



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Access to Information, Privacy and Ethics

ETHI • NUMBER 035 • 1st SESSION • 41st PARLIAMENT

EVIDENCE

Tuesday, May 1, 2012

—
Chair

Mr. Pierre-Luc Dusseault

Standing Committee on Access to Information, Privacy and Ethics

Tuesday, May 1, 2012

•(1100)

[Translation]

The Chair (Mr. Pierre-Luc Dusseault (Sherbrooke, NDP)): We will start right away. I would ask the media representatives with cameras to leave the room, please.

Pursuant to Standing Order 81(4), which deals with the main estimates, we are going to study vote 45 today. I call vote 45 under Treasury Board. I am going to give Ms. Shepherd 10 minutes for her presentation.

Ms. Borg, do you have a point of order?

Ms. Charmaine Borg (Terrebonne—Blainville, NDP): Yes. Thank you, Mr. Chair.

Just before we start the meeting, I have a suggestion. Since, unfortunately, I won't be able to be here for the second part of the meeting, could we study my motion on Thursday?

The Chair: So you want us to discuss your motion on Thursday, this week?

Ms. Charmaine Borg: Is there a consensus among the members of the committee?

The Chair: The motion has to do with perimeter security. The hon. member would like us to debate it on Thursday. Does the committee agree?

[English]

Mr. Dean Del Mastro (Peterborough, CPC): Can I just move that we go in camera for a brief discussion on this, Mr. Chairman?

I move that we go in camera.

[Translation]

The Chair: I have a motion for the committee to go in camera and this motion is not debatable. We will have a recorded vote.

(Motion agreed to: yeas 7; nays 4. [See Minutes of Proceedings])

The Chair: Since the motion is agreed to, we are going to suspend the sitting to give people a chance to leave the room.

[Proceedings continue in camera]

•(1105)

The Chair: • _____ (Pause) _____

•

We are back to the public meeting. I will continue from where I left off.

I call vote 45 under Treasury Board.

I am going to give Ms. Shepherd, the Commissioner of Lobbying, 10 minutes to make her presentation.

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

Congratulations, Mr. Chair, for your election as chair.

[English]

I am pleased to be here today to discuss the main estimates. As you will note from my presentation, I am running a very lean operation, while delivering on my mandate.

I would also like to take the opportunity to highlight some of my accomplishments, and to outline my priorities for this fiscal year.

I am accompanied this morning by Monsieur René Leblanc, deputy commissioner.

[Translation]

Since my office was created, I have made my operations more effective within the restraints of my limited budget. After three and a half years, the OCL is a lean but efficient operation which allows me to be effective at delivering on my mandate as outlined in the Lobbying Act.

•(1110)

[English]

The annual operating budget for my office is approximately \$4.6 million, including the contribution to the employee benefit plan. I employ a staff of 28.

Our funding has remained constant since the office was first established. However, due to the cost containment measures included in budget 2010, like all federal institutions, I have absorbed the growth and salary costs from collective bargaining and other increases. This has put pressure on my budget, particularly on my salary envelope.

Now let me turn to what I consider to be the core of my business for ensuring transparency: the registry of lobbyists. Currently, there are more than 5,000 registered lobbyists and information on about 3,000 active registrations. These figures have remained fairly stable since 2008. A budget of approximately \$1.1 million, including salaries for six full-time staff, is dedicated to maintaining the registry, providing guidance and technical support to registrants, and responding to inquiries.

In the last few years I have focused on streamlining registration processes to make it easier for lobbyists to comply with the act. The time it takes to process a registration has been reduced from more than 20 days to three days.

New system features were also implemented to facilitate access to the information in the registry. System failures and downtime are an extremely rare occurrence, and a rigorous data assurance program has been put in place to further strengthen data integrity.

[Translation]

This year, my priority is to upgrade key features of the system, focusing in particular on search and reporting capabilities. This will make it easier for users interested in mining the wealth of information that exists in the Registry.

Let me now turn to outreach and education, which is a key component of my mandate. The Lobbying Act is a complex piece of legislation and the time and resources I invest in outreach is essential to fostering a culture of compliance. I allocate approximately 20% of my annual budget to public education activities, including salaries for 7 full-time staff.

Regularly, I reach out to a broad range of people, focusing especially on lobbyists and public office holders. Many of these contacts are face-to-face but, in the last year, we have renewed our presence on the web. This is the most effective and economical tool for public education.

The OCL website was redesigned to make it easier to find relevant information. Both the website and the Registry of Lobbyists were made fully compliant with the accessibility guidelines.

They are now more accessible to people with disabilities. This year, I want to build on that success. I plan to take a more strategic and long-term approach to assessing and meeting the needs of all stakeholders.

[English]

I would now like to turn to my office's compliance function.

Review and investigation activities absorb roughly 25% of my budget, including salaries for the equivalent of nine full-time employees. The number of administrative reviews I close is now keeping pace with the number I open. Since I became commissioner, I have completed a total of eight reports on investigations, five of which were tabled in Parliament in 2011-2012. More are coming. I have also referred several files to the RCMP, although no charges have been laid.

When I became commissioner on July 2, 2008, I inherited an inventory of 40 administrative review files and six investigation files. Thirteen of the original 40 administrative reviews remain in my

caseload and all six investigations have been dealt with. Since becoming commissioner, I have initiated 79 administrative review files and completed 78.

•(1115)

[Translation]

In the coming year, I plan to improve my office's approach to case management and further refine the way investigative work is prioritized. I have made progress on this front, but more can be done.

With respect to internal services, I have no choice but to acquire the majority of the expertise from other organizations. The service arrangements I have put in place are working well. They provide me with the broad range of expertise I need to meet my accountabilities as deputy head and they are cost effective.

