

Office of the Commissioner of Lobbying of Canada

2012-13

Departmental Performance Report

The Honourable Tony Clement, PC, MP
President of the Treasury Board

Table of Contents

Message from the Commissioner of Lobbying	1
Section I: Organizational Overview	3
Raison d'être	3
Responsibilities	3
Strategic Outcome and Program Alignment Architecture	4
Organizational Priorities	5
Risk Analysis	7
Summary of Performance	9
Expenditure Profile	12
Estimates by Vote	12
Strategic Environmental Assessment	12
Section II: Analysis of Programs by Strategic Outcome	13
Strategic Outcome	13
Registration of Lobbyists	14
Education and Research	16
Reviews and Investigations under the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i>	18
Internal Services	20
Section III: Supplementary Information	23
Financial Statements Highlights	23
Supplementary Information Tables	26
Tax Expenditures and Evaluations Report	26
Section IV: Other Items of Interest	27
Organizational Contact Information	27
Endnotes	28

Message from the Commissioner of Lobbying

I am pleased to present the 2012-13 Departmental Performance Report for the Office of the Commissioner of Lobbying. My mandate is threefold: maintaining a registry of lobbyists that is accessible to Canadians; fostering greater awareness of the requirements of the *Lobbying Act* through outreach; and ensuring compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*.



The *Lobbying Act* is based on the premise that lobbying is legitimate and must be conducted in a transparent manner. The Registry of Lobbyists continues to be the primary instrument for the public disclosure of lobbying activities at the federal level. The Registry of Lobbyists allows Canadians to know who is lobbying federal public office holders and about which topics. This year, I focused on improving the search and reporting features of the Registry in order to improve the access Canadians have to the wealth of information available in it. A survey, focus group sessions and usability testing were conducted by my Office to align the capabilities in these areas with the needs of users. The new tools represent the greatest improvement to the usability of the system since the Act came into force in 2008.

I believe that awareness and understanding of the requirements of the *Lobbying Act* are key to greater compliance. My staff and I regularly meet with lobbyists, elected officials and their staff, and senior managers of the federal public service, among others, to ensure the requirements of the *Lobbying Act* and the *Lobbyists' Code of Conduct* are known and understood.

I am pleased to report that my Office completed its 100th administrative review this year, and has closed all but three files inherited from my predecessor, the former Registrar of Lobbyists. This year, two Reports on Investigation were tabled in Parliament. In these reports, I found that two lobbyists had breached the *Lobbyists' Code of Conduct*. Breaches of the *Lobbyists' Code of Conduct* do not result in fines or imprisonment. I believe, however, that by publicly exposing breaches of the Code, the individuals found to be in breach are deterred in the future. These reports also provide all lobbyists with an incentive to comply with both the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

I remain committed to ensuring that both the *Lobbying Act* and the *Lobbyists' Code of Conduct* are administered in a way that fosters greater transparency and encourages high ethical standards in federal lobbying activities. I look forward to the challenges and opportunities that the coming year will bring, particularly as I undertake a consultation to support my review of the *Lobbyists' Code of Conduct*.

Karen E. Shepherd
Commissioner of Lobbying

Section I: Organizational Overview

Raison d'être

The Office of the Commissioner of Lobbying (OCL) supports the Commissioner of Lobbying, the Agent of Parliament responsible for the administration of the *Lobbying Act* (the Act). The legislation seeks to improve transparency and accountability regarding communications between lobbyists and federal public office holders and increase the confidence of Canadians in the integrity of government decision-making.

Responsibilities

The Commissioner of Lobbying is responsible for the administration of the *Lobbying Act*. The authority of the Commissioner is derived from the Act.

The mandate of the Commissioner is threefold:

1. Establish and maintain the Registry of Lobbyists, which contains and makes public the information disclosed by lobbyists;
2. Develop and implement educational programs to foster public awareness of the requirements of the Act; and
3. Undertake administrative reviews and investigations to ensure compliance with the Act and the *Lobbyists' Code of Conduct* (the Code).

Under the Act, the Commissioner of Lobbying has the authority to grant exemptions to former designated public office holders who are subject to a five-year prohibition on lobbying activities.

