

# **Office of the Registrar of Lobbyists**

**2006-2007**

## **Departmental Performance Report**

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The Honourable Vic Toews, P.C., Q.C., M.P.  
President of the Treasury Board

## Table of Contents

SECTION I: OVERVIEW .....	1
Registrar’s Message .....	2
Management Representation Statement .....	3
Summary Information .....	4
Departmental Performance .....	5
SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME .....	9
Registration of Lobbyists .....	10
Education and Research .....	12
Reviews and Investigations under the <i>Lobbyists Registration Act</i> and the <i>Lobbyists’ Code of Conduct</i> .....	15
SECTION III: SUPPLEMENTARY INFORMATION .....	17
Organizational Information .....	18
Table 1: Comparison of Planned to Actual Spending (including Full-time Equivalents) .....	19
Table 2: Voted and Statutory Items .....	19
Table 3: Services Received Without Charge .....	20
Table 4: Sources of Non-Respendable Revenue .....	20
Table 5: User Fees .....	21
Table 6: Travel Policies .....	22
Table 7: Financial Statements of the Office of the Registrar of Lobbyists (unaudited) ..	23

## **SECTION I: OVERVIEW**

## *Registrar's Message*

This is the first Departmental Performance Report produced by the Office of the Registrar of Lobbyists (ORL).

The 2006-2007 reporting period saw increased levels of activity in administration of the *Lobbyists Registration Act* and the *Lobbyists' Code of Conduct* from those of 2005-2006, itself a very busy year. The total number of active registrations reached a new high with a total of 5,281 lobbyists registered at year-end. Registration increases were recorded for consultant lobbyists, in-house lobbyists (Corporations) and in-house lobbyists (Organizations). We believe that this is due at least in part to an increase in the number of lobbyists who are becoming aware of their obligation to register.



The number of cases under review or investigation by the Investigations Directorate nearly tripled as compared to 2005-2006. In March 2007, a milestone was achieved with the tabling in Parliament of the first-ever investigation reports on breaches of the Code.

Bill C-2, the *Federal Accountability Act*, received Royal Assent on December 12, 2006, as S.C. 2006 c. 9, setting the stage for amendments to the *Lobbyists Registration Act*. The *Lobbyists Registration Act* will be renamed the *Lobbying Act* and will include important changes. Among these are the following:

- an independent Commissioner of Lobbying with a strong mandate to investigate violations of the *Lobbying Act* and the *Lobbyists' Code of Conduct*;
- a five-year ban on lobbying for ministers, ministerial staff, and senior public servants once they leave office, as well as for members of Prime Ministers' transition teams;
- a ban on the payment and receipt of success or contingency fees; and,
- requirements that communications with certain designated public office holders be recorded.

During the reporting period, the Office prepared for implementation of the lobbying provisions of the *Federal Accountability Act*, principally by developing enhancements to the Lobbyists Registration System. I am confident that this work, as well as other results achieved by the ORL during the reporting period, will contribute in an important way to the implementation of the *Federal Accountability Act* and more broadly, to enhancing confidence in the integrity of federal government decision-making.

Michael Nelson  
Registrar of Lobbyists

## **Management Representation Statement**

I submit for tabling in Parliament, the 2006-2007 Departmental Performance Report (DPR) for the Office of the Registrar of Lobbyists.

This document has been prepared based on the reporting principles contained in Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports:

- it adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- it is based on the department's Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- it presents consistent, comprehensive, balanced and reliable information;
- it provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- it reports finances based on approved numbers from the Estimates and Public Accounts of Canada.

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Michael Nelson  
Registrar of Lobbyists

## Summary Information

### Reason for Existence

The mandate of the Office of the Registrar of Lobbyists is derived from the *Lobbyists Registration Act* ([www.ori-bdl.gc.ca](http://www.ori-bdl.gc.ca)). Its purpose is to ensure transparency and accountability in the lobbying of public office holders with a view to contributing to confidence in the integrity of government decision-making.

### Financial Resources (in \$000)

	2006-2007	
Planned Spending	Total Authorities	Actual Spending
3,514	3,407	3,103

### Human Resources

	2006-2007	
Planned	Actual	Difference
20	20	0

Status on Performance	2006-2007	
	Planned Spending	Actual Spending

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

Priority #1	Program Activity	Expected Result	Planned Spending	Actual Spending
Update the Registry and enhance its transparency (new)	Registration of Lobbyists	Successfully met	1,519	1,460
	Refer to page 10			
Priority #2	Program Activity	Expected Result	Planned Spending	Actual Spending
Increase awareness of Act and Code requirements (new)	Education and Research	Successfully met	930	744
	Refer to page 12			
Priority #3	Program Activity	Expected Result	Planned Spending	Actual Spending
Pursue enforcement of the Act and the Code and communicate the results achieved (new)	Reviews and Investigations under the <i>Lobbyists Registration Act</i> and the <i>Lobbyists' Code of Conduct</i>	Successfully met	1,065	899
	Refer to page 15			

## Departmental Performance

### Operating Environment and Context

The operating environment of the Office of the Registrar of Lobbyists (ORL) changed dramatically during the two years prior to 2006-2007. Since this is the first DPR for the ORL, a brief review of these two years will provide useful background for the description of the 2006-2007 operating environment.