[English]

Since I became commissioner, I have focused on ensuring that I provide value for money. Setting up effective corporate functions takes time. The first internal audit in my office's history was completed this March, covering the key internal controls over financial reporting. Planning is now under way to establish a program evaluation function and an audit of the lobbyist registration system is planned for this year.

These activities are critical to my ability to offer further evidence of both the effectiveness of our programs and the adequacy of my internal operations. They will also help me identify where further efficiencies can be made.

In July 2011, agents of Parliament were encouraged to adhere to the spirit and intent of the government's strategic and operating review exercise. Like the rest of my colleagues, I committed to undertake a review of my office's operations and present the results to this committee, and that has been done. In view of the exceptional situation, but also in the spirit of good management, I undertook a review of my office.

In my letter of last December to the Speaker of the House and copied to the President of the Treasury Board, I indicated that I was operating a lean and efficient operation, and that I did not have any money to give up. I nevertheless proposed that if the government decided to reduce my budget by 5%, I would absorb this budget reduction by deferring the development of new technology features in the registry of lobbyists. This proposal was accepted and announced in the last budget, and will take effect in April 2013.

Registered lobbyists may not be pleased about my deferring improvements on some aspects of the system. However, in my opinion this is the least risky approach to avoid compromising the system's integrity. I want to ensure that critical work gets done in order for lobbyists to comply with the act and Canadians to know who is lobbying the federal government.

In order to reduce the cost of maintaining the lobbyist registration system, I indicated that I would explore the possibility of hiring assistant specialists to reduce the current dependency on consultants. Essential maintenance work will continue to be performed on the registration system to ensure that downtime and system failure are kept to a minimum.

The strategic and operating review experience clearly indicated that I'm running a very lean and efficient operation. In order to ensure that I can operate within my budget allocation, I will continue to re-evaluate the demands being placed on my organization and make difficult decisions, as required, to ensure that I can deliver on my mandate as Commissioner of Lobbying and head of this organization.

[Translation]

Mr. Chair, this concludes my remarks. I look forward to answering any questions you and the committee members may have.

The Chair: Thank you.

I will now turn the floor over to Mr. Angus.

[English]

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you.

It's excellent to have you before our committee again. I was very struck that in your statement you used the word "lean" on four separate occasions. That's a pretty strong word. You talk about pressure on your budget and not having any money to give up because it would compromise the integrity of your work.

Yesterday the Public Service Alliance released a statement saying there would be job cuts in your office. Is that true?

• (1120)

Mrs. Karen Shepherd: Yes. When I said in my opening remarks that I'm running a very lean operation, that's true. To live within my budget I had to acquire competencies that I did not have on staff. I needed to strengthen my capacity in financial analysis and program evaluation. In order to do that, with my salary envelope being at capacity and diminishing discretionary income, I had to eliminate two positions so that I could hire the competencies I needed. So at the end of the day I will still have 28 FTEs, but I did have to make the difficult decision to cut.

Mr. Charlie Angus: Given the importance of your work and the importance of protecting the public interest, are we being penny-wise and pound foolish in that we're seeing in such a lean operation, in such a key role, that you had to lay off staff at a time when we're expecting accountability and transparency at all levels of government?

Mrs. Karen Shepherd: I eliminated the two positions because I felt I needed to restructure within my organization to deliver on the pressures that are being placed on a small organization in terms of my accountabilities.

Mr. Charlie Angus: You say cases have been referred to the RCMP and they haven't acted on any of them. I believe that 11 cases have been referred to the RCMP and we've had zero results from them.

Do you believe it's important for you to be able to have administrative monetary penalties and follow through on investigations, even if the RCMP have taken the files?

Mrs. Karen Shepherd: The short answer is yes. As I said during the legislative review, I think it is very important for me to have administrative monetary penalties so that I can have some continuum in putting the right penalty with the degree of breach that actually occurs.

Right now, what I can do and have done is that after the RCMP has decided not to proceed, I have looked at the case when it has come back to me and determined whether I had sufficient grounds to continue with a Lobbyists' Code of Conduct investigation. The evidence is the reports I've been tabling to Parliament.

Mr. Charlie Angus: It seems to me it would be more efficient to be able to continue on. The RCMP simply don't act, and we don't know why. The Conservatives wouldn't allow us to hear their testimony.

We heard from the other commissioners, particularly Elizabeth Denham from British Columbia. On the imposition of administrative monetary penalties, she said that lobbyists suddenly took their registration much more seriously and registrations increased significantly.

Do you believe that if you had the power to administer penalties to people who weren't complying it would put more pressure on your registration process?

Mrs. Karen Shepherd: As far as increased registration, the system is such that we can handle it. Just in terms of tabling reports to Parliament, after I tabled the four reports on the five lobbyists, a number of calls came from individuals wanting to make sure they could comply with the legislation. So the system can handle increased registration, if that occurs.

Mr. Charlie Angus: Thank you.

Of course, in our review of the Lobbying Act we recognized that the vast majority of lobbyists are working within the rules and that some who may not be aware fully of the rules are not necessarily out to.... You could assist them.

But there are people for whom it would be in their interest. For example, there's Bruce Carson, who was pitching a project worth \$250 million. So if you got 10%, that's \$25 million, and the only penalty you would face was having to write an essay. It would be worth his while to fly beneath the radar.

I mention Mr. Carson because he was able to secure three meetings between the company he was representing and officials at Aboriginal Affairs, and it also appears that this company was given the inside track on funding dollars before any other company was made aware.

Given the fact that people like him will be flying under the radar because of the financial interest and the payoff, do you think there's a responsibility on designated public office holders like, for example, Minister John Duncan, to say which kind of meetings are being set up so we know that if, on the one hand, Conservative Party insiders are undermining the system, there's at least a way to catch these guys?

• (1125)

Mrs. Karen Shepherd: One of the things I'm doing in my mandate on education is that when I'm talking to public office holders I do make them aware of what the requirements of the act are so that they can act accordingly.

