

# Office of the Commissioner of Lobbying of Canada

2015-16

## **Departmental Performance Report**

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The Honourable Scott Brison, PC, MP  
President of the Treasury Board

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## Commissioner's Message

I am pleased to present the *2015-16 Departmental Performance Report* for the Office of the Commissioner of Lobbying (OCL). My mandate is threefold: maintaining a registry of lobbyists that is accessible to Canadians; fostering greater awareness of the requirements of the *Lobbying Act*; and ensuring compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

The *Lobbyists' Code of Conduct* had remained unchanged since it came into force in 1997. Based on my experience in administering the Code and the views expressed during an extensive consultation process, I revised the Code and referred it to the House of Commons Standing Committee on Access to Information, Privacy, and Ethics in May 2015. The new Code was published in the *Canada Gazette* in November 2015 and came into effect on December 1, 2015.

Guidance and tools to assist lobbyists in complying with the new Code were made available on the OCL's website at the time of publication. An Annotated *Lobbyists' Code of Conduct* provides additional explanations and legal context. Guidance was published about the rules relating to conflict of interest including those dealing specifically with preferential access, political activities, and gifts.

Following the publication of the new Code, my Office responded to a high volume of requests for advice, primarily from the lobbying community. A series of anonymized questions and answers based on the advice provided was published in my 2015-16 Annual Report to help the lobbying community better understand the new rules.

The *Lobbying Act* is based on the premise that lobbying is legitimate and must be conducted in a transparent manner. Under the Act, lobbyists must disclose their activities in the Registry of Lobbyists and that information was accessed more than 739,000 times in 2015-16.

The federal election campaign that was launched in August 2015 and the change in government in October 2015 have had a significant impact on the volume of lobbying activities, as reflected in the number of registrations and communication reports. There was a marked drop in the number of communication reports filed in the period from June to December 2015, as compared to previous years. Despite a higher than usual level of activity in February and March 2016, the overall number of registration activities was 5% lower in 2015-16 than in the previous year.

Compliance with the rules of the lobbying regime requires an effective outreach and education program. In 2015-16, my staff and I met with 1,400 individuals, including lobbyists, public office holders, parliamentarians, and academics, primarily about the coming into force of the new Code. This is approximately twice as many stakeholders as my Office reached last year.

A range of proactive measures have also been implemented to ensure lobbyists and former designated public office holders comply with the Act and the Code. These activities play a dual role in uncovering potential non-compliance and in educating existing and potential registrants and former designated public office holders, who are subject to post-employment restrictions on lobbying. As a result, my Office issued a total of 171 advisory letters in 2015-16, compared to 36 the previous year.



Last year, I reported that three individuals had been charged with offences under the *Lobbying Act* following my referral of their case to the RCMP. At the time of writing this Report, all three matters are still before the courts – in one case a conviction is being appealed while we are awaiting a decision in the other two cases.

I would like to take this opportunity to express my sincere gratitude to the OCL staff who worked diligently during the past year to continue to meet our service standards. This is particularly noteworthy considering the high volume of activity following the federal election and the launch of the new *Lobbyists' Code of Conduct*.

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Karen E. Shepherd  
Commissioner of Lobbying

## Results Highlights

### What funds were used?



4,377,457

**Actual Spending**

### Who was involved?



28

**Actual FTEs**

### Results Highlights



- ✓ The new *Lobbyists' Code of Conduct* came into effect on December 1, 2015.
- ✓ The Lobbyists Registration System was successfully moved to a new host in February 2016.
- ✓ The Registry of Lobbyists was accessed more than 739,000 times in 2015-16.
- ✓ Three individuals were charged with offences under the *Lobbying Act* in 2015-16 following a referral by the Commissioner to the RCMP.
- ✓ The Commissioner and OCL staff met with 1,400 individuals in 2015-16.





## Section I: Organizational Expenditure Overview

### Organizational Profile

**Deputy Head:** Karen E. Shepherd

**Enabling Instrument:** [Lobbying Act, R.S.C., 1985, c. 44 \(4th Supp.\)](#)<sup>i</sup>

**Year of Incorporation:** 2006

**Other:** The Office of the Commissioner of Lobbying supports the Commissioner of Lobbying, who is an independent Agent of Parliament.

### Organizational Context

#### 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. To that end, the mandate of the OCL is to establish and maintain the Registry of Lobbyists, develop and implement educational programs to foster awareness about the Act; and, ensure compliance with the Act and the *Lobbyists' Code of Conduct*. The President of Treasury Board is the minister responsible for tabling in Parliament the Office of the Commissioner of Lobbying's Report on Plans and Priorities and Departmental Performance Report.