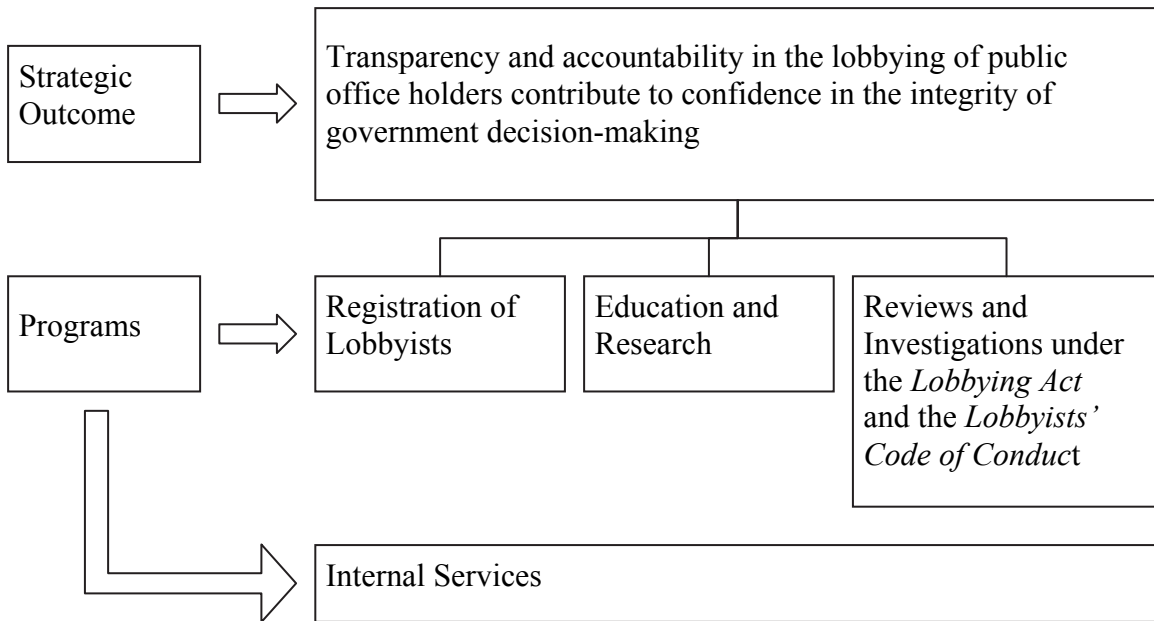
The Commissioner reports annually to Parliament on the administration of the Act and the Code. At the end of any investigation, the Commissioner is also required to submit a Report on Investigations to Parliament, to present her findings, conclusions, and the reasons for her conclusions.

Strategic Outcome and Program Alignment Architecture

In order to effectively deliver its mandate, the OCL aims to achieve the following strategic outcome:

Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

The Program Alignment Architecture¹ (PAA) for the OCL is its basis for reporting to Parliament. The PAA reflects how the OCL allocates and manages the resources under its control to achieve its intended outcome.



¹ The Policy on Management, Resources and Results Structure (MRRS) recently underwent changes that came into effect on April 1, 2012. Updates have been made to the MRRS nomenclature. Specifically, "Program Activity Architecture" becomes "Program Alignment Architecture" and "Program Activity" becomes "Program".

Organizational Priorities

Priority	Type	Program
Improve the search and reporting functions of the Registry.	Ongoing	Registration of Lobbyists
Summary of Progress		
<p>What progress has been made towards this priority?</p> <p>Building on work started in 2011-12, the OCL launched an upgraded version of the Registry of Lobbyists this year. The upgraded version features new search tools and more extensive statistical reporting capabilities. In addition, users can now easily download a copy of the complete dataset containing all information in the Registry of Lobbyists. These new features represent the most important improvements to the Registry since 2008. Using feedback received through a user survey, stakeholder focus groups and usability testing, the information in the Registry is now presented in ways that are more relevant, informative and user-friendly.</p>		

Priority	Type	Program
Clarify objectives, roles and procedures in support of more effective education and outreach activities; and improve outreach to key stakeholders in a more efficient manner.	Ongoing	Education and Research
Summary of Progress		
<p>What progress has been made towards this priority?</p> <p>Draft internal policies and procedures manuals have been developed for five key outreach areas: publications, media relations, policy inquiries, website, and meetings and presentations. These manuals clarify the objectives, roles and procedures and also support education and outreach activities by providing guidance for efficient and consistent implementation. These internal policies and procedures will be implemented in 2013-14.</p>		

Priority	Type	Program
Improve the management of review and investigation cases based on clear criteria and priorities in order to facilitate workload planning and file processing.	Ongoing	Reviews and Investigations under the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i>
Summary of Progress		
<p>What progress has been made towards this priority?</p> <p>A planning system was designed and implemented with a view to prioritizing files based on pre-established risk criteria, and to facilitate the determination of timelines for completion based on caseload analysis. The caseload is regularly reviewed to reassess the level of priority and the anticipated duration of each file. The level of priority takes into account the nature and gravity of the allegations, the applicable service standard, and the likely impact of the file in furthering the OCL's stated strategic outcome of enhancing public confidence in the integrity of government decision-making. These steps have improved the management of our caseload.</p>		

Priority	Type	Program
Improve the information technology infrastructure to support the planning and management of the Directorate's caseload and the protection of files.	Ongoing	Reviews and Investigations under the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i>
Summary of Progress		
<p>What progress has been made towards this priority?</p> <p>The OCL participated in the work of an inter-departmental cluster group with a view to adopting a shared case management software solution that would help manage the review and investigation caseload more effectively and efficiently. Progress of the cluster's work toward the selection and adoption of a new system has been less rapid than expected.</p> <p>Although a solution has yet to be identified, the OCL continued to improve the management of its caseload by tracking files more systematically using available project management software. This has helped inform the planning and assignment of tasks to staff. It has also supported organization-wide planning processes by determining more precisely the anticipated time for completion of files. Files are protected using existing protocols.</p>		