Mr. Charlie Angus: It seems that the issue of education is really important. We have Mr. Paradis who didn't seem to know that he was way out of line in setting up meetings. We see the same with Mr. Duncan. He didn't seem to be aware. It seems that members of the Conservative cabinet don't really know what the rules are. Would it be helpful for them if they had to get some kind of remedial lessons on this?

Mrs. Karen Shepherd: As part of my education mandate, I'm talking to all public office holders and designated public office holders.

Mr. Charlie Angus: Thank you.

A final question for you is on the issue of liability because you play a really important role, and if you take on a non-registered lobbyist or a registered lobbyist who breaks the rules and you wanted to bring in administrative monetary penalties, they could possibly sue you. That would be, to me, a bizarre cost to the government to have to defend. Do you believe that you should be immune from those kinds of counterattacks, so that you're not impeded in any way in your work?

Mrs. Karen Shepherd: I've asked for the liability provisions as part of my recommendations, but all of my decisions, including I think having AMPs, would be judicially reviewable. So I would have to look at that.

Mr. Charlie Angus: Thank you very much.

[Translation]

The Chair: Mr. Angus, your time is up.

I will now give the floor to Mr. Del Mastro for seven minutes.

[English]

Mr. Dean Del Mastro: Thank you, Mr. Chairman, and thank you, Madam Commissioner, and Monsieur Leblanc for your appearance here today.

I'm encouraged by your presentation here this morning, Madam Commissioner. I think you described your operations as lean, efficient, and effective. I think this is something that we should strive for in government. You talked about how your focus this year will be on upgrading accessibility of information for Canadians. Could you expand a little bit on that? Are you seeing a lot of traffic from Canadians, for example, who are seeking to find out more about who in fact is talking to government, who government is talking to, opposition members, everyone here in this place? Are you seeing more requests, online requests, or traffic in that regard?

Mrs. Karen Shepherd: Yes, there's a wealth of information on the registry in terms of who is lobbying federal public office holders and on what, especially now with the monthly communication reports. What we have found is that our focus this year is on putting out research that is easier to understand to get at the information that's being used. The media uses the registration quite a bit but we're also getting academics and other Canadians looking at the system and asking for downloads of sources.

Mr. Dean Del Mastro: Very good.

I've noticed, and perhaps other members have been receiving this as well, that I'm now receiving from your office a confirmation list. Essentially it's a list of individuals or groups that have indicated that they've met with me and you're seeking to confirm that it is, in fact, accurate, that those are the groups that have met with me in my office or had scheduled meetings with me.

Is this something that's relatively new? Is this newer? Correct me if I'm wrong, but I don't remember seeing them before the last 12 months or so.

Mrs. Karen Shepherd: When the act came into force in 2008, I was given the ability to verify communications and we've been doing roughly 5% a month. So what we try to do, when there are a few communication entries, is to verify with the designated public office holders once. I think you got quite an extensive list of meetings.

So we've been doing it for a while.

Mr. Dean Del Mastro: Copyright will do that to you.

Mrs. Karen Shepherd: Yes.

• (1130)

Mr. Dean Del Mastro: I was surprised to see my name on the list. I think I was somewhere in the top five for offices that had the most appointments. I decided after that I was glad that copyright was through committee.

You talked about the 5% reduction that we contemplated and looked at throughout government. Indeed, it's always easier to add money. It's always more difficult to find savings. I think Canadians find that in their households as well.

You indicated that the 5% reduction will lead to a delay in the rollout of new technologies. What kind of technologies, specifically, are you indicating would be delayed, and what would be the real impact of that on everyday Canadians?

Mrs. Karen Shepherd: It would be mostly for the registered lobbyists who are coming into the system. When I look at the money, we have money for maintenance and that's critical. I need to ensure that the system is reliable, that it's accessible, and that downtime is kept minimal if not non-existent.

With the developmental things being deferred.... Technology is changing all the time.

Mr. Dean Del Mastro: Right.

Mrs. Karen Shepherd: There are always new things to maybe make it easier to operate, to put into the system that would give it more functionality. So the system will still work. Individuals will still be able to register. This year we're putting the money into the search function, so that will be there. It's just that if any new technology comes up, we'll have to defer any of the developmental costs.

Mr. Dean Del Mastro: Okay. So there may not be a BlackBerry app until 2015?

Mrs. Karen Shepherd: It's something along that line.

Mr. Dean Del Mastro: All right. I got you.

I'm looking at your actual forecast spending specifically on education and research. I think this is a really important part of your mandate. I think all members here at the committee would acknowledge that most folks—an overwhelming majority—who are working in government relations and outreach or who are lobbying do in fact want to abide by all the rules. I think parliamentarians want to make sure they're abiding by all the rules.

What kind of demands are you seeing on your office for education and research? Are registered firms and lobbyists actually contacting your office quite a bit? Are you initiating some of this outreach? Is it a bit of both? Can you enlighten us a bit on that?

Mrs. Karen Shepherd: In terms of lobbyists it is a bit of both. The registration side is actually looking at some of their clients, and if there are either requests or issues they are putting the program in place and are meeting with the lobbyists.

This year we focused a lot on upgrading our website and making it easier to use and manoeuvre, and that has been receiving positive comments. People are looking at the website to get information. That's our most effective tool.

Mr. Dean Del Mastro: Okay.

Mrs. Karen Shepherd: In terms of meeting with public office holders, we're doing some outreach and responding to requests as appropriate. This Thursday, for example, I'm meeting with the staff of the parliamentarians.

Mr. Dean Del Mastro: Will the recommendation or the requests you have made specifically to undertake or to have the opportunity to impose administrative monetary penalties cost your office? Would you need additional staffing, for example, to undertake something like that, or do you have the resources today to actually oversee that kind of operation?

