



**Annual
Report of the
Saskatchewan
Conflict of Interest Commissioner
And Registrar of Lobbyists**

2019-2020



**Office of the
Registrar of Lobbyists
Saskatchewan**



June 30, 2020

The Honourable Mark Docherty
Speaker of the Legislative Assembly of Saskatchewan
Room 129 Legislative Assembly Building
2405 Legislative Drive
Regina, SK S4S 0B3

Dear Mr. Speaker:

I have the pleasure and honour to present to you the *Annual Report of the Conflict of Interest Commissioner and Registrar of Lobbyists* for the period of April 1, 2019 to March 31, 2020.

This Report is submitted pursuant to Section 25 of *The Members' Conflict of Interest Act*, Chapter M -11.11, Statutes of Saskatchewan, 1993.

Yours respectfully,

Ronald L. Barclay, Q.C.
Saskatchewan Conflict of Interest Commissioner
and Registrar of Lobbyists

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COMMISSIONER AND REGISTRAR'S MESSAGE

Ronald L. Barclay, Q.C.
Saskatchewan Conflict of Interest Commissioner
and Registrar of Lobbyists

It is an honour and privilege to submit my final annual report as the Conflict of Interest Commissioner and Registrar of Lobbyists for the Province of Saskatchewan.

Although the 2018-2019 report was to have been my last, the final two months of my appointment were unprecedented in that the environment in which we all work was vastly changed due to the Covid19 Pandemic.

As a result, in March 2020 the Board of Internal Economy agreed to extend my term until June 30, 2020. I was honoured and pleased to accept.

Therefore, I now have the pleasure of submitting one more annual report before leaving office.

I wish to reiterate that it has been a distinct pleasure to serve the Members of the Legislative Assembly of Saskatchewan. I thoroughly enjoyed my relationship with the members and I found my experience as Conflict of Interest Commissioner challenging and rewarding.

In my experience, the members who attain high office do so for the right and honourable reasons. They are men and women of integrity and conscience and all are committed to serving their constituents.

The 2019-2020 year saw some interesting events occur at the Office and I am confident this will continue under the guidance and direction of the new Conflict of Interest Commissioner and Registrar of Lobbyists.

WARMEST INTRODUCTION

It is my distinct pleasure to welcome the new Conflict of Interest Commissioner and Registrar of Lobbyists, The Honourable Maurice Herauf, Q.C.

Mr. Herauf has had a very distinguished career and before his retirement, he was a Member of the Saskatchewan Court of Appeal.

Mr. Herauf has extensive experience in the adjudication of complex disputes in all areas of law. He has served in the position of Justice of the Court of Queen's Bench, Justice of the Court of Appeal, Registrar of the Court of Appeal and Registrar in Bankruptcy.

Mr. Herauf has had a number of firsts in his career: he was the first Registrar of the Unified Family Court pilot project and the first media relations officer for the Saskatchewan Court of Appeal.

WELCOME

Speaker of the
Legislative Assembly

speaker@legassembly.sk.ca



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FOR IMMEDIATE RELEASE

News Release

**Maurice Herauf, Q.C. recommended as Conflict of Interest Commissioner and
Lobbyist Registrar for Saskatchewan.**

REGINA, Sask., May 7, 2020 – Speaker of the Legislative Assembly of Saskatchewan, the Honourable Mark Docherty, announced today on behalf of the Board of Internal Economy, that the appointment of Maurice Herauf, Q.C. be recommended to the Legislative Assembly of Saskatchewan for the position of Conflict of Interest Commissioner of Saskatchewan pursuant to section 18(4) of *The Members' Conflict of Interest Act*.

In accordance with Section 2 (q) of *The Lobbyist Act*, the Conflict of Interest Commissioner also serves as the Lobbyist Registrar for the Province of Saskatchewan.

Mr. Herauf has extensive experience in the adjudication of complex disputes in all areas of law. He has served in the positions of Justice of the Court of Queens's Bench, Justice of the Court of Appeal, and Registrar of the Court of Appeal/Registrar of Bankruptcy / Executive Legal Officer and Media Relations Officer to the Court of Appeal for Saskatchewan. He also has extensive experience with administrative and management practices within the Government of Saskatchewan having served as Manager of the License Administration Branch of Saskatchewan, Liquor and Gaming Authority and the Director of the Maintenance Enforcement Branch for Saskatchewan Justice.

Mr. Herauf received the Academic Excellence Award by the Law Society of Saskatchewan in 1987 for the Highest Overall Marks. He was also awarded the Saskatoon Bar Association Prize for the Highest Overall Bar Examination Marks in 1987.