Priority	Type	Program
Continue strengthening the OCL management accountability framework with a view to positioning the organization to further improve priority-setting and allow the OCL to better communicate its performance story to Parliament and Canadians.	Ongoing	Internal Services
Summary of Progress		
<p>What progress has been made towards this priority?</p> <p>The OCL continued to implement its multi-year Internal Audit Plan. In 2012-13, it conducted an internal audit of the Lobbyists Registration System. Progress will continue on the implementation of the resulting Management Action Plan in 2013-14.</p> <p>The capacity of the organization in the areas of performance measurement and program evaluation was improved in 2012-13. As planned, a new policy analyst was hired to assist in the development and implementation of a performance measurement strategy. This will strengthen the OCL's ability to monitor progress towards expected outcomes. This work will also support the development of a multi-year evaluation plan in 2013-14.</p> <p>The OCL reviewed and updated its Corporate Risk Profile. A strategic organizational framework was also developed to communicate the OCL vision and to support long-term planning.</p>		

Risk Analysis

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
Information Technology Security	<p>This risk was not identified in the 2012-13 Report on Plans and Priorities (RPP). It was identified as a result of the Internal Audit of the Lobbyists Registration System conducted in 2012-13. This risk was also documented in the Corporate Risk Profile, updated in 2012-13.</p> <p>In 2013-14, the OCL will develop both an IT security plan and a business continuity plan to identify appropriate mitigating measures to increase the security of IT infrastructure, particularly as it supports the Lobbyists Registration System.</p>	Internal Services	Strengthening the OCL management accountability framework.
Integrity and accessibility of the Lobbyists Registration System	<p>This risk was identified in the 2012-13 RPP.</p> <p>The OCL minimizes registration delays by preventing system interruptions. The OCL created a position of Systems and Business Analyst who will document the Registry's processes to ensure long-term integrity of the Registry. The OCL also improved the range of tools available to search and display information from the Registry and to facilitate the analysis of that information by users.</p>	Registration of Lobbyists	Improve the search and reporting functions of the Registry.
Legal challenges to a decision made by the Commissioner	<p>This risk was identified in the 2012-13 RPP.</p> <p>There is a risk that legal advice may not be readily available in order to ensure that legal issues or challenges are appropriately addressed, or that litigation is well supported. This would have a significant impact. The assessment of likelihood reflects the fact that there is no substitute employee or clear arrangement for the continuity of legal services to be provided in the event of prolonged absence or departure of the Senior Counsel.</p> <p>External firms have been identified which could provide legal services without being in a conflict of interest.</p>	Reviews and Investigations under the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i>	N/A

In managing the information technology (IT) infrastructure that supports the Registry of Lobbyists and other systems, a number of risks related to IT security have been identified. Potential implications for such risks include a loss of confidence in the information contained in the Registry. The OCL continues to strengthen its management accountability framework to mitigate these risks.

The integrity of the Registry and its accessibility to Canadians are paramount. The OCL reviews and approves lobbyists' registrations and ensures that the Registry is available with minimum system interruptions. This past year a focus was placed on improving the search and reporting functions of the Registry to ensure that the system meets the needs of its users. The Registry is a well-used source of information about lobbying activities. More than 174,000 searches of the Registry were conducted in 2012-13.

The Commissioner's decisions with respect to administrative reviews, investigations and applications for exemption may be subject to judicial review by the Federal Court. The OCL conducts reviews and investigations that are fair, thorough and well-documented, with the intention that they will withstand judicial scrutiny. In this context, the OCL recognizes that there are risks that its legal services internal capacity may be insufficient at times. In administering the Act and the Code, it is crucial that sound legal advice be available to provide appropriate responses to emerging legal issues, challenges or litigation. The absence of substitute staff or clear arrangements for the continuity of legal services to be provided in the event of prolonged absence or departure of the Senior Counsel is a significant risk. External firms have been identified to provide alternate sources of legal services, and it is crucial that they remain without conflict of interest. The reliance on external firms to supplement internal legal services capacity may prove to be fairly costly. In addition, there is a risk that outside counsel may require some time to become familiar with legislative and regulatory requirements that are relatively complex to administer.

An Audit and Evaluation Committee (AEC) has been set up to support the Commissioner in her role of deputy head. The AEC is an independent advisory committee that provides objective advice and recommendations regarding the organization's risk management, control and governance frameworks and processes.

Summary of Performance

Financial Resources – Total Departmental (\$ thousands)

Total Budgetary Expenditures (Main Estimates) 2012-13	Planned Spending 2012-13	Total Authorities (available for use) 2012-13	Actual Spending (authorities used) 2012-13	Difference (Planned vs. Actual Spending)
4,628	4,721	4,917	4,745	(24)

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
28	27	1

Performance Summary Table for Strategic Outcome and Programs (\$ thousands)

Strategic Outcome: Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

Program	Total Budgetary Expenditures (Main Estimates 2012-13)	Planned Spending			Total Authorities (available for use) 2012-13	Actual Spending (authorities used)			Alignment to Government of Canada Outcomes
		2012-13	2013-14	2014-15		2012-13	2011-12	2010-11	
Registration of Lobbyists	1,126	1,126	812	814	1,138	1,038	1,082	<u>An accountable, transparent, and responsive government</u> ⁱ	
Education and Research	950	950	810	812	950	940	927	<u>An accountable, transparent, and responsive government</u> ⁱ	
Reviews and Investigations under the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i>	1,026	1,026	1,097	1,101	1,055	1,106	946	<u>An accountable, transparent, and responsive government</u> ⁱ	
Strategic Outcome Sub-Total	3,102	3,102	2,719	2,727	3,143	3,084	2,955		