Mrs. Karen Shepherd: It would depend on the regime that the government actually puts in place. As I said, I'm operating a very lean operation. In order to ensure I had the competencies I needed, and to hire the new competencies, I had to restructure and eliminate positions.

When I look at administrative monetary penalties, I can see probably a one-time cost for the registration system. For due process and fairness there has to be some kind of appeal mechanism, so that will mean probably having an additional counsel on staff. Maybe some people could comply on site, but that would depend on the regime we put in place. So the short answer is yes.

Mr. Dean Del Mastro: So the "net net" on this could be that ultimately you would probably need some additional resources to do

it, but we'd likely find savings elsewhere, for example, or efficiencies in the system of actually following up on some of these incidents where you determine it's appropriate. In other words, other agencies wouldn't necessarily have to be involved. You can handle it all in-house. That's an efficiency.

Mrs. Karen Shepherd: That's the idea, yes.

[Translation]

The Chair: Mr. Del Mastro, your time is up.

I will now give the floor to Mr. Andrews for seven minutes.

[English]

Mr. Scott Andrews (Avalon, Lib.): Thank you, Mr. Chair.

Welcome, folks, to our committee.

It was just pointed out that you said you were operating a lean and efficient operation, as it was currently operating. Do you find it bizarre that you were operating a lean and efficient operation but are still asked to cut your budget by 5%? Does that come at you as strange?

Mrs. Karen Shepherd: The government was asking all its departments to live within the intent and spirit of the cuts. I was looking at some of the changes in the registrations, because my focus has always been to look at whether there are ways for efficiencies. Some of the things.... I would maybe not have given up the developmental function, but as to trying to reduce the fees I was spending on consultants. I was looking at doing something there anyway.

● (1135)

Mr. Scott Andrews: As Mr. Del Mastro pointed out, we should all strive to do that. When an agent of government strives to do that, don't you think you're being penalized for being mean and lean and efficient, if you are asked to take a 5% cut when there are other departments out there that are not striving to be lean and efficient get a 5% cut as well? Maybe they should have an 8% or a 9% cut.

I just find the whole aspect of doing a 5% cut across all government as a way to try to balance things to be not very productive.

Mrs. Karen Shepherd: I can't comment on the other departments. I looked strictly at my operation and at what I could do and still be able to deliver on my mandate, and that's what I did.

Mr. Scott Andrews: Congratulations for trying to be lean and efficient. You shouldn't be penalized for doing it.

I want to follow up on a couple of other things. You mentioned that you have 28 employees. You said you were down two positions, when Mr. Angus was asking questions.

Could you just clarify? Were you at 30 positions and are now at 28 positions, or were you at 28 positions and going to 26 positions?

Mrs. Karen Shepherd: I have 28 FTEs and I needed to restructure, so I'm eliminating two positions to hire two positions. I will be at my 28 FTEs. At the end of the day, what I was doing in terms of having to make the difficult decision to eliminate positions was so that I could live within my salary envelope.

Mr. Scott Andrews: At a \$4.6 million budget, what percentage is salary?

Mrs. Karen Shepherd: Of my operating budget, 60% is salaries.

Mr. Scott Andrews: To try to maintain your 28 positions is tough when that big portion of your budget is for salaries.

Mrs. Karen Shepherd: Exactly.

Mr. Scott Andrews: Are all of your employees on full salary now? You don't have anybody off on temporary leave who is giving you some savings?

Mrs. Karen Shepherd: There are no savings on something like temporary leave.

Mr. Scott Andrews: As a last question, you've requested the immunity provision as part of the review of the Lobbying Act, the same as for other jurisdictions in the federal government—all the other commissioners, the Auditor General.

Do any of your provincial counterparts have any sort of immunity provision?

Mrs. Karen Shepherd: I believe they all have the immunity provision. When they were in front of this committee, that was my understanding, that they all have it.

Mr. Scott Andrews: And does every province have a lobbying commissioner?

Mrs. Karen Shepherd: Not every province has one, no.

Mr. Scott Andrews: How many do?

Mrs. Karen Shepherd: There is British Columbia, Alberta, Manitoba just put theirs in place, Ontario, Quebec, and Newfoundland and Labrador.

Mr. Scott Andrews: Okay. So they have immunity provisions, but our federal lobbying officer does not.

Does this impact the job you do at all? Does it sit in the back of your mind when you're doing some of this, that at some point you could be brought before the courts? Is that routinely there?

Mrs. Karen Shepherd: I think it might have been an oversight that it wasn't put in, but in terms of how I conduct myself and my job and my office, no. We conduct ourselves, in my view, in a professional matter. I ensure that when I'm looking into a matter my files are well documented and that due process and fairness are followed. I am quite comfortable, if I were challenged. I think it is just something for being consistent with the other commissioners and my professional colleagues.

Mr. Scott Andrews: Do you have any examples, nationally or internationally, illustrating where this would impact upon you? Has it happened in any other jurisdictions that a lobbying commissioner has been brought before any judicial body that you know of?

Mrs. Karen Shepherd: No, I'm not aware of any.

Mr. Scott Andrews: Okay, thank you.

[Translation]

The Chair: I will now give the floor to Mr. Carmichael for seven minutes.

[English]

Mr. John Carmichael (Don Valley West, CPC): Good morning, Commissioner and Monsieur Leblanc. Thank you for appearing again today. It's good to see you.

We're still working through your last set of recommendations. A lot of what we're talking about today relates to those recommendations.

I applaud you for the job you're doing. It's a very important role. It's important to me as a new member of Parliament, when I receive questions on the number of lobbyists who have been through or the report that has been through.... We've received one of your audits and have found it to be very helpful to keep track of who was coming through our office and to know whether we were running a tight enough system and making sure we understood it.

