direct reports reporting to me. Charles has, thankfully, agreed to take on the role of chief financial officer. The managers who were reporting to the deputy have stepped up to the plate. My other executives in their programs have done so as well.

I was asked as well about transition. I think understanding the deputy commissioner's position on a daily basis even better will help with the transition, because I will be able to brief the new commissioner on what the deputy was doing, and what they may want to maintain or change will be up to them.

It's giving me a better focus into some of the stuff that has been taken off my plate on a day-to-day basis.

Mr. Ali Ehsassi: Absolutely.

Thank you for that.

Lastly, you alluded to OECD comparative studies of how each jurisdiction is doing. You did note that generally speaking we do well in all areas.

What were the areas in which we weren't doing so well? Would you suggest that the OECD didn't really understand our regime, or is it that there are improvements that could be brought forward?

Ms. Karen Shepherd: We score very high with the OECD because we meet all 10 of the principles they have outlined for a successful lobbying regime. All of those have been met in terms of the education and ensuring that there's a website that's visible.... However, when I look at what I've seen within Canada and what some other countries are considering, the continuum of consequences that I mentioned for those breaching are one thing. The other thing, with regard to transparency, is that I think the monthly communication reports have improved transparency, and that is noted. I have said personally in front of this committee that transparency could be improved by having the listed lobbyists actually attending the meetings. At this point it's just the responsible officer.

With regard to the wording about "oral and arranged", maybe removing the "arranged" part about the meetings would allow more encounters to be captured.

• (1715)

The Chair: Thank you very much, Mr. Ehsassi.

We'll now move to the five-minute round.

Mr. Kelly, please.

Mr. Pat Kelly: Thank you, Mr. Chair.

Thank you again, Commissioner. I expect that this may be the last time we have you here. It's been a pleasure to have you here in the past.

As we talk about estimates here, you've characterized your operation as "lean but effective". I'm sure, as custodians of the public purse, we appreciate that very much. "Lean but effective" sounds like an excellent way to operate.

You did make reference to increased pressures, and I thought I sensed in your remarks concern about resources. You talked about your ability to have done more with less. You mentioned, though, the possibility of other things that might impact your ability to operate. Can you please share any of these further concerns you might have? What would put pressure on your operation?

Ms. Karen Shepherd: Well, as I said in my opening remarks, a legislative review, depending on what happens with changes, will impact the registry and perhaps things like the outreach and education program.... I am very much in favour of the monetary penalties, but putting a regime in place would have an impact, so resources would be needed. There would not be the ability to do trade-offs.

In terms of pressures, the lease of the office being up in June 2019 and having to move will have quite an impact on the budget, especially if we're looking at the fact that having some kind of mortgage or whatever that we're paying back will have some—

Mr. Pat Kelly: That would likely, I hope, be a one-off scenario that could be addressed in a future estimates situation. From an operational point of view, what concerns would you see?

Ms. Karen Shepherd: From what I have right now, if it's status quo, we're able to maintain and deliver on the priorities that I have set out in the main estimates, so I'm comfortable with that. In the comment in my speech, I was looking more at the future pressures that are continuing to come up.

Mr. Pat Kelly: Okay.

Will part of the educational piece in what you do—informing lobbyists whose conduct is regulated by your office—include a piece on cash for access and the problems that surround that? We've had allegations, which I know your office is aware of, of registered lobbyists offering to host events, which you characterized as creating a sense of obligation, in contravention of the act. Will education be part of this on the lobbyist side?

Ms. Karen Shepherd: The Lobbyists' Code of Conduct has rules that deal with the potential conflicts that can be created. One of those, as I was mentioning, is that there is an interpretation bulletin on political activities that discusses which political activities can be formed without creating that sense of obligation, and which activities, like organizing the fundraiser, would be ones that would actually—

Mr. Pat Kelly: Hosting them....

Ms. Karen Shepherd: Yes. The educating and monitoring come into it in different ways. If there is a breach of the code, there is a

report to Parliament, and that is one way the education and outreach is done, aside from what is conducted in other matters.

Mr. Pat Kelly: Thank you.