In May 2004, the position of Ethics Counsellor, which had been responsible for the *Lobbyists Registration Act* (Act) for some seven years, was abolished. A Lobbyists Registration Branch (LRB) was set up within Industry Canada. There were no full-time staff. An Assistant Deputy Minister was assigned part-time duties as Registrar of Lobbyists. A Director was hired and in July 2004, the LRB began operation with a very small staff. Over the next several months the LRB operated as part of the Comptrollership and Administration Sector of Industry Canada. In September 2005, in recognition of an increasing workload for the LRB, the position of Registrar was established on a full-time basis and a request for additional staff and resources was prepared.

The departmental context has also changed for the ORL. Immediately after his full-time appointment, the Registrar took a number of steps to transform the Lobbyists Registration Branch of Industry Canada into a more independent organization. The Registrar ceased all participation in Industry Canada's management team and in October 2005, moved the Branch, renamed the Office of the Registrar of Lobbyists, to new premises physically separated from those of Industry Canada. In addition, the Registrar restructured the organization by creating two directorates focused on groups of core activities. An Investigations Directorate was established with a mandate to enforce the Act through conducting administrative reviews, investigations, and policy analysis related to the application of the Act. As well, a new Operations Directorate was established to perform all registration functions, including client service, advice, interpretation and informatics, as well as communications and certain other corporate functions.

On February 6, 2006, Prime Minister Harper announced that the ORL had been transferred from Industry Canada to the Treasury Board portfolio as a stand-alone office, to increase its independence while the government was working to further revise and strengthen the Act. As of that same date, the Registrar of Lobbyists was granted the authority of a Deputy Head.

The first full reporting period for the ORL as a department for the purposes of the *Financial Administration Act* was 2006-2007. A considerable amount of management time during the year was spent on establishing the personnel, administrative and financial arrangements required of an independent organization. Staff responsibilities for corporate functions such as finance, communications, information management and technology, facilities and security were assigned. In some cases, such as for financial services, the decision was made to obtain the majority of services from an outside provider. For some others, such as communications, an in-house capacity was created. Legal services for the ORL were provided by the Department of Justice.

The first ORL Human Resources Plan was developed early in 2006. This set the stage for the exercise of staffing authorities that were delegated to the Registrar by the President of the Public Service Commission. This was the first year that the ORL operated near its full staff complement. Additional registration and investigation staff were hired, and the key positions of Senior Financial and Planning Officer and Chief Information Officer were filled. By the end of the 2006-2007 reporting period, the staff complement of the ORL had grown to 20.

Late in 2006, Parliament provided the ORL with a substantial increase in resources. Nearly two-thirds of this new operating budget was devoted to enhancing the Lobbyists Registration System.

Outside the ORL during the reporting period, the tabling, parliamentary debate and eventual passage of the *Federal Accountability Act* had an impact on the work of the ORL. Time and resources were spent to design and develop changes that would be required to the Lobbyists Registration System (LRS) to implement the *Lobbying Act*. Planned improvements to the search capability of the LRS were reduced in scope to make way for this new priority work. Staff time was required as well to provide advice to officials of the Treasury Board Secretariat in the development of policy and regulations related to implementation of the lobbying provisions of the *Federal Accountability Act*.

In summary, during the reporting period, the extensive changes to the ORL's operating environment and circumstances of the previous two years continued.

### Performance

Despite operating in an environment of uncertainty and change, substantial progress was made. The ORL's strategic approach to administration and enforcement of the Act is reflected in its three priorities during the reporting period:

- Update the Registry and enhance its transparency
- Increase awareness of the Act and *Lobbyists' Code of Conduct* (Code) requirements
- Pursue enforcement of the Act and Code and communicate the results achieved

Several improvements to the Lobbyists Registration System were implemented in 2006-2007. The most significant improvements were aimed at making the system more efficient, so that registrations could be processed faster and made available on the registry more rapidly. The need to carry out these improvements was driven in part by the continuing increase in the volume of registrations that occurred during the reporting period. Improvements were also made to the reporting capabilities of the system to enhance transparency.



We believe that the increase in registrations was due in part to increased awareness among lobbyists of their obligations under the Act. There is little doubt that the increased profile of federal lobbying legislation due to Parliamentary debate on the *Federal Accountability Act* contributed in part to this awareness. The ORL contributed as well, principally through speaking engagements and through enhancements to its website.