I also appreciate the budgeting issue. I come from a business background, so I understand clearly. You have limited resources. You have to operate within the mandate you're given. To make a change, as you did, where two people were released and you had to put in two people with different skills, that's a sign of good management. Granted, it may be from tight budgets, and I won't presume to comment on how you must have felt about that, but certainly I applaud you on good management in terms of identifying where the skills are truly necessary to help you get your job done.

In the RPP, you commented on a case management system that "will help streamline and monitor the investigation process." Could you talk to us briefly about what the case management system is going to accomplish and how it works within your office?

• (1140)

Mrs. Karen Shepherd: Are you saying in my RPP or in the main estimates?

Mr. John Carmichael: Yes. You mentioned in there, "My Office's new Case Management System will help streamline and monitor the investigation process."

As a new system, something you've implemented as an enhancement to the way you do business every day, how does that work within your mandate?

Mrs. Karen Shepherd: That was in my RPP last year. That was one of the things we were hoping to have in place, more of a technology-based system, but because our service provider is with another department, as I mentioned in a previous appearance, we were not able to continue forward with that particular technology in terms of getting support.

The director of investigations has put in an excellent report, but it's paper. It's on the system. It keeps track of the files, the complaints, the results, the compliance measures put in place, and helps with managing the caseload.

Now that we have this, one of the priorities we want to work on this year is how we can improve the technology infrastructure to allow us to better manage and plan. Although we're able to do it with the spreadsheet on the system, it's still not electronic and easily flexible. Having an electronic caseload would be better, because we could—

Mr. John Carmichael: You just want the metrics to roll over—

Mrs. Karen Shepherd: You could start planning trends. Instead of looking for the document on the system, which is kept up to date, it would be right there at anyone's disposal at any given time.

Mr. John Carmichael: What's the timing on that technology?

Mrs. Karen Shepherd: We're working right now as part of a group that's looking at putting in a case management cluster to see if we can move something forward on that.

Mr. John Carmichael: How are you preparing for the operational audit of reviews and investigations in the case management system within that? Does that affect it at all?

Mrs. Karen Shepherd: I'm not sure I understand the question.

Mr. John Carmichael: Don't you have, as part of your mandate, monitoring the operational reviews of each of the groups?

Mrs. Karen Shepherd: In terms of doing internal audits, we've done an internal audit on the financial controls. We are looking at doing one this year on the lobbyist registration system. I'd like to have the case management system in place for about a year before I actually do an internal audit on the investigations caseload.

Mr. John Carmichael: How much time do I have, Mr. Chair?

[Translation]

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

[English]

Mr. John Carmichael: In terms of outreach and education, you talk about 20% of your budget and seven staff members going toward that. I wonder if you could talk about what they work at, what they accomplish. Is this at the lobbyist level? Is it at the public office holder level? Where do you spend the greatest amount of your budget in that area?

Mrs. Karen Shepherd: When you are looking at it, it's like seven full.... That includes part of my time and so on.

Last year there was a lot of work done on the website. For a small team, there was a lot work. I'm very impressed. If you have a chance, you should check out the website. It's very easy to use and manoeuvre around on it.

A lot of effort goes into the research area, the questions that come in on a regular basis from lobbyists, public office holders, and others looking for information. This is the group that provides that. Also, my policy work is in there as well.

There is quite a bit of effort that goes into doing any of the presentations that I do, or that any of my staff may do, for example, with regard to the presentation on Thursday to the parliamentarians. There's background material. There is constant activity going on in the area by some very dedicated individuals and quite a limited staff.

•(1145)

Mr. John Carmichael: When you make a presentation to the parliamentarians—we're talking about their staff, I think—do you get a good turnout for that? Is it well received?

Mrs. Karen Shepherd: This will be the second one that I'm doing. I would say the first one had a decent turnout and it was well received. I hope that's why I'm coming back.

Mr. John Carmichael: I would hope so. I think all parliamentarians would suggest that educating us and assuring we're doing the job right is a very important part of what you do.

As a wrap-up, then, maybe you can talk for a minute about the main challenges facing your office and how you are adapting to

those challenges. I know you have made a change in personnel. Where do you see the biggest challenge in the next year?

Mrs. Karen Shepherd: The challenge will be with continuing to get the message out and to get lobbyists registered.

If there are any amendments coming out of the legislation, that will require us to refocus our efforts to make sure the information is out there and determine what we may need to do.

I was asked a question by the honourable member about resources that might be needed for some of these amendments, so I could see the legislative review being quite a focus for us. We will be working on some of the internal audits in the system as well, and that takes resources.

Mr. René Leblanc (Deputy Commissioner, Office of the Commissioner of Lobbying): If I may, I would also add that the lobbyists registration system contains a wealth of information. One of our goals this year is to make this available to as many people as possible.

We found from focus groups and surveys that the information was not as accessible as users would have liked. There's a huge project going on with regard to improving search functions and making the data from the lobbyists system available.

[Translation]

The Chair: I am sorry, but I have to interrupt you because your time is up.

Mr. Boulerville has the floor for five minutes.

Mr. Alexandre Boulerville (Rosemont—La Petite-Patrie, NDP): Thank you, Mr. Chair.

Commissioner Shepherd and Mr. Leblanc, thank you for joining us today. As always, it is a pleasure to have you here with us.

I would just like to start with a short preamble. Today, we are looking at the main estimates, and what concerns your organization is the issue of lobbyists' registration. There has actually been an increase from last year. There has been an increase in education, research and internal services. However, this little document, as interesting as it may be, does not really say much. But this other document is trying to say something.

Actually, we are surprised when we look at the overall situation of your offices and people who are there to check whether the work is done properly and with honesty. For example, over the next three years, cuts are anticipated for the Auditor General of Canada, Elections Canada, the Office of the Privacy Commissioner of Canada, the Office of the Public Sector Integrity Commissioner and the Office of the Information Commissioner of Canada. There are also cuts affecting the Office of the Commissioner of Lobbying. Those cuts are not huge, but it is still money that you have to come up with over the next three years. In fact, \$200,000 from a budget of just over \$4 million is still substantial.