I'm going to also give you a chance to answer—I'm not sure if we'll have time or not—what my colleague asked you in his question about the situation with Santis Health. He asked about your mandate and the law on public office holders who become lobbyists. In this particular case, it's a former adviser to a minister seemingly being able immediately to turn around and lobby the government. Can you comment on your mandate and how this would...?

Ms. Karen Shepherd: Well, what I can say in general terms is that the five-year prohibition applies to designated public office holders, who cannot act as a consultant lobbyist for five years in terms of lobbying the federal government. They cannot work for an in-house, non-profit organization for a period of five years, no matter what their percentage of time individually is spent on lobbying the government.

The five-year prohibition for those going into a corporation, though, is that they cannot lobby more than a significant amount of their own time, which is 20%.

● (1720)

Mr. Pat Kelly: Are you at liberty to comment on the particular issue that my colleague referred to? Are you aware of the particular situation?

Ms. Karen Shepherd: I can't comment on that one.

Mr. Pat Kelly: Okay.

The Chair: Thank you very much, Mr. Kelly. We're out of time.

We now move to Mr. Erskine-Smith for five minutes, please.

Mr. Nathaniel Erskine-Smith: Commissioner, thanks very much for being here.

As a new commissioner comes in, there is a transition period. You spoke a little bit about the electronic changes that are happening. If you were to look ahead for the next mandate, what advice would you give to the new commissioner in terms of resource allocation? Is everything as it should be, or are there areas of improvement that you would identify within the office?

Ms. Karen Shepherd: Well, I guess it would all come down to the priorities of the new commissioner. I think the base funding for our program, as I was saying, is fairly stable. There does need to be continued money into the registry and in the development. There was a period of time, after the budget cut of 5%, when as a stopgap measure the development was put aside. Development needs to continue. With investigations we're trying to be proactive as well, so trying to improve the technology in terms of getting better integration and getting better business intelligence will help in terms of being able to find the trends and go after things in that way a lot better.

If more money could be found for things like outreach, that would be helpful. The more that the roles and responsibilities are clearly understood, it potentially reduces the money going toward compliance or other areas of investigation. But in terms of the priorities, when you're looking at the system in terms of the registry, for example, things like that, I mean, that's something that can't be stopped.

Mr. Nathaniel Erskine-Smith: I take from your comments a couple of the ways in which the act, or your office, could potentially be improved. One is the inclusion of administrative monetary penalties in your powers, and there's another that maybe you could expand on. Would you have any other recommendations for improving the act or your office's powers? From Mr. Ehsassi's questions, do I take it there's a definition in the act that you would potentially look to expand or improve upon?

Ms. Karen Shepherd: In terms of whether administrative penalties were given, or compliance agreements, I would suggest that, yes, this is something I would have in the act. Then the process would have to be developed to ensure natural justice and so on.

In terms of where transparency could be improved, as I was mentioning, at this point it's oral and arranged with designated public office holders, with the exception of a financial benefit but organized by the lobbyist. I say "exception" in terms of a financial benefit, because it doesn't matter who organizes it. When I look at the monthly communication reports and the importance of transparencies with these high-level decision-makers, then I think it would be more transparent to have those who are actually attending the meetings being listed in the registry.

With regard to removing the word "arranged", as I think I said before this committee the last time I was here, a lot that happens—running into somebody at an airport lounge or at a reception—may not be planned. If it's not planned, it could be some good concentration of lobbying. I think if the encounters are important, then that's something I would suggest—

Mr. Nathaniel Erskine-Smith: In looking at the administrative monetary penalties and the size of the penalties, do you think the current sanctions that exist are effective enough?

Ms. Karen Shepherd: I would see it complementing, because I think we would have more of the continuum. Right now for summary convictions it's the maximum of \$50,000, and \$200,000 for indictments.

Mr. Nathaniel Erskine-Smith: Yes.

• (1725)

Ms. Karen Shepherd: On educating and monitoring, if I'm looking at the fines, there is nothing in between. Even my colleagues in the provinces, as I mentioned, have a maximum of I believe up to \$25,000. Then there are penalties that would still go to the courts.