#### 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*.

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

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

1.1. **Program:** Registry of Lobbyists

1.2. **Program:** Outreach and Education

1.3. **Program:** Compliance and Enforcement

**Internal Services**

## Operating Environment and Risk Analysis

### Key Risks

Risk	Risk Response Strategy	Link to the Organization's Programs
Information Technology Security	<p>This risk 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 2013-14.</p> <p>A Corporate Security Plan, including an IT Security Plan, was developed in response to the audit finding. The LRS application was migrated to the new service provider in 2015-16 and the rest of OCL's systems are planned to be migrated in 2016-17. The OCL will expand the service agreement with the new service provider to provide a protected environment for all of its IT systems.</p>	Internal Services
Integrity and accessibility of the Lobbyists Registration System (LRS)	<p>It is important for the integrity of the LRS data that information is posted in the Registry on a timely basis. The OCL is improving the integrity of the information contained in the Registry by educating lobbyists about the timelines for submitting monthly communication reports, with a view to improving the timeliness of disclosures by lobbyists.</p> <p>The OCL will keep the documentation of the Registry's processes evergreen to ensure its long-term integrity. Following the successful migration of the LRS application to a new service provider in 2015-16, the OCL will conduct a review of the application's source code, and will assess essential development and maintenance tasks in order to prioritize improvements. New registration and search features will be developed to further improve the user experience.</p>	Registry of Lobbyists

Risk	Risk Response Strategy	Link to the Organization's Programs
Lobbyists fail to comply with the <i>Lobbying Act</i> because they do not understand the requirements	This risk was documented in the Corporate Risk Profile, updated in 2013-14. Following the implementation of the case management system, the OCL will continue to improve compliance verification processes. The OCL will take a proactive approach to compliance across all programs by bringing together education, registration, investigation, policy and IT expertise in order to develop and implement more strategic compliance efforts.	Registry of Lobbyists Outreach and Education Compliance and Enforcement

The OCL continues to strengthen its management accountability framework to mitigate risks related to the security of the IT infrastructure that underpins the Registry of Lobbyists and other systems. Potential implications for such risks include a loss of confidence in the information contained in the Registry. Last year, a Corporate Security Plan and an IT Security Policy were put in place, and a segregated (air gap) network was implemented to improve security. The segregated network improved the level of protection of compliance files and provided a development environment for the Lobbyists Registration System (LRS) application. This year, the OCL concluded an agreement with a new service provider to host the LRS on a secure platform that is also capable of hosting all the OCL's IM/IT systems. Next year, the OCL will continue work to migrate the rest of its IM/IT infrastructure to the new service provider. This will allow for greater integration of the OCL's systems and help streamline information management and business processes.

The integrity of the Registry data and easy access by Canadians are paramount to ensuring the transparency of lobbying activities. The OCL reviews and approves lobbyists' registrations and ensures that the Registry is available with minimum system interruptions. The migration of the LRS platform to a new service provider in 2015-16 has enabled the OCL to begin to address essential maintenance issues that had been deferred as a result of budget reductions announced in Budget 2012.

Individuals, organizations and corporations may fail to register because they are not aware that the *Lobbying Act* applies to them. Over the past two years, the OCL has increased the number of advisory letters sent to potential registrants to ensure that those at risk of non-compliance are made aware of the requirements of the Act. This year, the OCL continued to improve compliance verification processes and the proactive approach to compliance across all programs. The Compliance Advisory Team, which was established in 2014-15, recommended approaches to improve compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

An Audit and Evaluation Committee (AEC), composed of members from outside the OCL, was established in 2009 as an independent advisory committee to the Commissioner of Lobbying. The AEC provides objective advice and recommendations to the Commissioner regarding management, control and governance frameworks and processes. The AEC meets four times a year.

## Organizational Priorities

**Priority:** Replicate the Lobbyists Registration System (LRS) on OCL's segregated network and make full use of the development environment for the LRS.

**Description:** A robust, stable and user-friendly Registry of Lobbyists is essential for lobbyists to register and report their lobbying activities in accordance with the *Lobbying Act* and for Canadians to access timely information about lobbying activities.

The integrity and accessibility of the Registry of Lobbyists had been identified as a corporate risk area. Following the successful migration of the LRS platform to a new service provider in 2015-16, the application will need to be updated to ensure the Registry's long-term viability.

The LRS's business rules and data architecture were documented in 2013-14, and a protected development environment for the LRS was implemented in 2014-15. In 2015-16, the Registry database was replicated on the protected development environment and options for the long-term maintenance and development of the LRS were identified. The LRS was successfully migrated to a new service provider in February 2016.

**Priority type**<sup>1</sup>: New

### Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
Secure the services of a software developer to replicate the LRS functionality on OCL's segregated network.	April 2015	March 2016	completed	Registry of Lobbyists
Make use of the development environment for the LRS in order to update, mine and report on Registry data internally, and to develop options for the long-term maintenance and development of the LRS.	April 2015	March 2016	completed	Registry of Lobbyists
<b>Progress Toward the Priority</b>				
<p>This priority has been achieved.</p> <p>The OCL secured the services of a software developer and the LRS was replicated on the OCL's segregated network in early 2015. The secure development environment was used to develop options for the long-term maintenance and development of the LRS. This enabled a successful migration of the LRS platform to a new service provider in February 2016.</p> <p>As a result, in 2016-17, the OCL can begin to address essential maintenance issues that had been deferred as a result of reductions announced in Budget 2012.</p>				

**Priority:** Finalize, implement and communicate the revised *Lobbyists' Code of Conduct*.

<sup>1</sup> Type is defined as follows: *previously committed to*—committed to in the first or second fiscal year prior to the subject year of the report; *ongoing*—committed to at least three fiscal years prior to the subject year of the report; and *new*—newly committed to in the reporting year of the Report on Plans and Priorities.