The Hon. Mark Docherty says, "I would like to congratulate Mr. Maurice Herauf and welcome him as an Officer of the Legislative Assembly for Saskatchewan".

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For more information, contact:

Ms. Sheila Sterling, Office of the Speaker
Room 129, Legislative Building
2405 Legislative Drive
Regina, SK S4S 0B3
Email: speaker@legassembly.sk.ca

MANDATES

The Legislative Assembly is assisted in its duties by many officers who fulfill a variety of roles. These include the Officers of the Legislative Assembly who assist the Legislative Assembly in making government accountable and responsive to the public. These officers help to monitor government spending, assist individual citizens with concerns about their treatment by government entities, protect the interests of children, receive concerns about the release of government information and other privacy matters and assist Members of the Legislative Assembly to avoid conflicts of interest.

Conflict of Interest Commissioner

Since 1993, Members of the Legislative Assembly of Saskatchewan have been governed by legislation regarding their conduct as members. *The Members' Conflict of Interest Act* includes specific prohibitions regarding conflicts of interest and the use of insider information. It regulates member participation in government contracts and provides general disclosure requirements for all members.

The Commissioner performs a variety of roles under the Act. One such role is that of assisting members in understanding their obligations under the Act.

To assist in the understanding of their obligations the Commissioner may provide written advice or recommendations. The Commissioner is also available to meet with members to clarify this advice when requested or required.

Each year, members must complete and file a confidential disclosure statement with the Commissioner. From the detailed private disclosure statement, the Commissioner prepares public disclosure statements. The public disclosure statements are deposited with the Clerk of the Legislative Assembly and are available for public inspection.

After filing a private disclosure statement, the member and, if available, the member's spouse must meet with the Commissioner to ensure that adequate disclosure has been made and to obtain advice on the member's obligations under the Act.

The Commissioner may determine that the advice and recommendations provided to individual members have a broader general application and may therefore provide the advice as guidelines to all members.

The Commissioner may also conduct investigations and inquiries under the Act.

In essence, it is the responsibility of the Commissioner to ensure that each member of the Legislative Assembly maintains a high standard of ethical conduct.

Registrar of Lobbyists

In 2014, *The Lobbyists Act* established that the Conflict of Interest Commissioner would also serve as Saskatchewan's Registrar of Lobbyists.

In August 2016 the Saskatchewan lobbyists act came into force. In accordance with the legislation, Ronald L. Barclay, the Conflict of Interest Commissioner, commenced his duties as Registrar of Lobbyists under *The Lobbyists Act*.

The Office of the Registrar of Lobbyists is responsible for designing, implementing and operating the province's lobbyist registry; promoting and educating the general public, stakeholders and the lobbyist community about *The Lobbyists Act*; and ensuring compliance and conformity of lobbyists to *The Lobbyists Act*.

The Registrar provides directions to lobbyists and may conduct an investigation if there is reason to believe one is necessary to ensure compliance with the Act. The Registrar also has the authority to level an administrative penalty up to \$25,000 on those who are found to be in breach of the Act.

SASKATCHEWAN CONFLICT OF INTEREST COMMISSIONER



RESPONSIBILITIES OF THE CONFLICT OF INTEREST COMMISSIONER

The duties of the Commissioner are to:

- Act as an advisor to members to ensure they meet their obligations under the Act;
- Meet with each member at least annually to review the disclosure of the member's financial interests;
- Gather information in response to requests made under the Act; and
- Undertake a formal inquiry into alleged contraventions of the Act.

OBLIGATIONS OF MEMBERS

Persons elected to the Legislative Assembly of Saskatchewan are subject to statutory obligations designed to avoid any conduct that may constitute a conflict of interest on the part of the member. These statutory obligations are set forth in *The Members' Conflict of Interest Act* (the Act).

Members are prohibited from using information that they have acquired as Members of the Legislative Assembly and which is not available to the general public, for the purpose of advancing their private interests or the private interests of a family member or associate.

Additionally, a member must not use his or her position to influence other decision makers to advance the private interest of the member, his or her family or an associate.

Members are prevented by statute from accepting, except in specific circumstances, any gifts or benefits offered to them in respect to carrying out of the member's duties.

ADVISING MEMBERS

The Commissioner's primary role is that of an advisor to members. He encourages all members to consult with him at the earliest possible opportunity if they have questions or concerns about their obligations so that a potential conflict of interest can be avoided.

Requests for opinions come in various forms. Members may have an informal conversation with the Commissioner, or may make a formal request for a written response. After inquiry and research, the Commissioner provides an opinion as to whether there is a conflict. If a member has or may have a conflict of interest, the Commissioner can make recommendations specifying a timeframe for compliance.