So it would not be replacing it. There would be clear criteria and it would be at the discretion of the commissioner as to whether it's something that could be handled within the administrative monetary regime and not something that has to go forward to the RCMP, who then have to investigate the issue again, and then it has to go through the prosecution. It's more costly, but I would not remove it, because there are some things that might warrant things going that far.

The Chair: Thank you very much, Mr. Erskine-Smith. That ends that five minutes.

We now move to Mr. Jeneroux for five minutes, please.

Mr. Matt Jeneroux: Wonderful. Thank you very much again.

I will follow up on some of my questioning.

You mentioned the media monitoring. Would you mind explaining a little bit of what you do with the media monitoring? Does that include question period as well?

Ms. Karen Shepherd: It's anything that's brought to my attention. Media monitoring is done on a daily basis to see where there have been references to lobbying. Further analysis is then done to determine whether it is provincial or federal...because sometimes the word can be used quite loosely if there are individuals who are paid within the organization. For organizations or corporations, we may end up sending out advisory letters to an individual to make sure they're aware of the act and to let them know whether they're in compliance. Those are the kinds of things, so any manner of things might be brought to my attention.

Mr. Matt Jeneroux: So you wouldn't necessarily open an investigation from that? Would you need a request for an investigation? Or would you do that based on somebody being monitored?

Ms. Karen Shepherd: Do you mean to look into a matter? No, I can open something, but as I was mentioning before, it has the continuum going through. When an allegation is brought to my attention, whether through media monitoring or complaints or some other means, the first thing that is done by the investigative team is to assess whether it falls within the mandate. We have had things that have not been within my mandate; they've been within a colleague's mandate, or they've provincial matters, for example.

Then there's an assessment, what we call a fact-finding stage, which can be quite extensive. With what we call the "level two" ones, senior investigators are doing those. They're doing a more comprehensive analysis. They're interviewing witnesses, and then coming up with a determination as to whether something is founded or not founded, whether there is reason to believe that an investigation is necessary to ensure compliance with the act and the code. All of those are taken into account at that stage before a recommendation to open an investigation happens.

Mr. Matt Jeneroux: Okay, so just to close that loop, if the recommendation from your investigators—are they called investigators?

Ms. Karen Shepherd: Yes, they are, senior investigators.

Mr. Matt Jeneroux: If they make a recommendation to you to open up an investigation, then it's your decision to do that or not?

Ms. Karen Shepherd: Yes.

Mr. Matt Jeneroux: Okay.

I guess now with regard to what's commonly been referred to as the Prime Minister's cash for access, Canadians from coast to coast to coast are wondering what's going on, and it falls to you to make that decision. You've opened an investigation, and now it's an active investigation, which we know you're not commenting on, and we're hoping that you will conclude it by June 28. Is that...?

Ms. Karen Shepherd: I just want to be clear. I said I'm looking into all of the matters. I haven't confirmed what the status any of the files I'm looking at might have.

Mr. Matt Jeneroux: Okay. I tried, Commissioner.

Some hon. members: Oh, oh!

Mr. Matt Jeneroux: I want to talk quickly about this. We've talked before with you, as well as with some of the other offices, about combining the offices. Again, I'll pile on the commendations that it's been great to work with you in the last 10 years or so, and commend you for your public service, but I do want to take the opportunity, with you being here, to get, perhaps for the last time, your final word on whether or not the offices should be combined. I know you've done some analysis on this to look at sharing administrative functions, sharing office space, and so on and so forth. To your mind, does that have potential for savings or not?

Ms. Karen Shepherd: If you're talking about my office and the ethics office, which I believe are the two offices that have been suggested, I'm not sure that I see savings in finances, to be honest with you, for my office. We're lean as it is.

I have said before the committee that I think, where there are overlaps, the two offices could work better together in terms of maybe setting up an MOU or looking at, if it can't be established under the two, legislative changes. I've seen it work well in the City of Toronto with the two equivalent offices.

● (1730)

Mr. Matt Jeneroux: Provincially, there are some examples of that.

Ms. Karen Shepherd: The City of Toronto has had it working quite well. Prior to 2004, the two offices were together, but there was a court case that found that because the two roles were under one regime, there was institutional bias, so in merging them, that's something that would have to be looked at.