**Description:** The Commissioner is responsible for the administration of the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

In 2014-15, the Commissioner published a report indicating that while the Code is working well, there were opportunities for improvement. The *Lobbyists' Code of Conduct* was subsequently revised. As required by the *Lobbying Act*, the Commissioner conducted a public consultation to engage interested stakeholders.

With the coming into force of the Code December 1, 2015 it is critical that lobbyists understand the requirements.

**Priority type:** Previously committed to

### Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
The OCL will analyze the results of the consultation on the revised <i>Lobbyists' Code of Conduct</i> and finalize the Code.	April 2015	March 2016	completed	Outreach and Education
The Commissioner will refer the Code to the House of Commons Standing Committee on Access to Information, Privacy, and Ethics.	April 2015	March 2016	completed	Outreach and Education
The Commissioner will submit the final <i>Lobbyists' Code of Conduct</i> for publication in the <i>Canada Gazette</i> , where she will indicate the date when it will come into force.	April 2015	March 2016	completed	Outreach and Education
The OCL will develop the necessary guidance and tools to ensure that those who are subject to the Code understand the requirements of the Code and comply.	April 2015	March 2016	completed	Outreach and Education
Progress Toward the Priority				
<p>This priority has been achieved.</p> <p>Following an extensive two-year consultation process, the new <i>Lobbyists' Code of Conduct</i> was referred to the House of Commons Standing Committee on Access to Information, Privacy and Ethics in May 2015. The new Code was published in the <i>Canada Gazette</i> in November 2015 and came into force on December 1, 2015.</p> <p>The necessary guidance and tools to assist lobbyists in complying with the new Code were developed and made available on the OCL's website at the time of publication. An Annotated <i>Lobbyists' Code of Conduct</i> provides additional explanations and legal context to the Code. In response to demand from lobbyists for guidance on the rules relating to conflict of interest, the Commissioner published guidance for: Rule 6 which is the umbrella rule regarding conflict of interest; Rules 7 and 8 dealing with preferential access, Rule 9 regarding political activities, and Rule 10 which covers gifts.</p> <p>Following the publication of the new <i>Lobbyists' Code of Conduct</i>, the OCL responded to a high volume of requests for advice from the lobbying community regarding the new Code. To assist lobbyists further, a set of anonymized questions and answers based on the advice provided and with tangible examples regarding the application of the new Code were published in the OCL's Annual Report for 2015-16.</p>				

**Priority:** Refine existing compliance verification processes.

**Description:** Compliance verification ensures that registrable lobbying activity is properly reported, and information provided by lobbyists is accurate and complete. This will enhance transparency by ensuring that those who are lobbying federal public office holders are in compliance with the *Lobbying Act*.

**Priority type:** Previously committed to

**Key Supporting Initiatives**

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
The compliance verification activities introduced in 2014-15 will be refined, leading to an increased number of advisory letters sent to potential registrants.	April 2015	March 2016	completed	Compliance and Enforcement
The automated case management system installed in 2014-15 will be put into operation. Implementation of the new system will include the development and documentation of procedures, as well as training for staff. The system will improve the management of compliance files and allow for more efficient compliance analysis.	April 2015	March 2016	completed	Compliance and Enforcement

Progress Toward the Priority
<p>This priority has been achieved.</p> <p>Refined compliance verification activities have led to a total of 171 advisory letters being sent in 2015-16, compared to 36 letters sent in 2014-15. The automated case management system was put into operation in 2015-16 and investigations staff have been trained to use it. The system is being used for new investigation files, and work is underway to save historical files in the system in order to leverage it to improve the management of compliance files and allow for more efficient compliance analysis.</p> <p>Going forward, the mandate of the Compliance Advisory Team instituted in 2014-15 will be strengthened. This team brings together employees from across the organization with education, registration, investigation, policy and IT expertise. In 2016-17, members will not only recommend approaches to improve compliance with the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i> but will also begin to lead compliance verification projects.</p>

**Priority:** Finalize and implement an IM/IT strategy.

**Description:** Strong information management (IM) and information technology (IT) helps the OCL deliver on its mandate efficiently and effectively.

An IM/IT strategy will identify options to address gaps noted in previous OCL audits and risk analyses.