While awareness of obligations is sufficient to cause most lobbyists to register and carry out their work in an ethical way, it is also important that evidence of enforcement exist. The ORL made significant progress in this regard during 2006-2007. The ORL carries out its reviews and investigations in private. Upon completion of these, written responses are sent to the parties involved. In the case of complaints made public by the complainants, the ORL responses were in most cases made public by the complainants as well. Lobbyists and the public were made aware in a number of instances that ORL acts when a complaint is received. The ORL also instituted a practice of monitoring media reports of alleged lobbying activity and following up in writing to the alleged lobbyists, if they were not already registered, to inform them they may have obligations under the Act. Finally, the first-ever investigation reports related to breaches of the Code were tabled in Parliament.

Details of performance against each of the three priorities are included in Section II of this report.

### **Link to the Government of Canada Outcome areas**

Parliamentarians intended the Act to contribute in an important way to confidence in the integrity of government decision-making. The Act provides for a regime of transparency and accountability for those who communicate with public office holders with respect to a wide range of government decisions on legislation, regulations, policies, programs, grants, contributions and other areas of importance. Through administration and enforcement of federal lobbying legislation during the reporting period, the ORL has contributed to all Government of Canada Outcome Areas.



**SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY  
STRATEGIC OUTCOME**

## Analysis by Program Activity

### Strategic Outcome

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

### Program Activity Name

Registration of Lobbyists

### Financial Resources (in \$000)

Planned Spending	Authorities	Actual Spending
1,519	1,487	1,460

### Human Resources

Planned	Actual	Difference
7	7	0

**Priority #1:** Update the Registry and enhance its transparency.

Lobbying the federal government is a legitimate activity but it must be done transparently. The *Lobbyists Registration Act* (Act) requires that individuals who are paid to lobby public office holders must disclose certain details of their lobbying activities. The Registrar approves lobbyists' registrations and makes them available for searching in an electronic registry that is publicly available on the Internet through the Lobbyists Registration System (LRS). As part of its 2006-2007 Report on Plans and Priorities, the Office of the Registrar of Lobbyists (ORL) identified that its priority, with regard to the "Registration of Lobbyists" activity, was to "Update the Registry and enhance its transparency."

During fiscal year 2006-2007, the ORL completed a series of changes to the LRS. In particular, improvements were brought to the system's administrative interface with a view to enabling staff from the ORL's Registration Unit to handle the 38% increase in registrations that took place in 2006-2007. Changes were also made to the public interface of the LRS in order to help registrants to manage their registrations more efficiently. Finally, the ORL continued to implement ways to increase the transparency of the Registry by making improvements to some of the system's tools for the preparation of reports, including its search feature. As a result, users of the system can search and explore the Registry more easily. For instance, it is now possible to make more refined searches of all active and inactive registrations contained in the Registry by performing additional searches within a first set of search results. As well, search results are now presented in a more transparent manner, with key information on each registration shown in a summary box.

To further improve the registration approval process, the ORL completed a review of its business processes, with the objective of making better use of the LRS's capabilities to process electronic transactions. New procedures were implemented to allow for a broader use of electronic correspondence to issue renewal and termination notices. Electronic correspondence has also become the most widely used means of communication with registrants.

Registration results for 2006-2007 are presented in the table below. Results for 2005-2006 are included for purposes of comparison.

	<b>2006-2007</b>	<b>2005-2006</b>
<b>Individual Lobbyists - active as of March 31, 2007</b>		
Consultant lobbyists	860	732
In-house lobbyists (corporations)	1,882	1,809
In-house lobbyists (organizations)	2,539	2,306
<b>Total registered individual lobbyists, all categories</b>	<b>5,281</b>	<b>4,847</b>
<b>Registration - active as of March 31, 2007</b>		
Consultant lobbyists (one registration per client)	2,975	2,726
Corporations	313	276
Organizations	457	364
<b>Total active registrations, all categories</b>	<b>3,745</b>	<b>3,366</b>

## Analysis by Program Activity

### Strategic Outcome

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

### Program Activity Name

Education and Research

### Financial Resources (in \$000)

Planned Spending	Authorities	Actual Spending
930	899	744

### Human Resources

Planned	Actual	Difference
5	5	0

**Priority #2:** Increase awareness of *Lobbyists Registration Act* (Act) and *Lobbyists' Code of Conduct* (Code) requirements.

The Office of the Registrar of Lobbyists (ORL) used a variety of means to promote and foster awareness of the requirements of the Act and the Code.

### Direct Communications

The ORL responded to inquiries from lobbyists, the media, and the public on a daily basis. In addition, it provided updates about the Registry to registered lobbyists via e-mail and through notices to registrants on the ORL's website. It organized outreach and information sessions with lobbying firms to improve the overall quality and reliability of disclosures filed in the Registry of Lobbyists.

The ORL's website was updated in 2006-2007 making it a more useful information and communications tool, which was easier to navigate and included sections covering reports, presentations, interpretation bulletins and advisory opinions, all of which are updated or added on a regular basis.