Performance Summary Table for Internal Services (\$ thousands)

Internal Services	Total Budgetary Expenditures (Main Estimates 2012-13)	Planned Spending			Total Authorities (available for use) 2012-13	Actual Spending (authorities used)		
		2012-13	2013-14	2014-15		2012-13	2011-12	2010-11
	1,527	1,619	1,749	1,705	1,774	1,677	1,778	1,731
Sub-Total	1,527	1,619	1,749	1,705	1,774	1,677	1,778	1,731

Total Performance Summary Table (\$ thousands)

Strategic Outcome and Internal Services	Total Budgetary Expenditures (Main Estimates 2012-13)	Planned Spending			Total Authorities (available for use) 2012-13	Actual Spending (authorities used)		
		2012-13	2013-14	2014-15		2012-13	2011-12	2010-11
	4,628	4,721	4,469	4,432	4,917	4,745	4,862	4,686
Total	4,628	4,721	4,469	4,432	4,917	4,745	4,862	4,686

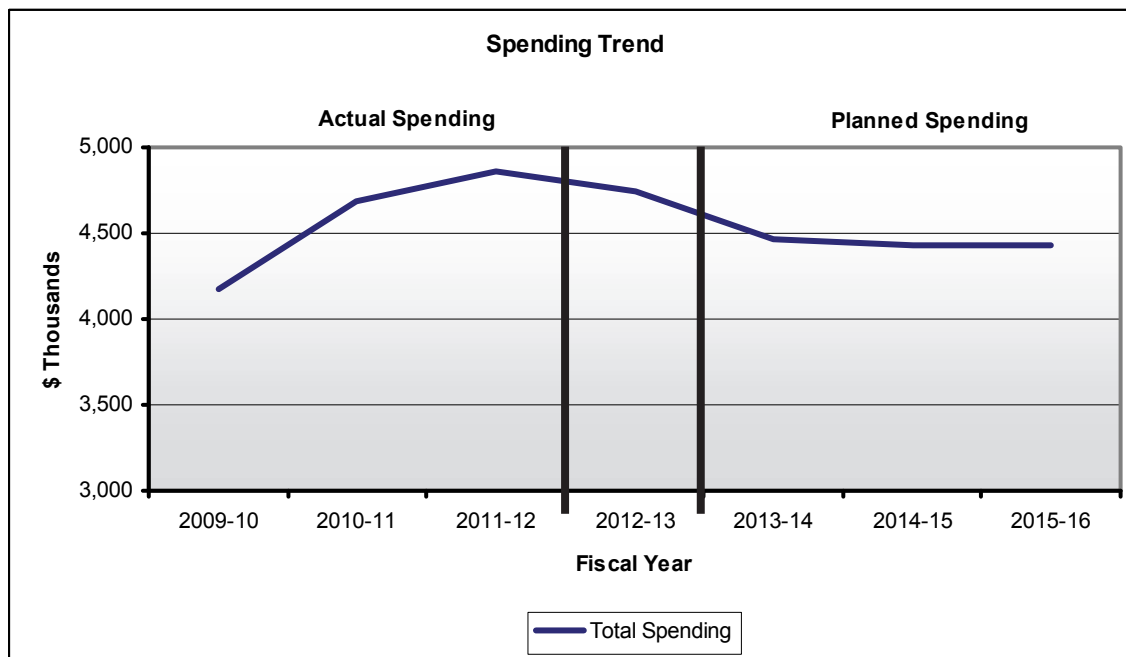
Over the years, the OCL's reference levels have remained stable. The adjustments made throughout the years were mostly related to compensation for signed collective agreements and corresponding adjustments to the Employee Benefits Plan.

In 2012-13, actual spending was higher by \$24,000 compared to planned spending. This increase can be explained by retroactive payments made to employees as a result of collective agreements ratified late in the fiscal year.

The decrease in planned spending starting in fiscal year 2013-14 is due mainly to the 5% budget reduction announced in Budget 2012.

Expenditure Profile

Spending Trend



The increase in actual spending for fiscal years 2010-11, 2011-12 and 2012-13 compared to 2009-10 is primarily related to increases in salary expenditures. The increases include adjustments such as increases to salary rates due to signed collective agreements and severance liquidation payments as per the new severance pay provisions in some collective agreements.

Starting in fiscal year 2013-14 and ongoing, the decrease in planned spending is due mainly to the 5% budget reduction announced in Budget 2012.

Estimates by Vote

For information on the Office of the Commissioner of Lobbying's organizational Votes and/or statutory expenditures, please see the [Public Accounts of Canada 2013 \(Volume II\)](#)ⁱⁱ. An electronic version of the Public Accounts 2013 is available on the Public Works and Government Services Canada website.

Strategic Environmental Assessment

During 2012-13 the Office of the Commissioner of Lobbying considered the environmental effects of initiatives subject to [The Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals](#)ⁱⁱⁱ, and determined that no strategic environmental assessments were required.

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome

Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

This section describes the programs of the Office of the Commissioner of Lobbying (OCL) and identifies expected results, performance indicators and targets. It also explains how the OCL plans to meet its expected results and presents the financial and non-financial resources that will be dedicated to each program.