Could you tell me what impact the Conservative government's budget choices will have on your ability to do your work properly?

Mrs. Karen Shepherd: Well, we looked at the budget in terms of a 5% cut. I wanted to make sure that we had the necessary resources to maintain a registry in order to be able to fulfill our mandate in education, for example. But it is equally important for me to have the resources to conduct investigations and to do everything we need to do in terms of compliance measures.

So that has not changed. The 5% in cuts comes out of developing the registry. I am actually able to fulfill my mandate with the 5% budget cuts. But I cannot develop the registry over the next few years. However, I have kept the resources I need to conduct public investigations.

Mr. Alexandre Boulerice: When you talk about developing the registry, which you will no longer be able to do, what does that mean? In practical terms, what does the development of the registry entail?

Mrs. Karen Shepherd: Technology is changing constantly. There are improvements that we could benefit from. But the system is still going to work. However, it might be frustrating for users if the technology is not the best. Let's take Word, for example. There is version 4 and now there is version 8. They both do the same thing, but version 8 might be easier to use, given the new technologies.

• (1150)

Mr. Alexandre Boulerice: So you are going to stay in the same place and you will not be able to move ahead, which is rather unfortunate in light of how important your work is.

Overall, you have a small team, which is good. We all agree that we don't want to waste resources, but you only have 28 employees. Yesterday, some members on your team received letters, letting them know that their positions might be at risk, as they are for 3,800 other public servants. Two positions of the 28 might be eliminated. Who are the two employees you can do without? What positions can you really do without?

Mrs. Karen Shepherd: As I said, I need employees with more financial skills and people for the evaluation program. One of the positions that I eliminated is a briefing officer. The person I am going to hire and who will do the evaluations of the program will also have the skills to fulfill those duties.

The other position is in administration. I will be able to share that person's services with another organization. With this decision, the duties will stay the same, but we will have more skills.

Mr. Alexandre Boulerice: Do you feel that the work will be done properly, despite those cuts?

The Chair: I will give you 30 seconds or so to wrap things up.

Mrs. Karen Shepherd: Yes, because we are not really dealing with cuts, but rather a restructuring.

Mr. Alexandre Boulerice: So it is an adjustment.

Mrs. Karen Shepherd: Yes.

The Chair: Unfortunately, Mr. Boulerice, your time is up. I am sorry to interrupt you.

I will now give the floor to Mr. Calkins, who has five minutes.

[English]

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Mr. Chair.

Thank you, Madam Shepherd, for your presentation today.

I'm just going to ask some questions, and hopefully you can enlighten me.

Your office is housed where?

Mrs. Karen Shepherd: We're at 255 Albert Street.

Mr. Blaine Calkins: The budget document you've provided for us today outlines basically the four core groups you have your office divided up into. I'm assuming that the budget for each of those is not simply for salaries. It includes all the related office expenses, such as rent for the office and those kinds of things. Or is the budget you've shown simply for salaries?

Mrs. Karen Shepherd: This is the \$4.6 million allocated to program activities.

Do you want to answer that, René?

Mr. René Leblanc: The salaries are included. The phones are included. Rent is the one cost not paid by us. It's paid by the centre. Public Works, I believe, takes care of that.

Mr. Blaine Calkins: This is simply salaries and operational costs within the office.

Mrs. Karen Shepherd: That's correct.

Mr. Blaine Calkins: For your six FTEs dealing with registration of client services, that's \$187,600 per employee. In the investigations directorate, you have nine people, at a little over \$1 million, which is \$114,000 per employee. In education and research, you have seven FTEs, at \$950,000, which breaks down to \$135,700 per employee. Then in internal services, you have six full-time equivalents, with a budget of \$1.5 million, which is roughly \$254,500 per employee.

I was a little surprised to hear that rent and those kinds of things weren't taken into consideration. Are these highly technical, highly professional jobs?

Mrs. Karen Shepherd: As Mr. Leblanc was saying as well, it does include other operating costs. The cost of the registry, which costs me, right now, about \$400,000 a year, is actually in the registry. It's not an easy, cut and—

Mr. Blaine Calkins: I just wanted some clarification. You would be buying computer servers and these kinds of things. It's not just operational. There are some capital investments in some of these budgets as well. Is that correct?

Mrs. Karen Shepherd: That's right. To give you an idea, \$2.5 million of my operating budget goes to salaries; \$1.7 million is operating, and that includes roughly about \$1.2 million that actually goes to our service providers. All of those numbers are factored in.

• (1155)

Mr. Blaine Calkins: Okay, that's fair enough. I wasn't assuming that everybody was getting paid whatever those numbers were. But I'm putting a taxpayers' lens in front of my eyes when I look at this information. I'm going to ask you some more questions about this.

I'm going to specifically ask about the investigations directorate. You have nine full-time equivalents there.

Can you tell me what an administrative review is? First, what's involved in that before I ask my next question. What is an administrative review?

Mrs. Karen Shepherd: An administrative review is my fact-finding stage. We gather information—

Mr. Blaine Calkins: Based on a complaint or based on....

Mrs. Karen Shepherd: It is based on a complaint. I can also initiate and have done so when something is brought to my attention. I'm not totally complaint driven. That would include gathering sufficient information that I can make a determination as to how to proceed.

Mr. Blaine Calkins: Yes. I don't want to fail to follow up here, so I'm going to move on quickly.

The first step is administrative review. Then, if there's enough information, it goes on to an investigation. If there's enough information from that, it goes to a referral to the RCMP. Is that correct?

Mrs. Karen Shepherd: When I have reasonable grounds I can refer it to the RCMP. I can do that at any time during the process.