ORL's newest education and enforcement initiative was the issuance of advisory letters to lobbyists who were alleged to have conducted unregistered lobbying activities. These letters are designed to enhance the knowledge of organizations and corporations regarding the Act and to encourage them to visit the ORL's website or contact it directly for additional information pertaining to registration requirements. A total of 24 such letters were sent, resulting in eight respondents replying that they were not required to register and four who registered shortly after receipt of the advisory letter.

## **Information Sessions**

The ORL presented information sessions to interested groups and organizations outside the federal government. For example, the Registrar made a presentation at an information session on a proposed lobbyists registry for the City of Toronto. ORL staff provided a briefing session to the Korean Independent Commission Against Corruption. Other information sessions were provided to registered lobbyists as well as to organizations that expressed interest in becoming registered under the Act.

## **Media Relations**

In August 2006, the ORL organized a half-day consultation session with members of the media to obtain their views on using the online Registry and how it might be made more easily accessible and helpful as a research tool.

During 2006-2007, ORL staff responded to media inquiries relating to reported allegations of non-compliance with the Act or the Code. A good deal of media attention was directed to allegations of breaches of the Act and related court proceedings. The ORL responded to inquiries from the media about the Registry, provided clarification about the registration process, investigations and administrative reviews to the extent permissible under the Act and under privacy provisions.

There was substantial media interest in the new *Lobbying Act*, resulting in many questions related to the differences between the *Lobbyists Registration Act* and the new *Lobbying Act*, most of which were referred to the Treasury Board Secretariat, which is the primary policy centre for the *Federal Accountability Act*.

## **Conferences and Learning Events**

The Registrar and senior office staff of ORL took part in a number of conferences and panel discussions in Canada and the United States. These included the Access and Privacy Conference, hosted by the University of Alberta in Edmonton; the Annual University Government Relations Officers' Meeting in Winnipeg; the Public Affairs Association of Canada Conference in Toronto; the Canadian Council for Public-Private Partnerships National Conference in Toronto and the Council of Governmental Ethics Laws Conference in New Orleans.

## **Briefings for Federal Government Institutions**

The ORL continued its outreach efforts within the federal government through briefings to management at a number of departments and other federal organizations. These sessions were aimed at familiarizing departments and organizations with the provisions of the Act and the Code and addressing issues faced by specific organizations regarding lobbying and interactions with lobbyists.

## **Dialogue with other jurisdictions**

The ORL continued its practice of exchanging ideas and practices with counterparts from provincial and international jurisdictions – British Columbia, Québec, Newfoundland and Labrador, Nova Scotia, Ontario, the United States and the Organisation for Economic Co-operation and Development (OECD).



## Analysis by Program Activity

### Strategic Outcome

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

### Program Activity Name

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

### Financial Resources (in \$000)

Planned Spending	Authorities	Actual Spending
1,065	1,021	899

### Human Resources

Planned	Actual	Difference
8	8	0

**Priority #3:** Pursue enforcement of the Act and Code and communicate the results achieved.

The Office of the Registrar of Lobbyists (ORL) validates information provided by registered lobbyists to ensure accuracy. Allegations of non-registered activity or misconduct by lobbyists are reviewed and formal investigations are carried out when required.

The ORL developed a set of procedures during the reporting period to improve the conduct of administrative reviews and investigations of allegations of non-registered activity or misconduct by lobbyists. An administrative review typically involves reviewing all registration files in the custody of the ORL, available correspondence and other forms of communication between the ORL and the lobbyist; and confirming, through telephone or in-person interviews with public office holders, whether registrable activities have indeed taken place.

If a review indicates there are reasonable grounds to believe a breach of the Act has occurred, the Registrar of Lobbyists is informed of the conclusions and the matter is referred to the Royal Canadian Mounted Police. If the contravention occurred outside the Act's stipulated two-year limitation period for contraventions, the ORL may still initiate an investigation under the Code, which has no limitation period.

In the reporting period of 2006-2007, the ORL initiated 24 administrative reviews dealing with allegations of unregistered lobbying. Nine of the reviews were within the two-year limitation period and were processed as possible contraventions of the Act. Three of these reviews were closed in 2006-2007 and six remained ongoing.

The other 15 reviews, which were beyond the Act's limitation period, were dealt with as possible contraventions of the Code. Six of these matters related to cases ruled on by the former Ethics Counsellor. The Registrar agreed to re-examine them and they were assigned to investigators. Seven reviews involved allegations of improper lobbying activity by individuals who were

seeking financial benefits from a special operating agency of the federal government. The remaining two involved registered lobbyists who were alleged to be providing advice and professional services to federal public office holders at the same time as they were registered to lobby the government. One of the files became an investigation initiated by the Registrar, the rest are ongoing.