It is critical to observe that the Commissioner's mandate only extends to current Members of the Saskatchewan Legislative Assembly

ADVICE AND OPINIONS FROM THE COMMISSIONER

The Commissioner's primary role is that of an advisor to Members.

The Conflict of Interest Commissioner receives enquiries on an interesting variety of matters. For a majority of citizens of the province these matters would pose no real or perceived problem. Members of the Legislative Assembly, however, must deal with matters through a different lens and they rely on this office for guidance.

This is particularly true for new members and the Conflict of Interest Commissioner ensures that he discusses the obligations, responsibilities and expectations of their new role with regard to *The Members' Conflict of Interest Act*.

Further, as cabinet responsibilities change and duties of other government and opposition members are reassigned, MLAs seek advice to avoid any real or perceived conflicts with their new responsibilities.

During this reporting period it was reassuring to see the members seek consultation with me on a variety of topics. Consultations can be initiated through formal means, such as a letter or by a phone call or email enquiry. Either avenue of initiating a consultative conversation reinforces the commitment of members to abide by the spirit and intent of the Act.

Although advice can be provided on any topic, in general, advice sought can generally be characterized within the following categories:

Gifts

Inquiries concerning gifts include whether they can be accepted and under what circumstances.

Eligible gifts received from a single source must be reported when the value is \$200 or more for a single gift or the cumulative value of gifts from a single source reaches that threshold.

Outside Activities

Inquiries regarding outside activities concerning volunteer board activities in community organizations, sponsoring charitable events and attendance at events.

Reporting and Disclosure

What is required to be disclosed to the Commissioner and what becomes public generates a fair number of inquiries. Assets of private companies held by members have always had to be disclosed to the Commissioner but not to the public.

Last year this policy changed and members are now disclosing those assets on the public statement to increase transparency and to ensure public confidence. It is anticipated *The Members' Conflict of Interest Act* will be amended to require a member to publicly disclose a list of the assets of any private company that is controlled by the member or his/her family.

Business and Financial interests

Questions around investments relate to blind trusts, business dealings and personal investments made by the member or his/her family.

Family

Questions regarding family members involve a myriad of issues including the employment or activities of a spouse, child or other family members.

Taking part in decisions

Members often seek advice on when it is appropriate to participate in a decision before the Legislative Assembly, the Executive Council or one of their respective committees. Questions related to personal investments tend to be the most often asked question of the Commissioner.

"My opinions and recommendations are confidential unless released by the Member or with the Member's consent"

PUBLIC DISCLOSURE

In Saskatchewan, within 90 days after an election or by-election and every year by March 31 while they are a member, each member must file a **Member's Private Disclosure Statement** with the Commissioner.

For the 2019 reporting period, I began receiving private disclosure statements on January 16, 2020.

Once the private disclosure statement has been filed, the Member's Public Disclosure Statement is prepared. The next step in the disclosure process requires that all members meet with the Commissioner to review their private disclosure statements and the initial public disclosure statement. This ensures that all the information disclosed is sufficient, accurate and complete.

I begin meeting with members in early March and have all meetings concluded before the end of May. The law mandates that Members' Public Disclosure Statements are filed with the Clerk of the Legislative Assembly. The law reflects that this must be completed by June 30. These disclosure statements are then available for public viewing in the Office of the Clerk during normal office hours. They are also posted on the website of the Saskatchewan Legislative Assembly.

Although my office is downtown I meet with all the members in our legislature building as they each have their own office in that edifice. I am fortunate to have one of my staff who is under contract for 4 months per year work directly out of an office in the legislative building, which greatly simplifies access to members and the disclosure process. He is responsible for performing the administrative duties of this process. He makes the appointments and is the custodian of the files of each Member. He assists me in the preparation of the Public Disclosure Statements.

Due to the pandemic this year I met 26 MLAs in person before the House adjourned and then I interviewed the remaining members by telephone. There are 61 members in the Saskatchewan legislature but two are vacant leaving a total of 59 MLAs.

I am proud to state that during my 10 year term (which ends on June 30, 2020) no member has failed to comply with the deadline prescribed by our legislation in respect to filing their Private Member Disclosure statement.

It is critical to observe that the Commissioner was satisfied that each member was aware of his or her statutory obligations to avoid actual or perceived conflicts of interest in the carrying out of their legislative and executive responsibilities, and each was desirous of observing the letter and spirit of the Act.