Mr. Blaine Calkins: If you initiated 79 administrative reviews, and 14 investigations resulted, and there were seven referrals to the RCMP in this past year, that's basically 100 files, which breaks down to about \$10,000 per file. At a caseload of 10 issues per person per year, is that stressing people out in investigations?

Mrs. Karen Shepherd: It's not quite an exact match. I'd have to go back to the numbers, but since I've become commissioner, I have opened 79 administrative reviews and 14 investigations. Not all of those 14 investigations necessarily resulted from completion of an administrative review, because if I have reasons, like I inherited.... In an administrative review I may open two investigations, depending on what actually happened.

In terms of your question as to are people taxed, I have four investigators and one compliance officer all reporting to a director of investigations. On average, there are about 50 files at any one point that are being managed, because there are administrative reviews, investigations, and exemption reviews.

There is quite a lot of work being done, but we've been streamlining processes. We have solid investigators with the right competencies. They're working full out, but they're managing.

[*Translation*]

The Chair: Unfortunately, your time is up.

I am going to give the floor to Mr. Angus, for five minutes.

[*English*]

Mr. Charlie Angus: Thank you very much.

What percentage of your budget is spent on legal reviews of your cases?

Mrs. Karen Shepherd: At the beginning of the year I put \$100,000 aside in case there was a court challenge. I'm not sure how sufficient that is, depending on some court challenges. Last year we didn't have a court challenge. I think the last one was in March 2009 when we got the final results.

Mr. Charlie Angus: Do you have in-house legal staff or do you contract that out?

Mrs. Karen Shepherd: I have one legal counsel.

Mr. Charlie Angus: Okay.

On the question of liability, the stakes would be extremely high in terms of the allegations that you make and the impact on someone's career. You have to feel you can go forward, but it would seem to me someone who wanted to fire a shot across the bow of your work could bring forward a multi-million dollar liability case. I'm just wondering if \$100,000 is enough in the kitty.

Mrs. Karen Shepherd: Well, as I said, my budget is pretty lean. I don't really have much more than that to put aside. One of the things is that if it became a lot in terms of court cases, I would want to do as I think one of my fellow colleagues did, which is to have access to money should I need it, because I can't rely on Justice Canada.

Mr. Charlie Angus: As it stands now, can you be sued personally for the work that you do on behalf of the Canadian people?

Mrs. Karen Shepherd: I think I would be the same as any other public servant in terms of being sued, if I'm doing it in due process of my job, but that's something I could check and get back to you with a direct answer.

● (1200)

Mr. Charlie Angus: I think it's important for us to know because, again, the kind of finding you would make against someone would have profound implications. You need to feel that you can do your work on behalf.... You've been authorized to undertake these investigations, you should be authorized to follow through on them.

I'm concerned there might be an attempt to intimidate, whether or not you personally can be challenged, because you'd have to think about that. If you do not have liability protection and you have a limited budget, where would the money come from for a legal defence if someone decides to sue for a multi-million dollar amount?

Mrs. Karen Shepherd: I haven't made decisions based on that. I appreciate what you're saying, but when I'm making decisions on a file, I'm being given very well-documented files, and sometimes files take the time they do in order to ensure that natural justice and procedural fairness are followed. I'm quite confident when I'm making the decisions and then tabling the reports to Parliament that I have a good case, and I'm quite confident in the decisions that I'm making.

Mr. Charlie Angus: We have confidence in you. This is why you're authorized to do this work. If you were going to follow through, it's because you have done the work that Parliament has given you the mandate to do. It just seems odd that you would not be protected fully for liability, because people will bring legal actions on all manner of crazy things in order to deflect or to try to derail an investigation. It seems vital that you are protected entirely and that your staff are protected so that they can carry through with the work. We trust that you will do the due diligence.

Mrs. Karen Shepherd: I agree.

Mr. Charlie Angus: Thank you for that.

I understand there were about 125 reviews yielding about a 28% alarm rate. Out of your original administrative review, how many cases go forward?

Mrs. Karen Shepherd: I'd have to get back to you. I have closed 78 administrative reviews, and since becoming commissioner, I have opened 14 investigations.

Mr. Charlie Angus: Fourteen investigations, and you moved 11 to the RCMP. Does that include the 11?

Mrs. Karen Shepherd: That's going back to the beginning of the organization. Since becoming commissioner, I have referred seven files to the RCMP.

Mr. Charlie Angus: Seven files.

Mrs. Karen Shepherd: I have personally referred seven files.

Mr. Charlie Angus: Okay, but overall, since the commissioner of lobbying has been brought forward, I understand that 11 cases went to the RCMP, with zero follow-up.

Mrs. Karen Shepherd: If you include those from my predecessor, it might have gone up now with the numbers I've done, but I personally, since 2008, have sent seven files.

Mr. Charlie Angus: Seven were sent and had zero pick-up from the RCMP?

Mrs. Karen Shepherd: One of them is still currently with the RCMP.

Mr. Charlie Angus: Yes, but they haven't...

In terms of your resources, we feel it's important and timely and also fair that if someone is being investigated, that we can get to the bottom of this, we can close that file in a timely manner, that we send it to the RCMP and it seems to go to a dead letter office, that you have the authority and the ability to follow through. You can take the administrative monetary penalties and you can issue a report to Parliament in a timely manner either that they're guilty or they're innocent.

Do you believe that you should be able to follow through on the cases you begin?

[Translation]

The Chair: I am sorry, Mr. Angus, but your time is up.

I will let Ms. Shepherd answer in a few seconds.

[English]

Mrs. Karen Shepherd: *Merci.* Concerning administrative monetary penalties, as I asked you in my recommendations, aside from reports to Parliament, I would like the ability to publicize the names on my website. Not all of them require a report to Parliament.

[Translation]

The Chair: Thank you.