### **Investigations Under the Code**

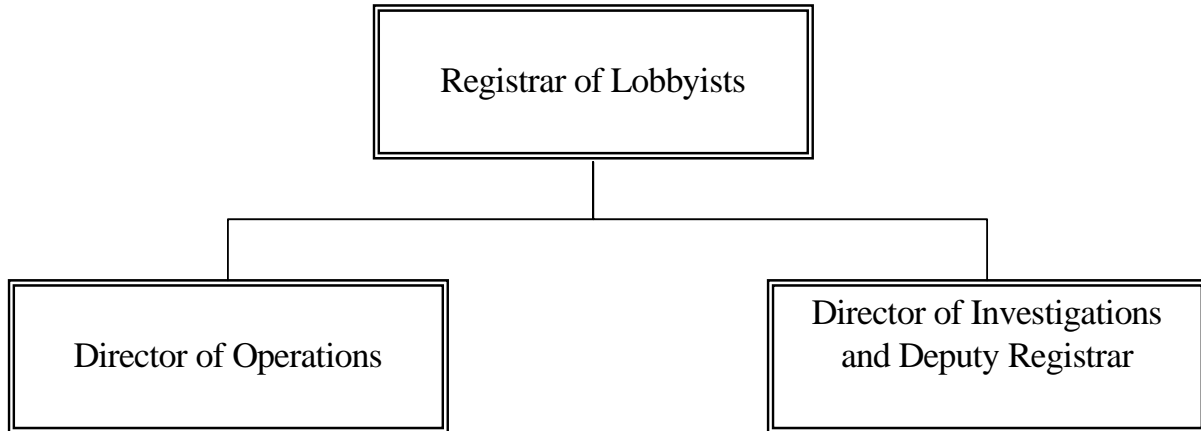
The Registrar tabled four Code investigations in Parliament in 2006-2007. The reports involved lobbying activities of one lobbyist on behalf of four companies. In each of the four cases, the Registrar concluded that the lobbyist violated the Act by failing to register as a lobbyist. As well, in each of the cases, the Registrar found that the lobbyist had breached the Code's Principle of Professionalism, which requires that lobbyists observe the highest professionalism and ethical standards. In particular, lobbyists must conform fully not only to the letter but the spirit of the Code as well as relevant laws, including the *Lobbyists Registration Act*.

The Registrar also determined in each report that Rule 3 of the Code, Disclosure of Obligations under the heading of Transparency, had been breached. This Rule requires that lobbyists shall indicate to their clients, employer or organization their obligations to adhere to the Code. In one of the reports, the Registrar also concluded that Rule 2 of the Code, Accurate Information had been breached. This Rule requires that lobbyists shall not knowingly mislead anyone and shall use proper care to avoid doing so inadvertently.

### **SECTION III: SUPPLEMENTARY INFORMATION**

## Organizational Information

The Management Team



The Registrar is ultimately accountable for the work carried out by the Office of the Registrar of Lobbyists (ORL). The Director of Operations is responsible for the work carried out in the registration process, both paper and web-based. The Director of Investigations is responsible for the work carried out in the enforcement of the *Lobbyists Registration Act* (Act) and *Lobbyists' Code of Conduct* (Code) and the functions of Deputy Registrar.

In 2006-2007 the ORL obtained some of its corporate services through memoranda of understanding with Industry Canada, Justice Canada and the Department of Finance Canada.

**Table 1: Comparison of Planned to Actual Spending (including Full-Time Equivalents)**

(in \$000)	2004-2005 Actual	2005-2006 Actual	2006-2007			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
Registration of Lobbyists	-	-	-	1,519	1,487	1,460
Education and Research	-	-	-	930	899	744
Reviews and Investigations	-	-	-	1,065	1,021	899
<b>Total</b>	-	-	-	<b>3,514</b>	<b>3,407</b>	<b>3,103</b>
Less: Non-responsible revenue	-	-	N/A	2	N/A	755
Plus: Cost of services received without charge	-	-	N/A	145	N/A	108
<b>Total Departmental Spending</b>	-	-	N/A	<b>3,657</b>	N/A	<b>2,456</b>
Full-time Equivalents	-	-	N/A	20	N/A	20

**Note:** On February 6, 2006, the Office of the Registrar of Lobbyists was designated as a department for the purposes of the *Financial Administration Act* and was transferred from Industry Canada to the Treasury Board portfolio as an independent organization. Consequently, Actuals for 2004-2005 and 2005-2006 as well as Main Estimates for 2006-2007 are included in Industry Canada's Actuals and Main Estimates for those periods.

**Table 2: Voted and Statutory Items**

(in \$000)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006-2007			
		Main Estimates	Planned Spending	Total Authorities	Total Actuals
Vote 27	Operating expenditures	-	3,152	3,162	2,858
(S)	Contributions to employee benefit plans	-	362	245	245
	<b>Total</b>	-	<b>3,514</b>	<b>3,407</b>	<b>3,103</b>

**Note:** Vote 27 was created for the Office of the Registrar of Lobbyists through the 2006-2007 Supplementary Estimates exercise and, therefore did not appear in the Main Estimates documents.