**Priority type:** New

### Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
The OCL will finalize and implement an information management strategy for the organization.	April 2015	March 2016	completed	Internal Services
The OCL will finalize and implement an information technology strategy and infrastructure investment plan.	April 2015	March 2016	completed	Internal Services
Progress Toward the Priority				
<p>This priority has been achieved.</p> <p>A combined IM/IT strategy identifying options to address gaps noted in previous OCL audits and risk analyses was finalized in 2015-16. The strategy is being implemented and the focus for 2016-17 is to expand the service agreement with the new LRS service provider to host the rest of the OCL's IT infrastructure in order to migrate all of the OCL's IM/IT systems to that new provider and integrate systems.</p>				





## Section II: Expenditure Overview

### Actual Expenditures

#### Budgetary Financial Resources (dollars)

2015-16 Main Estimates	2015-16 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	Difference (actual minus planned)
4,452,540	4,552,540	4,616,257	4,377,457	(175,083)

#### Human Resources (Full-Time Equivalent [FTEs])

2015-16 Planned	2015-16 Actual	2015-16 Difference (actual minus planned)
28	28	0

### Budgetary Performance Summary

#### Budgetary Performance Summary for Programs and Internal Services (dollars)

Programs and Internal Services	2015-16 Main Estimates	2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	2014-15 Actual Spending (authorities used)	2013-14 Actual Spending (authorities used)
Registry of Lobbyists	1,029,060	1,052,172	1,025,250	1,025,250	1,040,305	986,477	950,575	887,751
Outreach and Education	694,327	709,921	772,854	772,854	726,224	688,647	722,255	732,456
Compliance and Enforcement	1,136,392	1,161,914	1,121,510	1,121,510	1,187,145	1,125,719	1,111,761	1,080,788
Internal Services	1,592,761	1,628,533	1,543,072	1,543,072	1,662,583	1,576,614	1,895,935	1,762,528
<b>Total</b>	<b>4,452,540</b>	<b>4,552,540</b>	<b>4,462,686</b>	<b>4,462,686</b>	<b>4,616,257</b>	<b>4,377,457</b>	<b>4,680,526</b>	<b>4,463,523</b>

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.

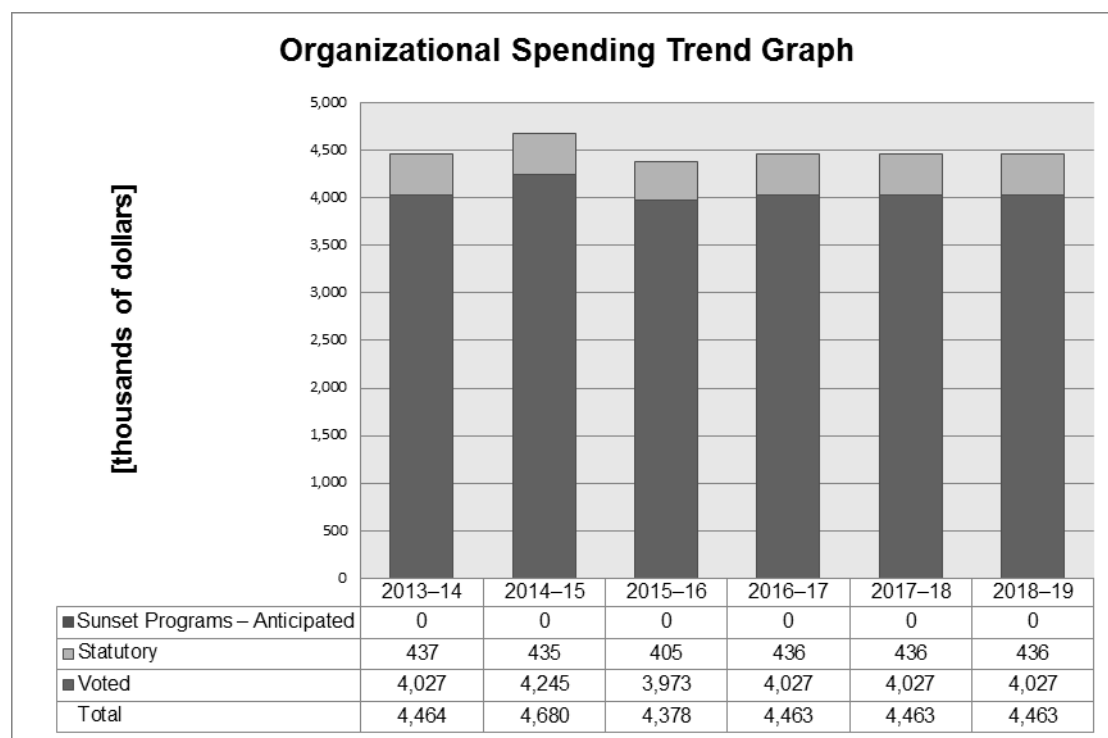
In 2015-16, the OCL's planned and actual spending was on target.

The decrease in expenditures when comparing 2015-16 Actual Spending and 2014-15 Actual Spending is due primarily to unexpected decreases in costs of IT services provided by other government departments (\$135K) as well as to a decrease of (\$120K) in personnel costs due to

vacant positions. The remaining difference is a decrease in expenditures of (\$48K) in other professional services.