This section contains a discussion of plans surrounding the following programs:

- Registration of Lobbyists;
- Education and Research;
- Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*; and
- Internal Services.

Registration of Lobbyists

Program Description

Lobbying the federal government is a legitimate activity but it must be done transparently. The *Lobbying Act* requires that individuals who are paid to lobby public office holders must disclose certain details of their lobbying activities. The Office of the Commissioner of Lobbying approves lobbyists' registrations and makes them available for searching in an electronic registry that is accessible on the Internet.

Financial Resources (\$ thousands)

Total Budgetary Expenditures (Main Estimates) 2012-13	Planned Spending 2012-13	Total Authorities (available for use) 2012-13	Actual Spending (authorities used) 2012-13	Difference 2012-13
1,126	1,126	1,138	1,124	2

Human Resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
6	7	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Lobbyists can register in accordance with the requirements of the <i>Lobbying Act</i> .	Percentage of registrations that are processed within three business days.	100% of registrations received are processed within three business days.	100% of registrations were processed within three business days.
Canadians have access to information about lobbyists and lobbying activities.	Percentage of time the Registry of Lobbyists is available to Canadians.	The Registry of Lobbyists is available to the public 95-98% of the time.	The Registry of Lobbyists was available to the public 97.7% of the time.

Performance Analysis and Lessons Learned

Transparency is enhanced when information in the Registry of Lobbyists can be displayed in a number of ways. In 2012-13, the search and reporting tools for the Registry of Lobbyists were revamped to reflect the needs of users. It is now possible for users to customize and tailor their searches according to any of the data elements contained in the Registry. The search results can be tabulated and displayed in ways that facilitate their analysis. These changes represent the most important set of improvements to the usability of the Registry since 2008. The Registry is used extensively, with more than 174,000 searches conducted in 2012-13.

The OCL continued to provide assistance and guidance to registrants as required, whether by phone, email, via webinars, or in-person. In 2012-13, all registrations were processed within three business days, which is the established service standard.

Education and Research

Program Description

The Office develops and implements educational and research programs to foster awareness of the requirements of the *Lobbying Act* and the *Lobbyists' Code of Conduct*. The primary audiences for programs are lobbyists, their clients and public office holders.

Financial Resources (\$ thousands)

Total Budgetary Expenditures (Main Estimates) 2012-13	Planned Spending 2012-13	Total Authorities (available for use) 2012-13	Actual Spending (authorities used) 2012-13	Difference 2012-13
950	950	950	924	26

Human Resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
7	6	1

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Lobbyists, their clients, public office holders and the public are aware of the requirements of the <i>Lobbying Act</i> .	Awareness of the Act on the part of lobbyists, their clients, public office holders and the public is medium to high.	80% say that their awareness is medium to high.	No survey to measure awareness levels was conducted this year. However, the vast majority of the 900 participants at outreach meetings and presentations indicated a medium to high level of awareness and understanding of the Act.

Performance Analysis and Lessons Learned

In 2012-13, the Commissioner and her staff met with nearly 900 individuals, including lobbyists, public office holders, academics, and parliamentarians and their staff. Information sessions and meetings with individual and groups of lobbyists foster an in-depth understanding of the legal and ethical requirements of the lobbying regime. These meetings allow the OCL to identify where further clarification is required to facilitate registration and ensure compliance with the *Lobbying Act* and the *Lobbyists' Code of*

Conduct. Likewise, targeted communications with public office holders allow the OCL to raise their awareness of the legislation and ensure that they recognize the legitimacy of lobbying when it is done in a transparent and ethical manner. Such communications included:

- meetings with the deputy ministers of the most-lobbied federal departments;
- presentations at select courses and events offered by the Canada School of Public Service; and
- presentations to a range of communities of practice, such as the Community of Federal Regulators and the Stakeholder Relations and Public Engagement Network.

The OCL did not administer a survey to measure the awareness levels of lobbyists, their clients, public office holders and the public. However, examination of multiple lines of evidence suggests that awareness of the scope and requirements of the *Lobbying Act* is improving, mainly as a result of the wide range of educational tools and activities provided by the OCL. The depth and complexity of questions asked of the Commissioner and OCL staff during outreach presentations indicated that knowledge of the Act and the Code is medium to high for the majority of those attending these events. In addition, targeted outreach events, advisory letters sent to potential registrants, one-on-one information sessions with lobbyists, the publication of Reports on Investigation tabled in Parliament and considerable media coverage all contribute to increasing the awareness levels of those who need to understand the regime.

Current and former designated public office holders who are subject to the five-year prohibition on lobbying contained in the *Lobbying Act* are another key target group for outreach. An increase in requests for information and advice led the Office to improve its outreach materials for this important regulated group. Staff will continue to meet with designated public office holders as they consider employment opportunities outside the public service. This contributes to compliance with the *Lobbying Act*.

The Code came into force in 1997 and has not been reviewed since then. As it is an important part of the regulatory regime, the Commissioner has determined that this is an opportune time to undertake the review of the Code. To that effect, the Commissioner will be launching a consultation to support her review of the Code in 2013-14. This consultation will also provide an opportunity to raise awareness about the Code.

Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

Program Description

The Office of the Commissioner of Lobbying validates information provided by registered lobbyists to ensure accuracy. Allegations of non-registration or misconduct by lobbyists are reviewed and formal investigations are carried out when required.