**Table 3: Services Received Without Charge**

(in \$000)	2006-2007 Actual Spending
Accommodation provided by Public Works and Government Services Canada	Note 1
Contributions covering the employer's share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat (excluding revolving funds); employer's contribution to employees' insured benefits plans and associated expenditures paid by the Treasury Board of Canada Secretariat	108
<b>Total 2006-2007 Services received without charge</b>	<b>108</b>

**Note 1:** Actual costs for accommodation services received without charge by the Office in 2006-2007 are included in the Treasury Board Secretariat Departmental Performance Report.

**Table 4: Sources of Non-Respendable Revenue****Non-Respendable Revenue**

(in \$000)	Actual 2004-2005*	Actual 2005-2006*	2006-2007			
			Main Estimates	Planned Revenue	Total Authorities	Actual
<b>Registration of Lobbyists</b>	-	-	-	-	-	-
Sources of non-respendable revenue						
Registration fees	-	-	-	2	N/A	1
<b>Total Non-Respendable Revenue</b>	-	-	-	2	N/A	1

\*Actual revenue information for previous years was reported under Industry Canada.

**Table 5A: User Fees Act**

**Lobbyists Registration**

				2006-2007				
A. User Fee	Fee Type	Fee-setting Authority	Date Last Modified	Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
Lobbyists registration and service fees	Other products and services	<i>Department of Industry Act</i>	January 31, 1996	0.5	0.8	0.8	<p>The Office of the Registrar of Lobbyists has developed a set of service standards. These standards are the same whether fees are paid or not.</p> <p>These standards set time objectives for acknowledging and replying to requests, as well as for the validation and acceptance of registrations.</p>	<p>More than 99 percent of all lobbyist registrations are completed electronically and free of charge via a web-based registration system.</p> <p>A new and improved registration system is under development. Its design takes into account comments received from users. The new system is expected to help in meeting the Office's service standards.</p>
Planning Years								
Fiscal Year			Forecast Revenue (\$000)			Estimated Full Cost (\$000)		
2007-2008			0.3			0.3		
2008-2009			1.0			1.0		
2009-2010			1.0			1.0		
B. Other Information								
The registration unit has changed considerably during the reporting period. Consequently, the ORL will reexamine, in the future, the methodology to estimate full costs.								

\* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004:

- the performance standard, if provided, may not have received parliamentary review;
- the performance standard, if provided, may not respect all requirements under the *User Fees Act* (e.g. international comparison; independent advisory panel to address complaints);
- the performance result, if provided, is not legally subject to *User Fees Act*, section 5.1, regarding fee reduction for failed performance.

## Access to Information

				2006-2007				
A. User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
Fees charged for the processing of access requests filed under the <i>Access to Information Act</i> (ATIA)	Other products and services (O)	<i>Access to Information Act</i>	1992	-	Note 1	-	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the <i>ATIA</i> . Notice of extension to be sent within 30 days after receipt of request.  The <i>Access to Information Act</i> provides fuller details: <a href="http://laws.justice.gc.ca/en/A-1/index.html">http://laws.justice.gc.ca/en/A-1/index.html</a> .	Statutory deadlines met 100 percent of the time
<b>Planning Years (Note 1)</b>								
<b>Fiscal Year</b>			<b>Forecast Revenue (\$000)</b>			<b>Estimated Full Cost (\$000)</b>		
2007-2008			-			-		
2008-2009			-			-		
2009-2010			-			-		
<b>B. Other Information</b>								
The <i>Access to Information Act</i> (ATI Act) states that all formal requests submitted must be accompanied by a \$5.00 application fee payable to the Receiver General of Canada. All fees prescribed and received pursuant to the ATI Act are deposited to the Consolidated Revenue Fund.								

- \* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004:
- the performance standard, if provided, may not have received parliamentary review;
  - the performance standard, if provided, may not respect all requirements under the *User Fees Act* (e.g. international comparison, independent advisory panel to address complaints); and
  - the performance result, if provided, is not legally subject to the *User Fees Act*, section 5.1, regarding fee reductions for failed performance.

**Note 1:** Fees received pursuant to the *Access to Information Act* by the Office of the Registrar of Lobbyists and forecasted revenue are immaterial; therefore, they do not appear in the table above.

### Table 5B: Policy on Service Standards for External Fees

Supplementary information on Service Standards for External Fees can be found at [http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index\\_e.asp](http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp).

### Table 6: Travel Policies

The Office of the Registrar of Lobbyists follows the Treasury Board of Canada Secretariat (TBS) *Travel Directive*, Rates and Allowances and the TBS *Special Travel Authorities* outlining travel provisions pertaining to deputy ministers.



## Table 7: Financial Statements of the Office of the Registrar of Lobbyists (unaudited)

### Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007 and all information contained in these statements rests with departmental management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the department's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the department's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The financial statements of the Office of the Registrar of Lobbyists have not been audited.