Planned spending for 2016-17 and for future years is expected to remain constant.

## Organizational Spending Trend



The decrease in actual spending in 2015-16 in comparison to fiscal year 2014-15 is due to pay list expenditures and a decrease of other professional services. The gradual decrease is mainly attributable to the one-time transition payment for implementing salary payment in arrears by the Government of Canada in 2014-15 and the cash-out of severance pay following the signing of new collective agreements (as a result of the Government’s decision in 2011 to cease the severance pay program for public service employees).

The planned spending for future years is expected to remain constant.

## Expenditures by Vote

For information on the Office of the Commissioner of Lobbying of Canada’s organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2016](#).<sup>ii</sup>

## Alignment of Spending With the Whole-of-Government Framework

### Alignment of 2015-16 Actual Spending with the [Whole-of-Government Framework](#)<sup>iii</sup> (dollars)

Program	Spending Area	Government of Canada Outcome	2015-16 Actual Spending
Registry of Lobbyists	Government Affairs	A transparent, accountable, and responsive federal government	986,477
Outreach and Education	Government Affairs	A transparent, accountable, and responsive federal government	688,647
Compliance and Enforcement	Government Affairs	A transparent, accountable, and responsive federal government	1,125,719

### Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	-	-
Social Affairs	-	-
International Affairs	-	-
Government Affairs	2,924,007	2,800,843

## Financial Statements and Financial Statements Highlights

### Financial Statements

The [OCL's financial statements](#)<sup>iv</sup> can be found on the OCL website.

### Financial Statements Highlights

#### Condensed Statement of Operations (unaudited) For the Year Ended March 31, 2016 (dollars)

Financial Information	2015-16 Planned Results	2015-16 Actual	2014-15 Actual	Difference (2015-16 actual minus 2015-16 planned)	Difference (2015-16 actual minus 2014-15 actual)
Total expenses	5,340,507	5,199,499	5,263,197	(141,008)	(63,698)
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	5,340,507	5,199,499	5,263,197	(141,008)	(63,698)

There was a 1% decrease in actual expenses from 2014-15 to 2015-16. The plan was to have a slight 1% increase in expenditures from 2014-15 to 2015-16. However, changes in corporate and professional services expenditures, and delays in projects reduced the actual spending by \$141k.

OCL's salaries and employee benefits represent 62% of total expenditures. Professional and special services expenses represent 19% of total expenditures and include the costs of corporate services purchased from other government departments, including information technology, human resources management and financial services. The amortization of tangible capital assets, such as the Lobbyists Registration System, represents 9% of total expenditures.

#### Condensed Statement of Financial Position (unaudited) As at March 31, 2016 (dollars)

Financial Information	2015-16	2014-15	Difference (2015-16 minus 2014-15)
Total net liabilities	685,620	897,961	(212,341)
Total net financial assets	376,282	553,115	(176,833)
Net debt	309,338	344,846	(35,508)
Total non-financial assets	616,706	838,777	(222,071)
Net financial position	307,368	493,931	(186,563)

The decrease in total net liabilities is mainly attributable to a decrease in accounts payable and accrued liabilities. The total net financial assets decrease is almost entirely attributable to a decrease in the Due from Consolidated Revenue Fund.

The decrease in the total non-financial asset is mainly attributable to lower capitalization of expenditures (244K) and continued amortization of existing assets (464K).



## Section III: Analysis of Programs and Internal Services

### Registry of Lobbyists

#### **Description**

The OCL maintains an online Registry that makes information about lobbying activities public, including which designated public office holders were lobbied and on what subjects. The Registry is easy to use, searchable and downloadable. The OCL reviews and approves lobbyists' registrations. It also provides advice and technical support related to the Registry, the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

#### **Performance Analysis and Lessons Learned**

Following last year's implementation of a new secure development environment for the Lobbyists Registration System (LRS), the OCL was able to explore cost-effective options for the long-term viability of the system in 2015-16 and, as a result, the LRS was successfully migrated to a new service provider in February 2016.

The OCL continues to provide assistance and guidance to registrants as required, whether by phone, email, webinars, or in person. This year, registration advisors responded to 2,816 telephone enquiries regarding the Registry of Lobbyists, the registration process, the application of the *Lobbying Act* or the *Lobbyists' Code of Conduct*. More than 89% of the calls were answered within 30 seconds, bettering our service standard of 80% of calls being answered within 30 seconds. Staff also responded to about 1,000 email enquiries in 2015-16.

The number of active lobbyists listed in the Registry has remained relatively stable since 2012-13. There were 8,494 active lobbyists listed in the Registry during 2015-16, slightly surpassing the target of 8,400 active lobbyists.

This year, the election campaign and the subsequent change in government had a noticeable impact on the number of registration activities. Registration activities include new registrations, updates to registrations, reactivations of registrations, terminations of registrations by registrants, 6-month returns recertifying registrations with no changes, and monthly communication reports. In particular, there was a significant drop in the number of communication reports from June to December 2015 compared to previous years. Even with a strong rebound in monthly communication reports in February and March 2016, the overall total of 20,857 registration activities fell 5% short of the target of 22,000.