Financial Resources (\$ thousands)

Total Budgetary Expenditures (Main Estimates) 2012-13	Planned Spending 2012-13	Total Authorities (available for use) 2012-13	Actual Spending (authorities used) 2012-13	Difference 2012-13
1,026	1,026	1,055	1,020	6

Human Resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
9	8	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Suspected, alleged or known breaches of the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i> are reviewed or investigated and appropriate measures taken to ensure compliance.	Percentage of suspected, alleged or known breaches of the Act or Code that are subject to review or investigation.	100% of suspected, alleged, or known breaches are subject to review or investigation.	100% of suspected, alleged or known breaches were subject to review or investigation.
Information contained in monthly communication reports submitted to the Office of the Commissioner of Lobbying is accurate and complete.	Percentage of monthly communication reports that are found accurate.	90-95% of reports are found to be accurate and complete.	94.5% of reports were found to be accurate and complete.
Exemptions from the five-year prohibition are granted or denied in a manner consistent with the purposes of the <i>Lobbying Act</i> .	Percentage of exemption reviews completed to the point of the letter of intent within 60 days.	100% of exemption reviews are completed to the point of the letter of intent within 60 days.	100% of exemption reviews were completed to the point of the letter of intent within 60 days.

Performance Analysis and Lessons Learned

Compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct* ensures the public that lobbying activities are transparent and conducted in an ethical manner.

For the second year, the review and investigation file caseload was reduced by completing more files than were commenced. This achievement included completing all but three of the 40 files inherited from the predecessor of the Commissioner of Lobbying, the former Registrar of Lobbyists. The OCL's end-of-year carry-over of administrative review files was reduced from 41 files to 36 files. The caseload of investigation files was also reduced from eight to five files. The OCL has developed a list of criteria to evaluate the gravity and potential impact of files in the caseload, in order to better assess the priority level of individual files.

Twenty-two administrative reviews and three investigations were opened during the year. Twenty-seven administrative reviews were completed and reports submitted to the Commissioner recommending suitable compliance measures. Two Reports on Investigation were submitted by the Commissioner for tabling in Parliament.

Three investigations of alleged offences under the *Lobbying Act* were suspended and the files were referred to the RCMP for investigation. The RCMP charged one subject with an offence for failing to file a consultant lobbyist registration as required under subsection 5(1) of the Act. As of March 31, 2013, the matter remains before the Courts.

To ensure the accuracy of information submitted by lobbyists, letters were sent to 99 designated public office holders (DPOHs) requesting that they verify the information contained in 506 monthly communication reports. A total of 28 errors were identified, the majority of which were clerical in nature. The OCL advised registrants of errors and instructed them on how to amend or delete incorrect entries. Communicating with DPOHs increases their awareness of lobbying activity and of the reporting requirements lobbyists must meet.

As well as monitoring compliance with registration requirements of the Act and ethical standards set out in the Code, the OCL conducts reviews of applications for exemption from the five-year prohibition on lobbying. Nine applications for exemption were received during the 2012-13 fiscal year, more than in any other year since the coming into force of the *Lobbying Act*. Seven reviews were completed. Four exemptions were granted, and three applications were denied. All reviews were completed within timelines set out in the OCL exemption review service standards. Exemptions granted by the Commissioner are posted on the OCL website.

The OCL continues to participate in a cluster group of small agencies to find a shared electronic case management system that will meet the needs of all. In the meantime, the OCL will continue to employ available project software to meet its needs, and will explore other avenues for a software solution.

Internal Services

Internal Services are activities that support programs and corporate obligations of the organization. They include activities such as: Management and Oversight Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management; and Information Technology Services. Internal Services include only activities and resources that apply across the organization and not to those provided specifically to a program.

Given the mandate of the OCL to develop and implement educational programs to foster public awareness of the requirements of the *Lobbying Act*, Communications Services are not included in Internal Services, but rather form part of the Education and Research program.

Financial Resources (\$ thousands)

Total Budgetary Expenditures (Main Estimates) 2012-13	Planned Spending 2012-13	Total Authorities (available for use) 2012-13	Actual Spending (authorities used) 2012-13	Difference 2012-13
1,527	1,619	1,774	1,677	(58)

Human Resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
6	6	0

Performance Analysis and Lessons Learned

In order to operate within its existing budget, and to acquire required competencies to strengthen its capacity in the area of financial analysis and program evaluation, the OCL needed to restructure. Therefore two positions were eliminated in order to acquire the necessary competencies through the hiring of two new employees.

An internal audit of the Lobbyists Registration System was completed during the year, which identified an improvement opportunity in the area of IT security and business continuity. Several measures have been identified as part of the Management Action Plan that resulted from the audit, which will continue to be implemented in 2013-14.

The capacity of the organization in the areas of performance measurement and program evaluation was improved in 2012-13. As planned, a new policy analyst was hired to assist in the development and implementation of a performance measurement strategy. This will strengthen the OCL's ability to monitor progress towards expected outcomes. This work will also support the development of a multi-year evaluation plan in 2013-14.

The OCL updated its existing Corporate Risk Profile. A strategic organizational framework was also developed to communicate the OCL vision and to support long-term planning.