GIFTS

Every year all members receive a booklet called “Accepting and Disclosing Gifts: A Guide for Members”. This booklet provides examples of instances when it is appropriate or inappropriate for an MLA to accept gifts and/or benefits. As to when a member can accept gifts is an ongoing concern.

The legislation provides that members are permitted to accept only those gifts or benefits that are received as an incident of protocol, customs or social obligations that normally accompany the responsibilities of office. This applies to gifts given to the member either directly or indirectly. In the absence of protocol, custom or social obligation, the gift is not allowed under section 7 of the *Act*.

Members should avoid circumstances where a reasonable person might conclude that the gift or benefit given was intended to influence the member in carrying out his or her duties.

EDUCATION

CCOIN (Canadian Conflict of Interest Network) is comprised of the various Ethics and Conflict of Interest Commissioners across the country at the federal, provincial and territorial levels of government and primarily those who have jurisdiction over members of legislative bodies.

The organization meets on an annual basis to discuss issues of common interest and to seek the advice and view of colleagues concerning matters related to conflicts of interest and ethics in our changing society.

2019 ANNUAL CONFERENCE

In September 2019, I hosted the annual CCOIN conference in Regina. The theme of the conference was “The Swinging Pendulum” and it focused on how the desire and need for ethics changes with the current environment. I am sure, given today’s world, we can safely say that ethics and integrity in our elected officials is required more than ever.

“The desire for ethics is like a swinging pendulum. Once ethics programs are in place, people say that you don’t need them, they require too much time and money, or we have too much legislation. Then, all of a sudden there are so many scandals. The pendulum itself is the challenge.”

A Strong Foundation. Report of the Task Force on Public Service Values and Ethics, 1996; John C. Tait, Q.C. Chair

As indicated in the 2018-2019 report, some of the topics we discussed were:

- Conflicts and Ethics, actual and perceived post employment
- The Conciliation of Business and Politics – ethical issues
- Methodology of Investigations & Impacts on Timeliness of Reports
- Parliamentary Privilege – a review of recent decisions

I am very pleased to report that the conference was a great success and a number of guest speakers rounded out the fulsome agenda and engaged the participants in challenging discussions.

Our colleague from Alberta, David Jones, Q.C, opened the conference with a heartwarming tribute to Paul Fraser, Q.C, former Conflict of Interest Commissioner for

British Columbia who passed away in March. It was a fitting start to the conference as Paul was a leader amongst the commissioners and was a role model for all of us and the very soul of our association.

The Honourable Madam Justice Georgina Jackson gave the opening address and she spoke at length on Conflicts and Ethics, actual and perceived post employment. This topic was particularly relevant as Saskatchewan is preparing for a general election with some current members indicating they will not be seeking re-election. The Honourable Justice Jackson provided delegates with an analytical framework chart which sets out a number of questions and steps to take into consideration when preparing an opinion as to whether a course of action is, or could be perceived, as a conflict.

*“We are in the realm
of ethics not conflicts of
interest issues per se”*



Retired Senator Raynell Andreychuk was the guest speaker on Day 2 and her topic on Ethics and Integrity in the Senate is relevant in respect to our mandate as Conflict of Interest Commissioners. The Honourable Ms. Andreychuk was instrumental in preparing the Senate Ethics code during the challenging time of the expense scandal and it has been stated by her colleague, Senator Batters, that it is actually the most stringent code in the Commonwealth.



“Affecting worthy change necessitates dedication, integrity, and accountability. As [public office holders], acting in the service of the public, we have a duty to uphold the interests of Canadians, while maintaining democratic legitimacy in exercising our legislative and deliberative responsibilities.”

Other topics discussed included a presentation by members from the Federal Ethics Commissioner office, Mario Dion, on the investigative process for the Prime Minister Justin Trudeau Inquiry and a presentation by David Wake, Q.C, the Ontario Ethics Officer in respect to Premier Doug Ford’s Inquiry. Both presentations illustrated how vital independence is to this office and the importance of being transparent and accountable in dealings with Members.

I would like to take this opportunity to express my esteem for my CCOIN colleagues and their staff and reiterate that the various Commissioners across Canada are highly regarded in their disciplines and are role models for integrity and independence. These independent officers are critical to the democratic process and are integral to accountable government.