Information in the Registry was accessed more than 739,000 times in 2015-16 through searches, reports, and open data downloads. This result exceeds the target of 700,000 accesses.

In addition, a comprehensive Registry dataset (refreshed every month) is made available for download on both the [OCL website](#)<sup>v</sup> and through [open.canada.ca](#).

**Budgetary Financial Resources (dollars)**

2015-16 Main Estimates	2015-16 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	Difference (actual minus planned)
1,029,060	1,052,172	1,040,305	986,477	(65,695)

**Human Resources (Full-Time Equivalentents [FTEs])**

2015-16 Planned	2015-16 Actual	2015-16 Difference (actual minus planned)
7	7	0

**Performance Results**

Expected Results	Performance Indicators	Targets	Actual Results
Lobbyists register and report their lobbying activities in accordance with the <i>Lobbying Act</i>	Number of lobbyists active during the fiscal year	8,400	8,494
	Number of registration activities during the fiscal year	22,000	20,857
Canadians access information about lobbying activities through the Registry of Lobbyists	Number of times Registry information is accessed during the fiscal year	700,000	739,075



## Outreach and Education

### Description

The OCL undertakes research to inform the development and delivery of its education and outreach products and activities. Outreach activities raise awareness about the requirements of the *Lobbying Act* and the *Lobbyists' Code of Conduct*. Outreach audiences include but are not limited to lobbyists, their clients and public office holders.

### Performance Analysis and Lessons Learned

In 2015-16, OCL staff met with 1,400 individuals, including lobbyists, public office holders, parliamentarians, and academics. This is almost twice as many stakeholders as the OCL reached the previous year.

The *Lobbyists' Code of Conduct* came into force on March 1, 1997. Canada's lobbying legislation was amended several times since it was introduced in 1989, but the Code remained unchanged. In May 2015, the Commissioner referred a new *Lobbyists' Code of Conduct* to the House of Commons Standing Committee on Access to Information, Privacy and Ethics as the last stage of an extensive two-year consultation process. The new Code was published in the *Canada Gazette* and came into force on December 1, 2015.

Lobbyists — individuals who are required to register or be listed in a registration — must comply with the *Lobbyists' Code of Conduct*. The Code is also an important tool for federal public office holders. As the objects of lobbying, it is important that they understand the standards of conduct they should expect from lobbyists who communicate with them.

The necessary guidance and tools to assist lobbyists in complying with the new Code were developed and made available on the OCL's website at the time of publication. An *Annotated Lobbyists' Code of Conduct* provides additional explanations and legal context to the Code. In response to demand from lobbyists for guidance on the rules relating to conflict of interest, the Commissioner published guidance for: Rule 6 which is the umbrella rule regarding conflict of interest; Rules 7 and 8 dealing with preferential access, Rule 9 regarding political activities, and Rule 10 which covers gifts.

Following the publication of the new *Lobbyists' Code of Conduct*, the OCL responded to a high volume of requests for advice from the lobbying community regarding the new Code. To assist lobbyists further, a set of anonymized questions and answers based on the advice provided and with tangible examples regarding the application of the new Code were published in the OCL's Annual Report for 2015-16.

The Outreach and Education program met all of its performance targets in 2015-16. Awareness of the requirements of the Act led to 1,279 new registrations during the year, exceeding the target of 1,200. The OCL's efforts to educate lobbyists about the importance of accuracy and timeliness in the reporting of oral and arranged communications with designated public office holders were successful. Ninety-five percent of monthly communication reports subject to verification were confirmed to be accurate. This exceeded the target of 90%. Another successful outcome was that 92% of all monthly communication reports were filed within the prescribed timelines. This was the highest percentage observed to date and exceeded the target of 90%.

**Budgetary Financial Resources (dollars)**

2015-16 Main Estimates	2015-16 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	Difference (actual minus planned)
694,327	709,921	726,224	688,647	(21,274)

**Human Resources (FTEs)**

2015-16 Planned	2015-16 Actual	2015-16 Difference (actual minus planned)
7	7	0

**Performance Results**

Expected Results	Performance Indicators	Targets	Actual Results
Outreach and education lead to new registrations	Number of new registrations during the fiscal year	1,200	1,279
Lobbyists are aware of the requirement to file accurate monthly communication reports in a timely manner	Percentage of monthly communication reports that are accurate	90%	95%
	Percentage of monthly communication reports that are filed in a timely manner	90%	92%

## Compliance and Enforcement

### Description

The OCL conducts monitoring and compliance verification activities to ensure that registrable lobbying activity is properly reported, and information provided by lobbyists is accurate and complete. Suspected and alleged non-compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct* is reviewed and, where appropriate, formal investigations are undertaken to ensure compliance with the Act and the Code. The Commissioner reports findings and conclusions in Reports on Investigation submitted for tabling in Parliament. The OCL also reviews applications for exemption from the five-year post-employment prohibition on lobbying.