Section III: Supplementary Information

Financial Statements Highlights

The financial highlights presented within this Departmental Performance Report are intended to serve as a general overview of the OCL's Statement of Operations and Net Financial Position and Statement of Financial Position, as presented in its financial statements.

The OCL had its financial statements audited by the Office of the Auditor General of Canada for the first time in 2012-13, and received an unqualified audit opinion.

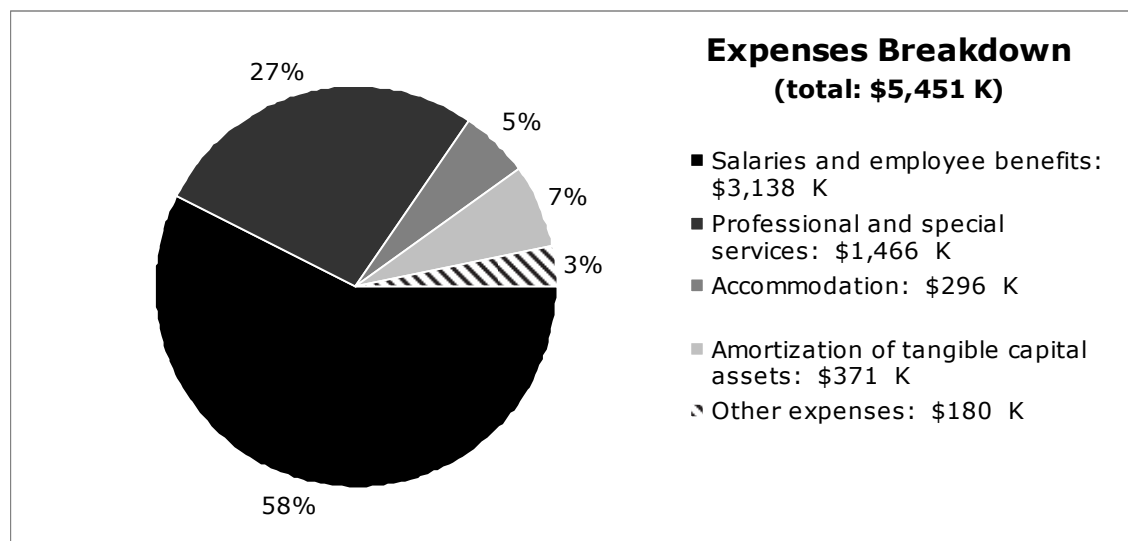
Condensed Statement of Operations and Net Financial Position

Office of the Commissioner of Lobbying Condensed Statement of Operations and Net Financial Position For the Year Ended March 31, 2013 (\$ thousands)					
	2012-13 Planned Results	2012-13 Actual	2011-12 Actual Restated	\$ Change (2012-13 Planned vs. Actual)	\$ Change (2012-13 Actual vs. 2011-12 Actual)
Total expenses	5,455	5,451	5,348	4	103
Total revenues	–	–	–	–	–
Net cost of operations before government funding and transfers	5,455	5,451	5,348	4	103
Net financial position	901	872	941	29	(69)

The majority of OCL's expenses (58%) relate to salaries and employee benefits.

The professional and special services expenses (27%) include the costs incurred by the OCL with other government departments for the provision of most of its corporate services, including information technology, human resources management and financial services.

The following chart illustrates the breakdown of OCL's 2012-13 expenses by major object of expenses.