Front row (left to right): Rosanne Landry-Richard (NB); Sandra Arberry (SK); Lyne Robinson-Dalpe(Federal)
2nd row (left to right): Cathryn Motherwell (ON); Katherine Peterson, Q.C (Nunavut); Lara Draper (AB); Alyne Mochan (BC); Bruce Chaulk (NFLD); Joseph Kennedy (NS); Marguerite Trussler, Q.C (AB)
Back row (left to right): Melanie Rushworth (Federal); Pierre Legault (Senate); Nathalie Lachance (Que); Jeffrey Schnoor (MB); Ariane Mignolet (Que); John A. McQuaid (PEI); David Phillip Jones (NWT/Yukon); Michael Acquilino (Federal); David Wake (ON); Ron Barclay (SK)

RECOMMENDATIONS FOR LEGISLATIVE AMENDMENTS

In my 2018-2019 Annual Report I suggested a number of legislative amendments to *The Members' Conflict of Interest Act* to increase transparency and facilitate the transition to private life for departing members.

I am pleased to report that as of the writing of this report the government has introduced Bill No. 196, *An Act to Amend The Members' Conflict of Interest Act*. The amendments as brought forward in Bill No. 196 are intended to:

- Add the definition of “gift” or “personal benefit” to include:
 - Money that will not be paid back;
 - A service, hospitality or use of property where there is no charge or a charge below market value; and
 - Any other thing prescribed.
- Deal with disclosing and describing the assets of any private companies controlled by a member or a member’s family in the Member’s Public Disclosure Statement. *Up to this point in time, the members have publically disclosed assets of private companies only as a matter of policy.*
- Require that a former member or departing member file a disclosure statement within 60 days of ceasing to be a member, and this disclosure will be available to the public.
- Permit former members to request an opinion or recommendation from the commissioner during the 12 months following the date the former member ceases to hold office. This would aid former members in their transition to private life without a conflict of interest related to their former status as a MLA.

With the resumption of the legislature, Bill No. 196 has passed and received Royal Assent and the amendments will come into force on a date specified by Order in Council.



Office of the
Registrar of Lobbyists
Saskatchewan

DID YOU KNOW?

The upcoming Provincial General Election affects both Public Office Holders and lobbyists in terms of lobbying.

For purposes of the Lobbyists Act, members of the Saskatchewan Legislative Assembly are no longer public office holders once the election period begins. However, cabinet ministers remain in their position until after the election period is over and a new cabinet minister is appointed, so are still considered public office holders during the election period. Therefore, during the election period a lobbyist does not have to register any lobbying activities on regular MLA's but must continue to register any lobbying activities involving Ministers and the Premier.

Specifically, public office holders and lobbyists should be aware of potential conflicts (real or perceived) in the following election areas.

- Contributions – individuals and charities
- Lobbying Public Office Holders before and during an election
- Working on a campaign
- Advertising – grassroots campaign
- Transition Teams

For further information or clarification, please do not hesitate to contact the Saskatchewan Registrar of Lobbyists at:

srladmin@sasklobbyistregistry.ca OR
(306)787-0800

HISTORY

The Saskatchewan Lobbyists legislation came into force August 23, 2016.

The purpose of *The Lobbyists Act* is to enhance the integrity and accountability of government by fostering openness and transparency about who is attempting to influence decisions made by provincial public office holders.

The Saskatchewan legislation defines lobbying in a manner consistent with the definition in other provinces. In order to be considered lobbying there must be:

- a) Communication with;
- b) A public office holder, by;
- c) A person who is paid to conduct the communication;
- d) In an attempt to influence a government decision or outcome

In Saskatchewan lobbying may be done by consultant lobbyists or in-house lobbyists. If you are characterized as a lobbyist you must create an account on the Lobbyist Registrar's website and then regularly disclose details of your lobbying activities with provincial public office holders by registering this information on the lobbyists' registry. This information becomes available to the public as soon as it has been accepted by the Registrar.

The Saskatchewan Lobbyists Act should be seen as a companion piece to The Members' Conflict of Interest Act with the similar goal of building public confidence in democratic institutions.

REGISTRY NEWS

Lobbying can occur in both planned and unplanned scenarios. The purpose of the legislation and registry is to capture all instances of lobbying. Public office holders are empowered to remind lobbyists to register their activities and approach the Office of the Registrar of Lobbyists in cases of non-compliance.

The disclosure of lobbying activities occurs through the online public Registry. The lobbyist registry is one tool available to stakeholders to ensure lobbying activities are transparent and public office holders are accountable. This registry is available online 24/7 @ www.sasklobbyistregistry.ca

I have always maintained that the Registry provides a good snapshot into current issues and topics that are affecting Saskatchewan. A perfect example of this is that the coronavirus/COVID-19 pandemic had a marked effect on the activity and number of lobbyists communicating with public office holders. The registry saw an increase in active registrations over the March-May 2020 period and the number of **new** lobbyists and organizations lobbying public office holders also increased.