### 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. The OCL's compliance and enforcement program is focused on three main types of activities:

- compliance verifications;
- reviews and investigations into alleged breaches of the Act or the Code; and
- reviews of applications for exemption from the five-year post-employment prohibition on lobbying for former designated public office holders.

This year, the Investigations Directorate continued to keep pace with new allegations of non-compliance with the Act or the Code. In 2015-16, 22 preliminary assessments of suspected or alleged non-compliance were conducted, and 20 administrative reviews were initiated. All preliminary assessments were completed, meeting the 100% target.

In 2014-15, the Commissioner established a Compliance Advisory Team that brings together employees from across the organization with expertise in registration, policy, IT, and investigations. This Team reviews compliance-related issues and challenges, and recommends initiatives to improve compliance with the Act and the Code. The Team relies on a multi-disciplinary, collaborative approach to review existing compliance verification activities and determine how they can be made more effective or if new activities should be recommended. The OCL undertakes five types of compliance verification activities:

- monthly communication report verifications – every month, a 5% sample of reports submitted during the previous month are verified with the designated public office holder named in them to confirm their accuracy
  - in 2015-16, the OCL conducted 78 verifications with designated public office holders, covering 335 monthly communication reports
  - 95% of the sampled reports were confirmed as accurate
  - of those that were found to be inaccurate, two-thirds had only minor clerical errors
- compliance assessments – 12 months after a lobbyist has been advised of a breach, an assessment is conducted to determine whether there were repeated instances of the same type of non-compliance
  - in 2015-16, the OCL conducted 68 compliance assessments and found no instances of repeat non-compliance

- two instances of minor non-compliance were uncovered that were different from the original one being monitored and appropriate steps were taken to address them
- compliance analysis – the OCL analyzes compliance by conducting research, reviewing and comparing lobbyists’ information in the Registry
  - in 2015-16, the OCL initiated five compliance analyses and sent 88 advisory letters to ensure individuals are aware of the requirements of the Act
- compliance audits – audits of registrations are undertaken to validate the information submitted by registrants and ensure it is accurate and up-to-date
  - in 2015-16 a compliance audit was completed of registrations that had not been updated in several years
  - several registrants whose registrations were found to contain inaccurate or outdated information took the necessary steps to update their registrations
- media monitoring – media reports are monitored to identify individuals, corporations, and organizations that may be lobbying and verify their registration status
  - in 2015-16, following media monitoring, 169 individuals, corporations and organizations were verified, and as a result, a total of 83 advisory letters were sent to confirm compliance with the Act and the Code

Overall, the OCL found that 98% of individuals, corporations and organizations subject to verification in 2015-16 were compliant with the Act, which exceeded the 90% target. For those who had been subject to a compliance measure, all of them (100%) were found to be in compliance 12 months later. This exceeded the 98% target that was set at the beginning of the year.

The Commissioner of Lobbying has the authority to grant an exemption from the five-year prohibition on lobbying to a former designated public office holder if it is not contrary to the purposes of the Act. In 2015-16, the OCL received 22 applications for exemptions, far more than the average of seven received in previous years. The OCL completed 15 exemption reviews which resulted in 11 exemptions being granted and four requests being denied. As of March 31, 2016, seven reviews were ongoing. As required by the Act, exemptions, and the reasons for granting them, are published on the OCL’s website.

The Commissioner believes that timely decisions about exemption requests lead to greater compliance with the five-year prohibition. In 2015-16 a letter of intent was issued within the 60-day service standard in 14 cases but in one case the letter was issued a day late, thus missing the 100% target by 7%.

**Budgetary Financial Resources (dollars)**

2015-16 Main Estimates	2015-16 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	Difference (actual minus planned)
1,136,392	1,161,914	1,187,145	1,125,719	(36,195)

**Human Resources (FTEs)**

2015-16 Planned	2015-16 Actual	2015-16 Difference (actual minus planned)
8	8	0

**Performance Results**

Expected Results	Performance Indicators	Targets	Actual Results
Individuals, corporations and organizations engaged in lobbying activity comply with the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i>	Percentage of allegations of non-compliance that are assessed	100%	100%
	Percentage of individuals, corporations and organizations subject to compliance measures who remained in compliance or demonstrated improved compliance in the ensuing twelve month period	98%	100%
	Percentage of individuals, corporations and organizations subject to verification that are found to be compliant with the Act	90%	98%
Former designated public office holders who request exemptions to the five-year prohibition on lobbying receive timely decisions in order to facilitate compliance with the <i>Lobbying Act</i>	Percentage of exemption reviews for which the letter of intent is completed within 60 days	100%	93%

## Internal Services

### Description

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Given that the OCL has a specific mandate to develop and implement education and outreach programs to raise awareness of the requirements of the *Lobbying Act*, Communications Services are not included in Internal Services, but rather form part of the Outreach and Education program.