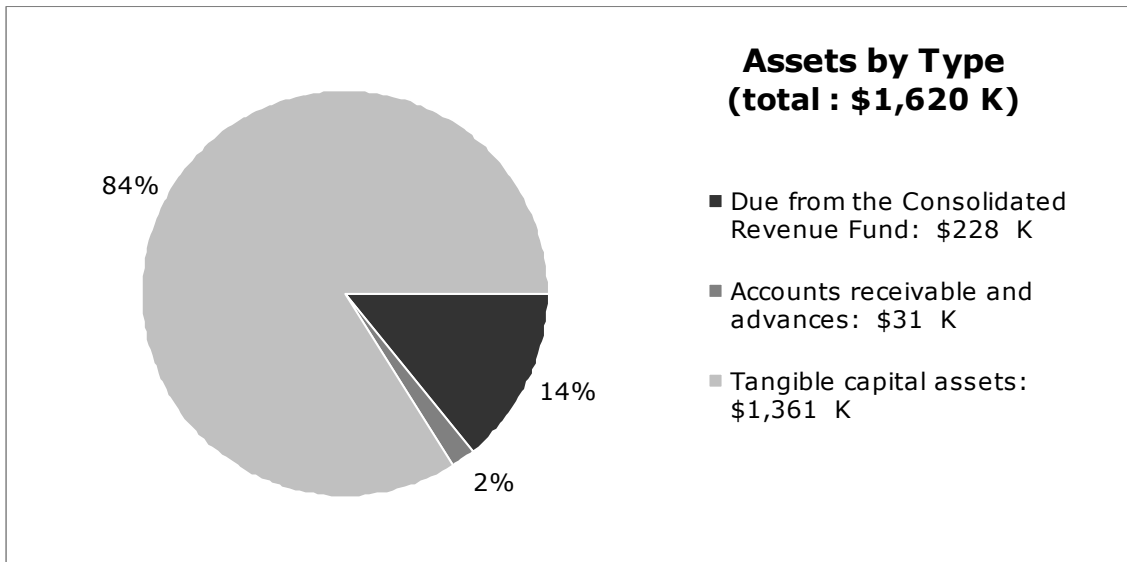
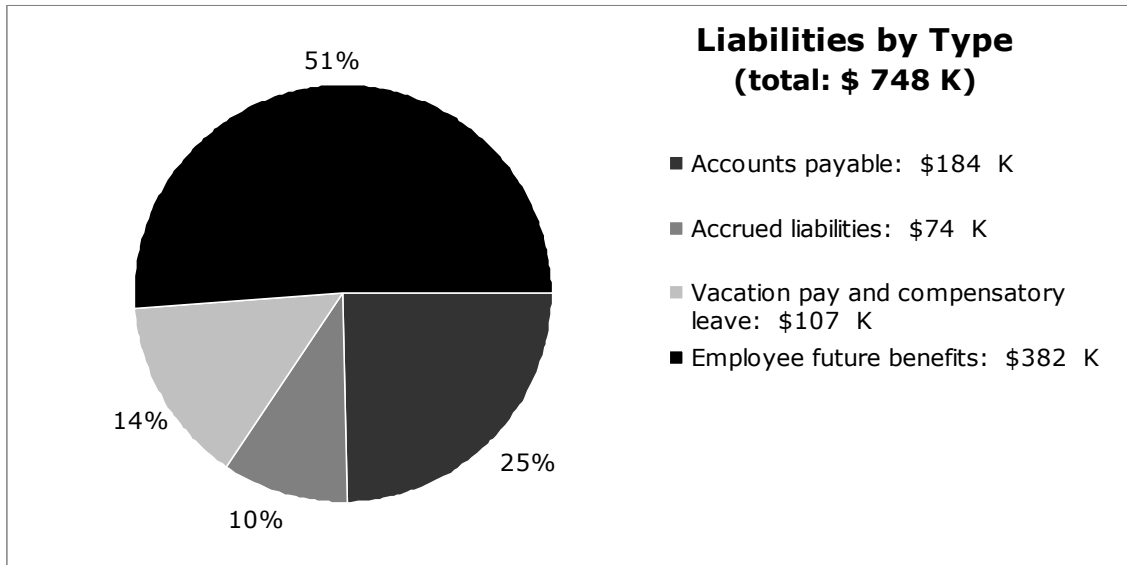
Condensed Statement of Financial Position

Office of the Commissioner of Lobbying of Canada Condensed Statement of Financial Position As at March 31, 2013 (\$ thousands)			
	2012-13	2011-12 Restated	\$ Change
Total net liabilities	748	847	(99)
Total net financial assets	259	296	(37)
Net debt	490	552	(62)
Total non-financial assets	1,361	1,492	(131)
Net financial position	872	941	(69)

The decrease in total liabilities (12%) is mainly due to a decrease in accounts payable and employee future benefits. The total financial assets decrease (13%) is mostly related to the reduction of the net book value of tangible capital assets.

The total non-financial assets decrease (9%) is primarily attributable to an adjustment made to the accumulated amortization in 2012-13 and applied retroactively. Consequently, the comparative information for 2012 in the financial statements was restated.

The following charts illustrate the breakdown of OCL’s liabilities and assets.



Financial Statements

The [OCL’s financial statements](#)^{iv} can be found on the OCL website.

Supplementary Information Tables

- [Greening Government Operations](#) ^v
- [Internal Audits and Evaluations](#) ^{vi}
- [Response to Parliamentary Committees and External Audits](#) ^{vii}

All electronic supplementary information tables listed in the 2012-13 Departmental Performance Report can be found on the OCL website.

Tax Expenditures and Evaluations Report

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the [Tax Expenditures and Evaluations](#) ^{viii} publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

Section IV: Other Items of Interest

Organizational Contact Information

Office of the Commissioner of Lobbying of Canada

255 Albert Street, 10th Floor

Ottawa, Ontario K1A 0R5

Tel: 613-957-2760

Fax: 613-957-3078

Email: QuestionsLobbying@ocl-cal.gc.ca

René Leblanc

Deputy Commissioner and Chief Financial Officer

255 Albert Street, 10th Floor

Ottawa, Ontario K1A 0R5

Tel: 613-952-4250

Fax: 613-957-3078

Email: rene.leblanc@ocl-cal.gc.ca

Endnotes

- i Descriptors for Government of Canada Outcome Areas: <http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx>
- ii Public Accounts of Canada 2013: <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- iii The Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals: <http://www.ceaa.gc.ca/default.asp?lang=En&n=B3186435-1>
- iv Performance Reports – Financial Statements: <http://ocl-cal.gc.ca/eic/site/012.nsf/eng/00807.html>
- v Greening Government Operations: <http://ocl-cal.gc.ca/eic/site/012.nsf/eng/00804.html>
- vi Internal Audits and Evaluations: <http://ocl-cal.gc.ca/eic/site/012.nsf/eng/00805.html>
- vii Response to Parliamentary Committees and External Audits: <http://ocl-cal.gc.ca/eic/site/012.nsf/eng/00806.html>
- viii Tax Expenditures and Evaluations: <http://www.fin.gc.ca/purl/taxexp-eng.asp>