During the March-May 2019 period the top 3 subject matters most lobbied on were:

Subject Matter Mar-19	Subject Matter Apr-19	Subject Matter May-19
Economic Development 80	Economic Development 85	Economic Development 89
Finance & Budget 65	Finance & Budget 66	Finance & Budget 68
Health & Wellness 60	Health & Wellness 63	Health & Wellness 64

During the March-May 2020 period the top 3 subject matters most lobbied on were:

Subject Matter Mar-20	Subject Matter Apr-20	Subject Matter May-20
Economic Development 86	Economic Development 86	Economic Development 92
Finance & Budget 66	Finance & Budget 66	Health & Wellness 71
Environment 63	Health & Wellness 66	Finance & Budget 66

EDUCATION AND OUTREACH

The Saskatchewan Provincial General Election will be in the fall of 2020. In last year's annual report we included a section titled "Of Interest" which showed the inter-relationship between the COIC and Lobbyists mandate, along with the comment that this relationship raised some issues that needed to be examined prior to the next provincial general election.

Inter-relationship between COIC and Lobbyists mandate

Aside from the usual questions received from lobbyists and non-elected public office holders there was a flurry of activity in January and February from persons campaigning for the various leadership candidates for the Saskatchewan Party. The question surrounded the various transition teams and whether participating on a team would affect a person's ability to lobby after the new leader was elected.

These conversations reinforced our position that the dual role of Conflict of Interest Commissioner and Registrar of Lobbyists is compatible. It also raised issues that will need to be revisited prior to the next provincial general election.

Recognizing that the general election will create the need for specific, election related materials in order to ensure stakeholders understand the rules and regulations surrounding lobbying prior to and during an election, this office encourages lobbyists and Public Office Holders to contact us for any elections related questions.

It is critical that lobbyists and public office holders understand and comply with their obligations during the election in order to ensure compliance and avoid conflicts of interest.

RECOMMENDATIONS FOR LEGISLATIVE AMENDMENTS

Status of Recommendations

In my 2018-2019 Annual Report I suggested a number of legislative amendments to *The Lobbyists Act* to enhance the integrity and accountability of government by fostering openness and transparency about who is attempting to influence decisions made by provincial public office holders.

I am pleased to report that the government has introduced Bill No. 195, An Act to Amend the Lobbyists Act which does address some of the recommendations made in last year's annual report. The amendments as brought forward in Bill No. 195 are intended to:

- Reduce the number of hours from 100 to 30 as the threshold upon which an “in-house” lobbyist is required to register and report their activities
- Require charitable non-profit organizations to now register unless they have less than 5 lobbyists whose combined lobbying is less than 30 hours per year
- Define the term “gifts or personal benefits” and prohibit lobbyists from providing gifts to government officials except as a matter of protocol or social obligations and then the value of those gifts must not exceed \$200.

With the resumption of the legislature, Bill No. 195 has passed and received Royal Assent and the amendments will come into force on the date specified by Order in Council.

FINANCIAL STATEMENT

The fiscal year for the office runs from April 1, 2019 – March 31, 2020.

The Commissioner is always conscious of expending public funds and strives to conduct the administration of this office in an efficient and economical manner.

Financial transactions are subject to audit by the Office of the Provincial Auditor.



July 9, 2020

Responsibility for the Financial Statements

The accompanying financial statements are the responsibility of the Office of the Conflict of Interest Commissioner and Registrar of Lobbyists (Office). The financial statements have been prepared in accordance with Canadian public sector accounting standards.

The Office maintains appropriate systems of internal control, including policies and procedures which provide reasonable assurance that the Office's assets are safeguarded and that financial records are relevant and reliable.

The Provincial Auditor of Saskatchewan conducts an independent audit of the financial statements. Her examination is conducted in accordance with Canadian generally accepted auditing standards and includes tests and other procedures which allow her to report on the fairness of the financial statements.



Maurice Herauf, Q.C
Saskatchewan Conflict of Interest Commissioner
and Registrar of Lobbyists.

OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER

FINANCIAL STATEMENTS

For the Year Ended March 31, 2020

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We audited the financial statements of the Office of the Conflict of Interest Commissioner, which comprise the statement of financial position as at March 31, 2020, and the statements of operations and accumulated surplus, changes in net debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office of the Conflict of Interest Commissioner as at March 31, 2020, and the results of its operations, changes in its net debt, and its cash flows for the year ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Office of the Conflict of Interest Commissioner in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or any knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Office of the Conflict of Interest Commissioner's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Office of the Conflict of Interest Commissioner or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office of the Conflict of Interest Commissioner's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Conflict of Interest Commissioner's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of the Conflict of Interest Commissioner's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office of the Conflict of Interest Commissioner to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

Regina, Saskatchewan
July 9, 2020

Judy Ferguson, FCPA, FCA
Provincial Auditor
Office of the Provincial Auditor

**OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31**

	<u>2020</u>	<u>2019</u>
Financial assets		
Due from General Revenue Fund	\$ <u>35,466</u>	\$ <u>38,797</u>
Liabilities		
Accounts payable and accrued liabilities	12,531	25,822
Accrued leave entitlements	<u>22,935</u>	<u>12,975</u>
	35,466	38,797
Net debt (Statement 3)	<u>-</u>	<u>-</u>
Non-financial assets		
Tangible capital assets (Note 3)	129,942	154,189
Prepaid expenses	<u>1,174</u>	<u>-</u>
Accumulated surplus (Statement 2)	\$ <u><u>131,116</u></u>	\$ <u><u>154,189</u></u>
Contractual obligations (Note 8)		

(See accompanying notes to the financial statements)

**OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31**

	<u>2020</u>		<u>2019</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 4)		
Revenues			
General revenue fund appropriation	\$ 557,000	\$ 521,375	\$ 508,473
Miscellaneous revenue	-	8,548	-
Total revenue	<u>557,000</u>	<u>529,923</u>	<u>508,473</u>
Expenses			
Salaries	359,000	378,960	357,783
Contractual services	49,440	36,466	27,177
Office space and equipment rentals	46,325	40,925	40,059
Travel	12,610	7,547	12,993
Amortization (Note 3)	-	24,247	32,209
Advertising and printing	12,000	20,267	1,142
Office supplies and expenses	6,875	4,965	6,013
Dues and fees	3,330	3,158	4,073
Communication	5,900	5,383	5,706
Repairs and maintenance	61,520	31,078	27,695
Total expenses	<u>557,000</u>	<u>552,996</u>	<u>514,850</u>
Operating (deficit) surplus for the year	\$ <u>-</u>	<u>(23,073)</u>	<u>(6,377)</u>
Accumulated surplus, beginning of year		<u>154,189</u>	<u>160,566</u>
Accumulated surplus, end of year (Statement 1)		\$ <u>131,116</u>	\$ <u>154,189</u>

(See accompanying notes to the financial statements)

**OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER
STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED MARCH 31**

	<u>2020</u>	<u>2019</u>
Operating (deficit) surplus for the year	\$ <u>(23,073)</u>	\$ <u>(6,377)</u>
Acquisition of tangible capital assets (Note 3)	-	(25,832)
Amortization of tangible capital assets (Note 3)	<u>24,247</u>	<u>32,209</u>
	<u>24,247</u>	<u>6,377</u>
Decrease (increase) in prepaid expense	(1,174)	-
	<u>23,073</u>	<u>6,377</u>
Decrease (increase) in net debt	-	-
Net debt, beginning of year	<u>-</u>	<u>-</u>
Net debt, end of year (Statement 1)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

(See accompanying notes to the financial statements)

**OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31**

	<u>2020</u>	<u>2019</u>
Cash from (used in) operating activities:		
General Revenue Fund appropriation received	\$ 524,705	\$ 503,003
Miscellaneous revenue received	8,548	-
Salaries paid	(369,000)	(355,922)
Supplies and other expenses paid	<u>(164,253)</u>	<u>(121,249)</u>
Cash from operating activities	<u>-</u>	<u>25,832</u>
Cash from (used in) capital activities:		
Acquisition of tangible capital assets (Note 3)	<u>-</u>	<u>(25,832)</u>
Cash used in capital activities	<u>-</u>	<u>(25,832)</u>
Increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes to the financial statements)

**OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

1. Authority and Description of Operations

The *Members' Conflict of Interest Act* establishes the Office of the Conflict of Interest Commissioner. The Commissioner is an officer of the Legislative Assembly and is appointed by resolution of the Assembly. The mandate of the Office is to coordinate disclosure of assets held by Members, provide advice on conflict of interest issues, conduct inquiries and provide opinions on compliance with the *Members' Conflict of Interest Act* if requested by a Member, the President of Executive Council or the Legislative Assembly. The Conflict of Interest Commissioner also serves as the Lobbyist Registrar and oversees the lobbyist registry, promotes and educates the general public, stakeholders, and the lobbyist community about *The Lobbyist Act* and ensures compliance and conformity of lobbyists to *The Lobbyist Act*. Under the provisions of *The Lobbyist Act*, the Conflict of Interest Commissioner promotes transparency about people and organizations who are attempting to influence government decision making.