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Michael Nelson  
Deputy Head

Ottawa, Ontario

August 22, 2007

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Johanne Blais  
Senior Financial Officer

**Office of the Registrar of Lobbyists**  
**Statement of Operations (unaudited)**  
**For the year ended March 31**  
*(in dollars)*

	<b>2007</b>
<b>Expenses (Note 5)</b>	
Registration of Lobbyists	1,014,498
Education and Research	908,330
Reviews and investigation under the <i>Lobbyists Registration Act</i> and the <i>Lobbyists' Code of Conduct</i>	1,224,510
<b>Total Expenses</b>	<b>3,147,338</b>
<b>Revenues (Note 7)</b>	
Registration of Lobbyists	750
Education and Research	5
<b>Total Revenues</b>	<b>755</b>
<b>Net cost of operations</b>	<b>3,146,583</b>

The accompanying notes form an integral part of these financial statements.

**Office of the Registrar of Lobbyists**  
**Statement of Financial Position (unaudited)**  
**At March 31**  
*(in dollars)*

<b>ASSETS</b>	<b>2007</b>
<b>Non-financial assets</b>	
Tangible capital assets (Note 6)	1,068,882
<b>Total non-financial assets</b>	<b>1,068,882</b>
<b>TOTAL</b>	<b>1,068,882</b>
<b>Liabilities</b>	
Accounts payable and accrued liabilities (Note 8)	171,739
Vacation pay and compensatory leave	97,063
Employee future benefits (Note 9)	307,043
<b>Total liabilities</b>	<b>575,845</b>
<b>Equity of Canada</b>	<b>493,037</b>
<b>TOTAL</b>	<b>1,068,882</b>

The accompanying notes form an integral part of these financial statements.

**Office of the Registrar of Lobbyists**  
**Statement of Equity of Canada (unaudited)**  
**For the year ended March 31**  
*(in dollars)*

	<b>2007</b>
<b>Equity of Canada, beginning of year</b>	-
Equity adjustment (Note 4)	487,935
Net cost of operations	(3,146,583)
Current year appropriations used (Note 3)	3,102,701
Change in net position in the Consolidated Revenue Fund (Note 3)	(57,773)
Revenue not available for spending (Note 3)	(755)
Services provided without charge (Note 10)	107,512
<b>Equity of Canada, end of year</b>	<b>493,037</b>

The accompanying notes form an integral part of these financial statements.

<b>Office of the Registrar of Lobbyists</b> <b>Statement of Cash Flow (unaudited)</b> <b>For the year ended March 31</b> <i>(in dollars)</i>	
	<b>2007</b>
<b>Operating activities</b>	
Net cost of operations	3,146,583
<b>Non cash items:</b>	
Services provided without charge	(107,512)
Amortization of tangible capital assets	(67,932)
<b>Variations in Statement of Financial Position:</b>	
Decrease (increase) in liabilities	(575,845)
<b>Cash used by operating activities</b>	<u>2,395,294</u>
<b>Capital investment activities</b>	
Assets under construction	648,879
<b>Cash used by capital investing activities</b>	<u>648,879</u>
<b>Financing activities</b>	
Net cash provided by Government of Canada	<u><u>3,044,173</u></u>
The accompanying notes form an integral part of these financial statements.	

Office of the Registrar of Lobbyists  
Notes to the Financial Statements (Unaudited)

**1. Authority and Objectives**

The Office of the Registrar of Lobbyists's (ORL) mandate is derived from the *Lobbyists Registration Act*. Its purpose is to ensure transparency and accountability in the lobbying of public office holders in order to contribute to confidence in the integrity of government decision-making.

Registration of Lobbyists

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

Education and Research

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

Review and Investigation under the *Lobbyists Registration Act* and the *Lobbyists' Code of Conduct*

The Office 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.

**2. Summary of Significant Accounting Policies**

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations – The Office is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to ORL do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Net Cash Provided by Government – The Office operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by ORL is deposited to the CRF and all cash disbursements made by ORL are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-responsible revenue recorded by ORL. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues:

- Revenues from registration are recognized in the accounts based on the services provided in the year.
- Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses – Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer administered by the Government of Canada. ORL's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require ORL to make contributions for any actuarial deficiencies of the Plan.

(ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Tangible capital assets – All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. ORL does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value; assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

<b>Asset class</b>	<b>Amortization period</b>
Machinery and equipment	10 years
Informatics Software	10 years
Assets under construction	Once in service, in accordance with asset type

(h) Measurement uncertainty — The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

### **3. Parliamentary Appropriations**

The Office of the Registrar of Lobbyists receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, ORL has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:



**(a) Reconciliation of net cost of operations to current year appropriations used**

<i>(in dollars)</i>	<b>2007</b>
<b>Net cost of operations</b>	3,146,583
Adjustments for items affecting net cost of operations but not affecting appropriations:	
Add (Less):	
Services provided without charge	(107,512)
Revenue not available for spending	755
Employee severance benefits	(307,043)
Amortization of tangible capital assets	(67,932)
Vacation pay and compensatory leave	(97,063)
Justice Canada expenditure reversals	(113,966)
Adjustments for items not affecting net cost of operations but affecting appropriations:	
Add (Less):	
Tangible capital assets under construction	648,879
	(43,882)
<b>Current year appropriations used</b>	<b>3,102,701</b>