The Chair: Thank you, Mr. Jeneroux.

[*Translation*]

Mr. Dubourg, you have the floor for five minutes.

Mr. Emmanuel Dubourg: Thank you, Mr. Chair.

I also want to acknowledge the witnesses.

Ms. Shepherd, you've been in your position since 2009. Congratulations on your mandate renewals.

In your brief, you wrote that, "since becoming commissioner, I have initiated 173 administrative reviews."

If I understood correctly, since 2009, you've completed 173 administrative reviews. Is that accurate?

Ms. Karen Shepherd: I think there are many figures.

Mr. Emmanuel Dubourg: Yes, indeed.

Ms. Karen Shepherd: I opened 173 administrative review cases and sent 14 cases to the RCMP.

I also sent 10 investigation reports to Parliament regarding people who breached the Lobbyists' Code of Conduct.

I think about 73 exemption requests were made. Sorry, I meant 79 exemption requests.

Mr. Emmanuel Dubourg: Okay, thank you.

Since then, you've said that your budget has always stayed the same and that you're satisfied with the budget.

If your budget were higher, would you want to conduct more verifications?

Ms. Karen Shepherd: Yes, I may conduct more verifications.

If the budget were higher, I could conduct many more outreach activities. At this time, I always need to choose between activities, investigations and the development of the registry. The new person appointed commissioner will need to look at all this.

A higher budget, if possible, would be ideal.

Mr. Emmanuel Dubourg: Based on how the organization is presented, we see that each service has about seven employees.

You also said in your brief that you conducted so many outreach activities that the number of registrations increased.

Ms. Karen Shepherd: Yes.

Mr. Emmanuel Dubourg: For the verification service, what's your workload? How many lobbyist cases in total do you have in the inventory?

I see that you have seven people assigned to the registry. You also have people assigned to client service. You have seven people assigned to the verification service, so it's roughly the same.

Ms. Karen Shepherd: In English, we refer to full-time equivalent employees, or FTEs.

The outreach activities, for example, take up much of my time. It's not as if I have seven employees.

I'm so proud and fortunate that I can rely on my team. I have only one senior communications officer. That's why I call myself fortunate. The senior communications officer accomplishes a great deal of work and shows considerable flexibility. I have two people who work on both policies and communications. It's a small team. Even my lawyer conducts outreach activities. It's really a team that works together.

● (1735)

Mr. Emmanuel Dubourg: How long does it take to conduct an investigation? You have seven or eight investigators.

Ms. Karen Shepherd: I can't provide an exact number. It really depends on the complexity of the investigation or review. Sometimes, the availability of the people we want to interview affects the length of the investigation.

For an investigation, two things must be considered. In a conduct case, I have control over the process. If I must send the investigation to the RCMP, it may remain with the RCMP for several months, or even years. I think a few cases are currently with the RCMP.

Another point must be considered before establishing a report for Parliament. In the 10 cases I just mentioned, the act requires that I give a response time to the person. I give 30 days. In some instances, people have requested an extension, and I've accepted the request.

Mr. Emmanuel Dubourg: Okay.
[English]

The Chair: Thank you very much.

We're over five minutes, Mr. Dubourg.

We've gone a bit beyond the committee's sitting time, but we wanted to make sure that we got in the full rounds of questions.

Madam Commissioner, thank you very much. I'm sure this is going to be the last time you appear before this committee in your official capacity, much like the Ethics Commissioner, who was here before you.

I want to wish you all the best and thank you for your years of service. As I said to her, I'll say to you: it's not easy to be in the crucible of Ottawa in a high-profile position. You and your office have conducted yourselves in an admirable way.

Ms. Karen Shepherd: Thank you.

The Chair: We thank you for your years of service and wish you the best. We know that we can call upon you in the future and allow you much freer range, shall we say, to discuss some of the things that you'd like to discuss as you continue to guide future parliaments as we improve ourselves on a continual basis.

Thank you very much.

Colleagues, we'll see all of you on Thursday.

The meeting is adjourned.

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