2. Significant Accounting Policies

The Office uses Canadian public sector accounting standards to prepare its financial statements. These statements do not include a Statement of Remeasurement Gains or Losses as the Office has no activities that give rise to remeasurement gains or losses. As a result, its accumulated surplus is the same as its accumulated operating surplus. The following accounting policies are considered to be significant.

(a) Revenue

The Office receives an appropriation from the General Revenue Fund to carry out its work. General Revenue Fund appropriations are included in revenue when amounts are spent or committed.

(b) Tangible Capital Assets

Tangible capital assets are reported at cost less accumulated amortization. Tangible capital assets are capitalized when the purchase amount is at or above the thresholds noted below for each category and amortized on a straight-line basis over the indicated time period:

Computer Hardware	\$1,000 / 5 years
Computer Software	\$1,000 / 5 years
Furniture and Equipment	\$1,000 / 5 years
Leasehold Improvements	\$1,000 / Lesser of remaining useful life or current lease term
System Development	\$1,000 /10 years

(c) Sick Leave Benefit Obligation

The Office has an obligation to record a sick leave benefit obligation based on accumulated employee sick leave entitlements. A liability for vesting or accumulating sick leave is recorded in the year the employee provides services in return for the sick leave benefits. This liability is only recorded if it is expected to be significant to the organization.

3. Tangible Capital Assets

	2020				Total 2020	Total 2019
	Hardware & Software	Equipment & Furniture	System Development	Leasehold Improvements		
Cost, April 1	\$ 12,875	\$ 19,695	\$ 233,874	\$ 60,063	\$ 326,507	\$ 300,674
Additions		-	-	-	-	25,832
Disposals	-	-	-	-	-	-
Cost, March 31	<u>12,875</u>	<u>19,695</u>	<u>233,874</u>	<u>60,063</u>	<u>326,507</u>	<u>326,506</u>
Accumulated amortization, April 1	8,141	17,799	86,315	60,063	172,318	140,108
Annual amortization	1,314	887	22,046	-	24,247	32,209
Adjustment for disposals	-	-	-	-	-	-
Accumulated amortization, March 31	<u>9,455</u>	<u>18,686</u>	<u>108,361</u>	<u>60,063</u>	<u>196,565</u>	<u>172,317</u>
Net Book Value, March 31	<u>\$ 3,420</u>	<u>\$ 1,009</u>	<u>\$ 125,513</u>	<u>\$ -</u>	<u>\$ 129,942</u>	<u>\$ 154,189</u>

**OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

4. Budget

These amounts represent funds approved by the Legislative Assembly to enable the Commissioner to carry out his duties under *The Members' Conflict of Interest Act and The Lobbyist Act*. The Office's expenditures are limited to the amount appropriated to it by the Legislative Assembly.

The amount appropriated for the year was \$557,000.

5. Lapsing of Appropriation

The Office follows *The Financial Administration Act, 1993* with regards to its spending. If the Office spends less than its appropriation by March 31, the difference is not available to acquire goods and services in the next fiscal year.

6. Costs Borne by Other Agencies

The Office has not been charged with certain administrative costs and employee benefit costs. These costs are borne by the Legislative Assembly and the Ministry of Finance. No provision for these costs has been made in these financial statements.

7. Financial Instruments

The Office's financial instruments include Due from the General Revenue Fund and accounts payable and accrued liabilities. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no significant interest rate or credit risk.

8. Contractual Obligations

On August 14, 2017 the Office signed a new Accommodation Space and Services Agreement (ASSA) covering the period September 1, 2018 to August 31, 2023. Annual commitments under the signed lease agreement for fiscal 2020-21 are projected to be \$33,864.

On January 11, 2016, the Office signed an agreement for licence, maintenance and support services to the Lobbyist Registry for the period January 4, 2016 to March 31, 2021. Annual commitments under the signed agreement are \$17,277 for fiscal year 2020-21.

9. Pension Plan

The Office participates in a defined contribution pension plan for the benefit of its employees. The Office's financial obligation of the plan is limited to making payments of 5% of employee's salaries for current service. Pension costs are not included in the Office's financial statements as the costs are borne by other agencies (Note 6).

10. Impact of COVID-19 Pandemic

The COVID-19 pandemic is complex and rapidly evolving. It has caused material disruption to businesses and has resulted in an economic slowdown. The Office continues to assess and monitor the impact of COVID-19 on its financial condition, including the likelihood of increased expenses as a direct result of this crisis. The magnitude and duration of COVID-19 is uncertain and, accordingly, it is difficult to reliably measure the potential future impact on the Office's financial position and operations.