### Performance Analysis and Lessons Learned

In 2015-16 the OCL finalized a service agreement with the Office of the Privacy Commissioner to host the Lobbyists Registration System (LRS). The LRS was then successfully migrated to the new hosting platform in February 2016.

A combined IM/IT strategy identifying options to address gaps noted in previous OCL audits and risk analyses was finalized in 2015-16 and has begun being implemented. Building on the successful migration of the LRS, the OCL plans to expand the service agreement with the Office of the Privacy Commissioner to host the rest of the OCL's IT infrastructure. This will allow for a greater integration of IT systems, and enable the streamlining information management and business processes.

The OCL continues to strengthen its management accountability framework, including planning and reporting instruments such as its: Performance Measurement Framework and Strategy; Integrated Business and Human Resources Plan; Information Management/Information Technology Strategic Plan; Corporate Risk Profile; and Security and Business Continuity Plans.

In 2015-16 the OCL initiated preparations for the evaluation of the Outreach and Education program. Surveys of participants in outreach presentations were developed and implemented, and a thorough review of the program logic was undertaken. The evaluation of the program is expected to be completed in 2016-17.

The OCL participated in the Management, Resources and Results Structure amendment process in 2015-16 and will be a first wave adopter of the new *Policy on Results and Resource Alignment*.

**Budgetary Financial Resources (dollars)**

2015-16 Main Estimates	2015-16 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	Difference (actual minus planned)
1,592,761	1,628,533	1,662,583	1,576,614	(51,919)

**Human Resources (FTEs)**

2015-16 Planned	2015-16 Actual	2015-16 Difference (actual minus planned)
6	6	0





## Section IV: Supplementary Information

### Supplementary Information Tables

The following supplementary information tables are available on the OCL website.

- [Organizational Sustainable Development Strategy](#) <sup>vi</sup>
- [Internal Audits and Evaluations](#) <sup>vii</sup>
- [Response to Parliamentary Committees and External Audits](#) <sup>viii</sup>

### Federal Tax Expenditures

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 Canada publishes cost estimates and projections for these measures annually in the [Report of Federal Tax Expenditures](#).<sup>ix</sup> This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

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## Appendix: Definitions

**appropriation** (crédit): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

**budgetary expenditures** (dépenses budgétaires): Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

**Departmental Performance Report** (rapport ministériel sur le rendement): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

**full-time equivalent** (équivalent temps plein): A measure of the extent to which an employee represents a full person year charge against a departmental budget. Full time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

**Government of Canada outcomes** (résultats du gouvernement du Canada): A set of 16 high level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

**Management, Resources and Results Structure** (Structure de la gestion, des ressources et des résultats): A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

**non-budgetary expenditures** (dépenses non budgétaires): Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

**performance** (rendement): What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

**performance indicator** (indicateur de rendement): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

**performance reporting** (production de rapports sur le rendement): The process of communicating evidence based performance information. Performance reporting supports decision making, accountability and transparency.

**planned spending** (dépenses prévues): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

**plans** (plan): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

**priorities** (priorité): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

**program** (programme): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

**Program Alignment Architecture** (architecture d'alignement des programmes): A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

**Report on Plans and Priorities** (rapport sur les plans et les priorités): Provides information on the plans and expected performance of appropriated organizations over a three year period. These reports are tabled in Parliament each spring.

**results** (résultat): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

**statutory expenditures** (dépenses législatives): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

**Strategic Outcome** (résultat stratégique): A long term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

**sunset program** (programme temporisé): A time limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

**target** (cible): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

**voted expenditures** (dépenses votées): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

**Whole of government framework** (cadre pangouvernemental): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government wide, high level outcome areas, grouped under four spending areas.

## Endnotes

- i Justice Canada – *Lobbying Act*, R.S.C., 1985, c. 44 (4th Supp.), <http://laws.justice.gc.ca/eng/acts/L-12.4/>
- ii *Public Accounts of Canada 2016*, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- iii Whole-of-Government framework, <http://www.tbs-sct.gc.ca/hgw-cgf/finances/rgs-erdg/wgf-ipp-eng.asp>
- iv Performance Reports – Financial Statements, [https://lobbycanada.gc.ca/eic/site/012.nsf/eng/h\\_00114.html](https://lobbycanada.gc.ca/eic/site/012.nsf/eng/h_00114.html)
- v Open Data — Office of the Commissioner of Lobbying, [https://lobbycanada.gc.ca/eic/site/012.nsf/eng/h\\_00872.html](https://lobbycanada.gc.ca/eic/site/012.nsf/eng/h_00872.html)
- vi Organizational Sustainable Development Strategy, <https://lobbycanada.gc.ca/eic/site/012.nsf/eng/01327.html>
- vii Internal Audits and Evaluations: <https://lobbycanada.gc.ca/eic/site/012.nsf/eng/01328.html>
- viii Response to Parliamentary Committees and External Audits, <https://lobbycanada.gc.ca/eic/site/012.nsf/eng/01329.html>
- ix Report of Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>