**(b) Appropriations provided and used**

<i>(in dollars)</i>	<b>2007</b>
Vote 27 - Operating expenditures	3,161,666
Statutory Amounts	244,808
Less:	
Lapsed appropriations: Operating	(303,773)
<b>Current year appropriations used</b>	<b>3,102,701</b>

**(c) Reconciliation of net cash provided by Government to current year appropriations used**

<i>(in dollars)</i>	<b>2007</b>
<b>Net cash provided by Government of Canada</b>	3,044,173
Revenue not available for spending	755
Change in net position in the Consolidated Revenue Fund	
Variation in accounts payable and accrued liabilities	171,739
Justice Canada expenditure reversal	(113,966)
	??
<b>Current year appropriations used</b>	<b>3,102,701</b>

**4. Equity Adjustment**

During the fiscal year, Industry Canada transferred a capital asset to ORL. The equipment had a net book value of \$14,335 at the beginning of the fiscal year and had to be transferred using an equity adjustment for the net book value of the asset. Capital assets acquired prior to the current fiscal year, amounting to a net book value of \$473,600, were identified and recorded by adjusting equity.

## 5. Expenses

<i>(in dollars)</i>	<b>2007</b>
Salaries and employee benefits	2,131,318
Professional and special services	548,027
Repair and Maintenance	223,007
Information Services	68,466
Amortization	67,932
Utilities, materials and supplies	29,252
Travel	25,052
Telecommunication Services	20,434
Furniture and equipment	16,878
Rental	10,202
Postage	6,770
<b>Total Expenses</b>	<b>3,147,338</b>

## 6. Tangible Capital Assets

<i>(in dollars)</i>		<b>Cost</b>				
<b>Capital asset class</b>	<b>Opening balance</b>	<b>Acquisitions</b>	<b>Disposals / Write-offs</b>	<b>Other</b>	<b>Closing balance</b>	
Machinery and equipment	-	-	-	15,928	15,928	
Informatics software	-	496,879	-	518,400	1,015,279	
Work in progress	-	152,000	-	-	152,000	
<b>Total</b>	-	<b>648,879</b>	-	<b>534,328</b>	<b>1,183,207</b>	
<b>Accumulated amortization</b>						<b>2007</b>
<b>Capital asset class</b>	<b>Opening Balance</b>	<b>Amortization</b>	<b>Disposals / Write-offs</b>	<b>Other</b>	<b>Closing Balance</b>	<b>Net book value</b>
Machinery and equipment	-	1,593	-	1,593	3,186	<b>12,742</b>
Informatics software	-	66,339	-	44,800	111,139	<b>904,140</b>
Work in progress	-	-	-	-	-	<b>152,000</b>
<b>Total</b>	-	<b>67,932</b>	-	<b>46,393</b>	<b>114,325</b>	<b>1,068,882</b>

## 7. Revenues

<i>(in dollars)</i>	<b>2007</b>
Registration revenue	750
Other	5
<b>Total revenue</b>	<b>755</b>

## 8. Accounts Payable and Accrued Liabilities

<i>(in dollars)</i>	<b>2007</b>
External	
Accrued liabilities	34,161
<b>Total External</b>	<b>34,161</b>
Other Federal Government departments	137,578
<b>Total Accounts payable and accrued liabilities</b>	<b>171,739</b>

## 9. Employee Future Benefits

a) Pension benefits: ORL employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and ORL contribute to the cost of the Plan. The 2006-07 expense amounts to \$219,103, which represents approximately 2.2 times the contributions by employees.

ORL's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) Severance benefits: The Office provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

<i>(in dollars)</i>	<b>2007</b>
Accrued benefit obligation, beginning of year	-
Expense for the year	307,043
Benefits paid during the year	-
<b>Accrued benefit obligation, end of year</b>	<b>307,043</b>

## 10. Related party transactions

The Office of the Registrar of Lobbyists is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. ORL enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, ORL received services, which were obtained without charge from other Government departments as presented in part (a).

### (a) Services provided without charge:

During the year ORL received without charge from other departments, accommodation and the employer's contribution to the health and dental insurance plans. The costs for accommodation services provided without charge to the department are included in the Treasury Board Secretariat financial statements. These services without charge have been recognized in the ORL Statement of Operations as follows:

<i>(in dollars)</i>	<b>2007</b>
Employer's contribution to the insurance plans	107,512
<b>Total</b>	<b>107,512</b>

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in ORL's Statement of Operations.

## 11. Comparative information

This is the first year that a set of financial statements including Statement of Financial Position, Statement of Operations, Statement of Equity of Canada, and Statement of Cash Flow has been prepared in accordance with Canadian generally accepted accounting principles. It is neither practical nor cost effective for the Office of Registrar of Lobbyists to show certain comparative amounts because some required information is not readily available and some previous year's amounts would not be substantiated with any degree of precision.