I will let Mr. Dreeshen have the last five minutes of this round.

[English]

Mr. Earl Dreeshen (Red Deer, CPC): Thank you very much, Mr. Chair, and welcome to our guests. It's great to talk to you about this.

I'd like to go into the educational research section here. You spoke of the seven FTEs you have, and we have the budget numbers in front of us. You also talked about the cross-utilization you have within your department and how you take on special roles to make sure that each of those four major departments are able to do the things they're tasked to do. Of course, the more education you have,

usually the less cost you're going to have, further on, because you're not having to fix things up all the time.

I wonder if you could talk about how the education component ties into the other departments you have and any actions you might be taking to make sure that the word gets out about the things taking place in your department.

● (1205)

Mrs. Karen Shepherd: Thank you.

As I have said before, to me education is key in ensuring compliance. The only way to comply is to actually know what the rules and responsibilities are. We have seen that on the registration side, for example, as lobbyists have become better informed about the rules. One of the reasons, too, aside from streamlining our process, is that we have been able to improve the registration side. We ensure that when we are responding to questions that come in from the public those answers are shared so the staff is aware of the types of answers we are giving out. The registration advisers are seeing responses, for example.

On the investigation side, it's about compliance, as Mr. Del Mastro said as well. When we're verifying the monthly reporting, we're educating as well that this is out there, and we're finding out what types of meetings are arranged just by asking the questions for verification.

With regard to internal services, that's one of the things for which I need to strengthen program evaluation, for example. That will allow us to then better assess how the education is making a difference in terms of objectives of these other programs.

Mr. Earl Dreeshen: I think that's a key component of it. The more people understand what the process is, the fewer difficulties you are going to have. With fewer difficulties, the less stress there is going to be as far as budgetary issues are concerned, which is of course what we are here to talk about today.

I'd like to go back to one of the figures we had on a spending trend for the office from 2007-08 up to 2013-14. For 2007-08 all the way up to 2009-10 you had—this was perhaps from previous years—the actual spending. In 2009-10 there was a drop, so that you had less actual spending taking place. That was also the year, as you just mentioned, that you had the court challenge, so whatever costs might have been associated with that I assume would have been in that particular year. Since then there has been quite a large increase from 2009-10 to 2010-11. Of course, once that increase takes place, that becomes the base number you are working with here for the next number of years.

I wonder if you could just comment a little bit on what was happening as far as your actual spending was concerned, perhaps a little bit in line with what the NDP were talking about when they were at the table. And then talk about what you feel is going to be the trend line later on.

Mrs. Karen Shepherd: Well, my budget has remained fairly stable since I have become commissioner. Expenditures have changed, because we were staffing up. When we were doing the Lobbying Act, as well, we were putting a lot of focus into getting education out, so there might have been some difference in expenditures because of staffing dollars. We weren't fully staffed at the time. Now, they are fully staffed. I was looking at some numbers recently. When you look at last year's results, I spent 100% of the budget allocated to me. What was left over was the 5% carry-forward.

Mr. Earl Dreeshen: Do I have any more time left?

[Translation]

The Chair: You have 15 seconds left.

[English]

Mr. Earl Dreeshen: I'll leave it at that. Thank you.

[Translation]

The Chair: Thank you.

So this brings us to the end of the last round of five-minute questions.

We will now continue with the vote on vote 45. I would first like to say that we have heard from the last commissioner today.

We still have to pass vote 20 under Parliament. This vote has to do with the Senate ethics officer. Over the past few years, he has not once appeared before the committee to give testimony. In addition, the mandate of the Senate ethics officer is coming to an end. The new officer has not been appointed yet.

If you don't have any questions about this vote, we can pass it at the same time as vote 45.

Any questions on vote 20?

• (1210)

[English]

TREASURY BOARD
 Office of the Commissioner of Lobbying
 Vote 45—Program expenditures.....\$4,193,000
 PARLIAMENT
 Senate Ethics Officer
 Vote 20—Program expenditures.....\$702,000

Shall vote 45 under Treasury Board and vote 20 under Parliament carry?

(Vote 45 agreed to on division)

(Vote 20 agreed to on division)

The Chair: Shall I report the votes on the main estimates to the House?

Some hon. members: Agreed.

The Chair: Perfect.

[Translation]

We are now going to proceed with what was scheduled from 12 p.m. to 1 p.m. under committee business.

Mr. Boulerice, would you like to move your motion?

Mr. Alexandre Boulerice: The motion simply says the following:

That, pursuant to Standing Order 108(3)(h)(vi), the Standing Committee on Access to Information, Privacy and Ethics call Claude Benoit, President and CEO of the Old Port of Montréal Corporation, to appear in order to explain the expenses of the members of the Board of Directors and of senior management of the Old Port of Montréal Corporation.

The Chair: I have looked carefully over this motion and I have my own opinion.

Mr. Del Mastro, would you like to speak before I make my ruling?

[English]

Mr. Dean Del Mastro: Thank you, Mr. Dusseault.

I move that we go in camera for the consideration of committee business. I'll give some comments on the motion.

[Translation]

The Chair: Before us we have a motion that asks that we sit in camera. We cannot debate this motion and I see that there is a request for a recorded vote.

I would ask the clerk to proceed with the recorded vote to determine whether we are going to go in camera.

[English]

(Motion agreed to: yeas 7; nays 3)

[Translation]

The Chair: The motion is agreed to. We are going to suspend our business for a few minutes before we go in camera.

- _____ (Pause) _____
- _____

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:
Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*
Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5
Telephone: 613-941-5995 or 1-800-635-7943
Fax: 613-954-5779 or 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
<http://publications.gc.ca>

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5
Téléphone : 613-941-5995 ou 1-800-635-7943
Télécopieur : 613-954-5779 ou 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
<http://publications.gc.ca>

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>